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.

No. 84345

Electronically Filed
Aug 25 2022 02:48 p.m.
Elizabeth A. Brown
Clerk of Supreme Court

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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. 84640

JOINT APPENDIX, VOLUME NO. 83

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Attorneys for City of Las Vegas

CASE #	17-176	SUBJECT PARCEL INFORMATION	FISCAL YEAR	2017/2018

APN	138-31-801-002 et all	Location	Charleston and Rampart	Zoning Designation	R-PD7	Vacant	Yes
Size (acres)	178.27 Gross / 178.27 Net	Size (sq ft)	7,765,441	Probable Use	RESIDENTIAL	Offsites	Partial
General Description	This appeal includes the following parcels that are active for the 17-18 tax year: 138-31-801-002, 138-31-201-005, 138-31-601-008, 138-31-702-003, 138-31-702-004. Approx 26.4% of the gross acreage is in wash. Parcels are located within the former Badlands Golf Course ner the corner of Charleston and Rampart					Density	7 DU/AC

COMPARABLE LAND SALES GRID

Sale No.	1	2	3	4	5	6	7	8
Parcel #	137-27-717-001	175-01-510-001	176-06-310-001	176-06-814-001	138-19-419-009	164-02-510-003	163-19-111-002	163-19-402-007
Buyer	RYLAND HOMES NEVADA	Pardee Homes	RICHMOND AMERICAN H	PARDEE HOMES NEVADA	A L F LAND CO L L C	CHARLESTON 215 L L	C R P CALIDA FLAMIN	GRAND CANYON TROPIC
Seller	HUGHES HOWARD COMP	HUGHES HOWARD COMP	HUGHES HOWARD COMP	HUGHES HOWARD COMP	Crossing Business C	S A V W C L III L L	BURBANK L L C	SOROOSH FARHANG REV
Date of Sale	5/20/2016	6/7/2016	9/9/2016	10/7/2016	7/13/2016	2/1/2016	3/25/2016	10/7/2016
Sale Price	$10,115,200	$16,872,000	$15,000,000	$14,855,550	$2,212,500	$16,650,000	$11,690,000	$6,100,000
Cross Streets	Far Hills / Fox Hill	Hualapai / Sunset	Warm Sprin / Ft. Apache	Fort Apach / Warm Sprin	Summerlin / Town Cente	Charleston / Hughes Par	Flamingo / Hualapai	Tropicana / Hualapai
Acres	18.56	33.44	30.86	30.63	3.53	31.46	11.69	9.22
$/Acre	545,000	504,545	486,066	485,000	626,771	529,243	1,000,000	661,605
Time/Market/Other Adj.*								
Adjusted $/Acre	545,000	504,545	486,066	485,000	626,771	529,243	1,000,000	661,605
Location	Summerlin West	Summerlin South +	Summerlin South +	Summerlin South +	Summerlin East	Summerlin South	Southwest	Southwest
Zoning/Probable Use	P-C	R2/RH	R-E/MDP	R-E/MDP	P-C	R-U/RM	C-2/CG	R-E/ROI R-5
Density (maximum)	5.6-12 du/acre	5.6-12 du/acre	5.6-12 du/acre	5.6-12 du/acre	26 du/acre	25 du/acre	25 du/acre	50 du/acre
Size	18.56 Acres	33.44 Acres	30.86 Acres	30.63 Acres	3.53 Acres	31.46 Acres	11.69 Acres	9.22 Acres
Shape	Regular	Irregular	Regular	Regular	Regular	Irregular	Regular	Regular
Topography	Level -	Undulating -	Level -	Level -	Level -	Undulating -	Level -	Level -
Access	Typical	Typical	Typical	Typical	Typical	Typical	Typical	Typical
Offsites	Full	Partial	Partial	Partial	Partial	Partial	Partial	Partial
Overall Comparison to Subject	SUPERIOR	SIMILAR	SIMILAR	SIMILAR	SUPERIOR	SUPERIOR	SUPERIOR	SUPERIOR

* Analysis of Market Conditions Adjustment attached.

RECONCILIATION

INDICATED VALUE RANGE OF COMPARABLES	485,000	TO	1,000,000	PER ACRE	
CURRENT TAXABLE VALUE OF SUBJECT	386,143	PER ACRE		TOTAL TXBL LAND VALUE	68,837,790
RECOMMEND	386,143	PER ACRE		TOTAL TXBL LAND VALUE	NO CHANGE

RECONCILIATION COMMENTS

This appeal consists of 5 total parcels with gross acreages of: 11.28, 34.07, 22.19, 76.93, 33.80. For a total of 178.27 acres. Approx. 26.4% of these parcels or about 47.15 acres lie in washes and are not valued, approx. 24% of these parcels lie within the FEMA flood zone. Gross acreage value for these parcels is approx. $386,143 per acre. Comps 1 thru 4 have similar zoning to the subject's PD-7 with 1 being most similar in location. Comps 5 thru 8 have higher zoning similar to the R-3 zoning approved by the Las Vegas City Council on parcel 138-32-301-005. Based on the information provided recommend no change in value.

001185

Clark County Assessor's Office

Case #: 17176
180 LAND CO L L C

Subject(s):
S. 138-31-201-005
S2. 138-31-601-008
S3. 138-31-702-003
S4. 138-31-702-004
S5. 138-31-801-002

1:10,000
Date: 8/1/2017

Legend
Subject
Comparable

Aerial Map (NearMap 08/02/2016)

001186

0416

14459

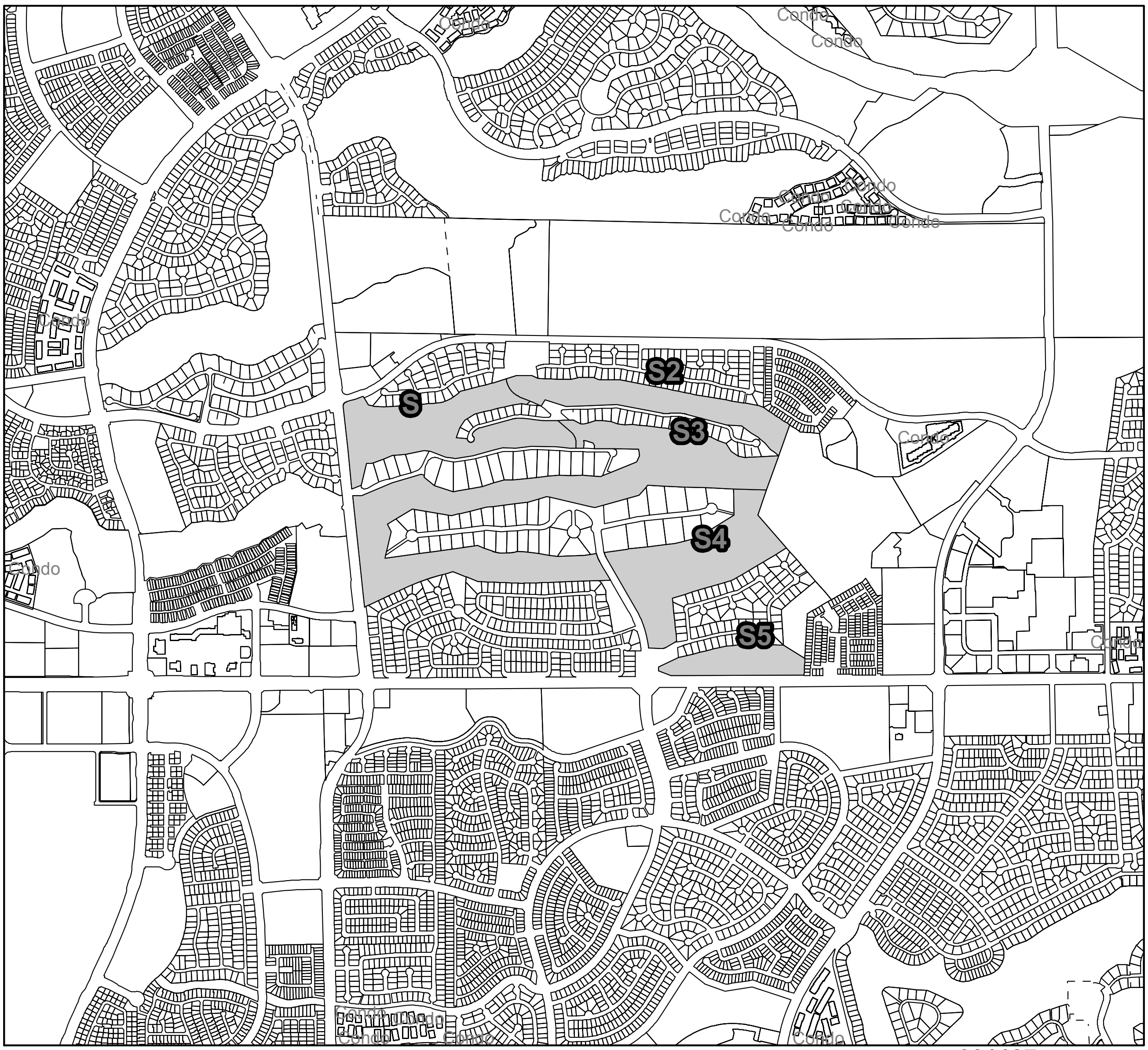
Clark County Assessor's Office

Case #: 17176
180 LAND CO L L C

Subject(s):
S. 138-31-201-005
S2. 138-31-601-008
S3. 138-31-702-003
S4. 138-31-702-004
S5. 138-31-801-002

1:20,000
Date: 8/1/2017

Legend
Subject
Comparable



Subject Map

001187

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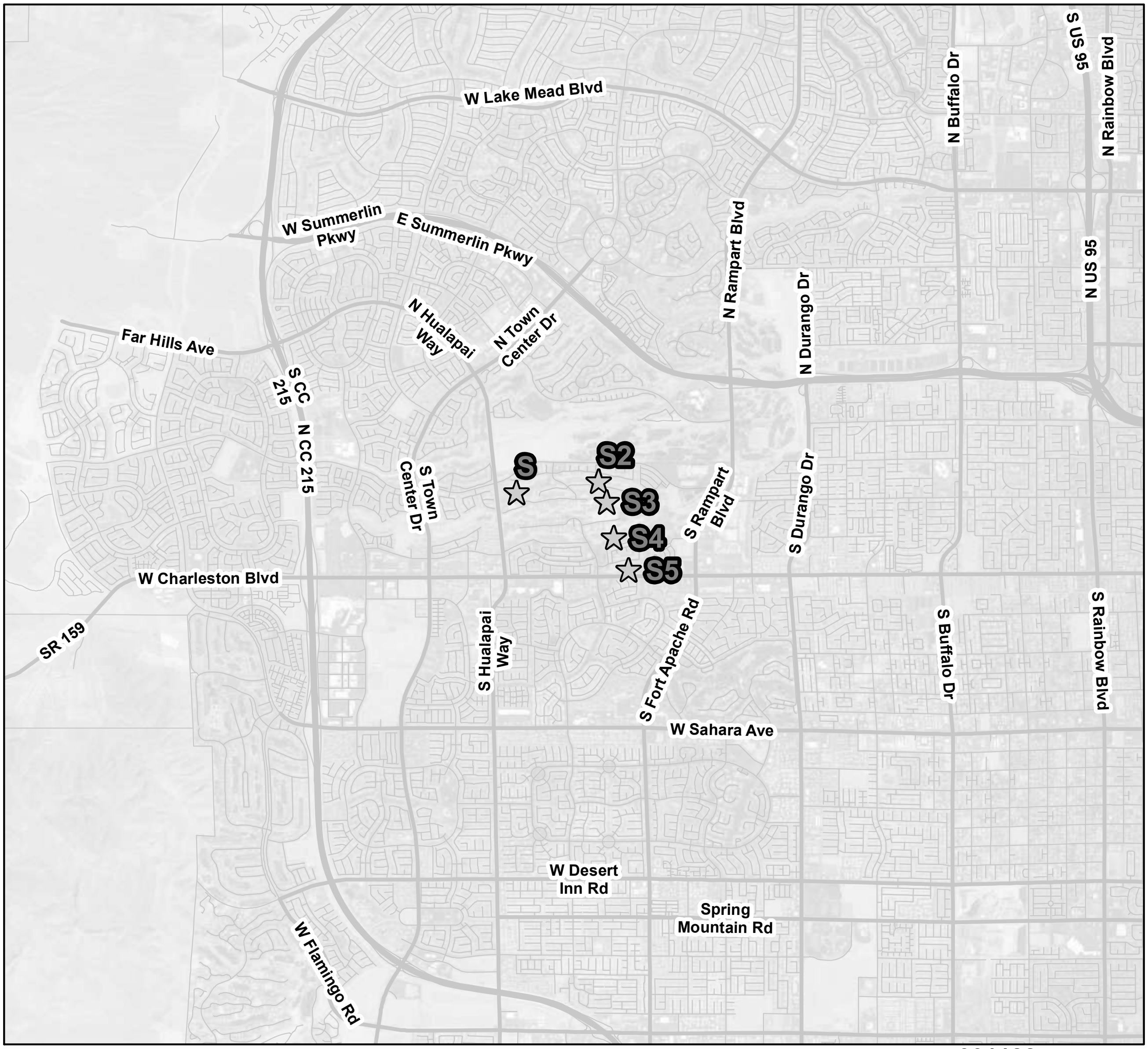
Clark County Assessor's Office

Case #: 17176
180 LAND CO L L C

Subject(s):
S. 138-31-201-005
S2. 138-31-601-008
S3. 138-31-702-003
S4. 138-31-702-004
S5. 138-31-801-002

1:60,000
Date: 8/1/2017

Legend
☆ Subject
☆ Comparable



Vicinity Map

001188

0418

14461

Clark County Assessor's Office

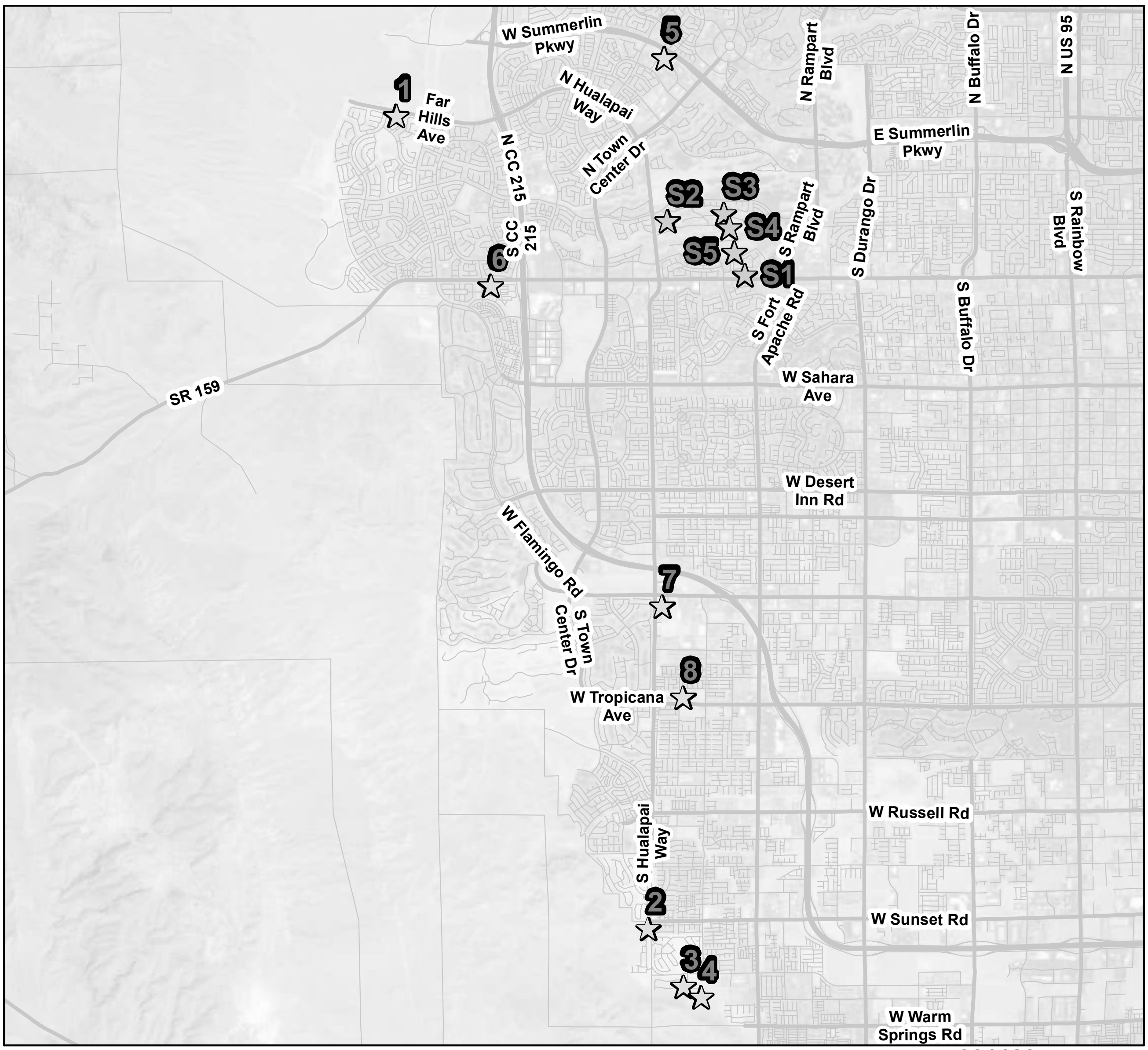
Case #: 17176
180 LAND CO L L C

Subject(s):
S1. 138-31-801-002
S2. 138-31-201-005
S3. 138-31-601-008
S4. 138-31-702-003
S5. 138-31-702-004

Comparable(s):
1. 137-27-717-002
2. 175-01-512-001
3. 176-06-311-001
4. 176-06-312-001
5. 138-19-419-009
6. 164-02-510-007
7. 163-19-111-002
8. 163-19-402-007

1:86,158
Date: 9/5/2017

Legend
☆ Subject
☆ Comparable



Vicinity Map

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Exhibit 16

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:
Active
Taxable

Property Characteristics	
Tax Cap Increase Pct.	6.7
Tax Cap Limit Amount	218977.44
Tax Cap Reduction	0.00
Land Use	0-00 Vacant - Single Family Re
Cap Type	OTHER
Acreage	34.0700
Exemption Amount	0.00

Property Values	
Land	6260363
Total Assessed Value	6260363
Net Assessed Value	6260363
Exemption Value New Construction	0
New Construction - Supp Value	0

Property Documents	
2015111600238	11/16/2015

Role	Name	Address	Since	To
Owner	180 LAND CO L L C	C/O V DEHART 1215 S FORT APACHE RD #120 , LAS VEGAS, NV 89117 UNITED STATES	6/14/2019	Current

Summary	
Item	Amount
Taxes as Assessed	$205,227.22
Less Cap Reduction	$0.00
Net Taxes	$205,227.22

PAST AND CURRENT CHARGES DUE TODAY		
Tax Year	Charge Category	Amount Due Today
THERE IS NO PAST OR CURRENT AMOUNT DUE as of 9/2/2020		$0.00

NEXT INSTALLMENT AMOUNTS		
Tax Year	Charge Category	Installment Amount Due
2021	Property Tax Principal	$51,306.81
NEXT INSTALLMENT DUE AMOUNT due on 10/5/2020		$51,306.81

TOTAL AMOUNTS DUE FOR ENTIRE TAX YEAR		
Tax Year	Charge Category	Remaining Balance Due
2021	Property Tax Principal	$153,920.43
2021	Las Vegas Artesian Basin	$0.00
TAX YEAR TOTAL AMOUNTS DUE as of 9/2/2020		$153,920.43

PAYMENT HISTORY	
Last Payment Amount	$51,309.21
Last Payment Date	8/19/2020

Fiscal Tax Year Payments	$51,309.21
Prior Calendar Year Payments	$205,228.96
Current Calendar Year Payments	$153,922.83

Exhibit 17

OWNER(S)/MAIL TO	SITUS		138-31-201-005	Printed: 8/15/2017
180 LAND CO L L C %V DEHART 1215 S FORT APACHE RD #120 LAS VEGAS NV, 89117 NV	LAS VEGAS			Page: 1 of 2
	PARCEL STATUS	A Active - Locally Assessed Parcel		2017/18
	NEIGHBORHOOD	1351.73 Summerlin East		
	PRIMARY USE	12.000 Vacant - Single Family Residential		

LAND ACRES	34.07	LAND SQUARE FEET	1,484,089

LEGAL DESCRIPTION
PARCEL MAP FILE 121 PAGE 100 LOT 1

SUMMARY OF TAXABLE VALUES

FISCAL YEAR	2013-14	2014-15	2015-16	2016-17	2017-18 (WORKING)
VALUE TYPE					BLCM
LAND					$17,886,750
SUBDIVISION DISCOUNT					
NET LAND					$17,886,750
IMPROVEMENTS					
SUPPLEMENTAL					
COMMON ELEMENT					
TOTAL IMPROVEMENT					
SECURED PERSONAL PROP					
PARCEL TOTAL					$17,886,750
EXEMPTION TOTAL					

SALES HISTORY

TYPE	SALE DATE	SALE PRICE	DEED BOOK	PAGE	GRANTOR	GRANTEE

LAND APPRAISAL

#	CODE	LAND CATEGORY	ZONING	UNIT TYPE	FF	DEPTH	UNITS	UNIT PRICE	TOTAL ADJ	ADJ UNIT PRICE	ADJ VALUE	OVERD VALUE	NOTES
1	1R01	Residential		AC			34.07	$525,000.00	[+] 1.0000	$525,000.00	$17,886,750		

CODE	ADJUSTMENT	TYPE	ADJ %	ADJ VALUE	ADJ NOTE	CODE	ADJUSTMENT	TYPE	ADJ %	ADJ VALUE	ADJ NOTE

LAND - GOLF COURSE/AG/OPEN SPACE

CLASSIFIED AG/GOLF COURSE

#	CODE	LAND CATEGORY	TYPE	UNITS	UNIT PRICE	ADJ	ADJ UNIT PRICE	ADJ VALUE

CODE	ADJUSTMENT	TYPE	ADJ %	ADJ VALUE	ADJ NOTE

MARKET AG/GOLF COURSE

#	CODE	LAND CATEGORY	TYPE	UNITS	UNIT PRICE	ADJ	ADJ UNIT PRICE	ADJ VALUE

CODE	ADJUSTMENT	TYPE	ADJ %	ADJ VALUE	ADJ NOTE

IMPROVEMENTS

PROJECT NAME:

TYPE	BLDG	BUILDING TYPE	CL/Q	RNK	AYB	EYB	STY	HGT (BUILDING COUNT)	UNITS (BUILDING COUNT)	BSMT	MEZZ	SPRK (SECTION COUNT)	%CMP (SECTION COUNT)	SQFT (SECTION COUNT)	TOTAL RCNLD

PERMITS

TYPE	DESCRIPTION	COUNT	STATUS

ACCOUNT FLAGS

CAT	TYPE	VAL
PAR	Parcel Land Use	12.000
CONV	Capacity	0

001182

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OWNER(S)/MAIL TO	SITUS		138-31-201-005	Printed: 8/15/2017
180 LAND CO L L C %V DEHART 1215 S FORT APACHE RD #120 LAS VEGAS NV, 89117 NV	LAS VEGAS			Page: 2 of 2
	PARCEL STATUS	A Active - Locally Assessed Parcel		2017/18
	NEIGHBORHOOD	1351.73 Summerlin East		
	PRIMARY USE	12.000 Vacant - Single Family Residential		
	BUILDING(S)	No Buildings		

BLDG./SECTION							NOTES
PROJECT NAME							
OCCUPANCY							
CLASS / RANK							
YR BLT / EFF YR BLT							
% COMPLETE							
BUILDING SF							
PERIMETER							
WALL HEIGHT							
# STORIES							
# UNITS							
EXT. WALL							
HEATING/COOLING	/						
HEATING/COOLING	/						
HEATING/COOLING	/						
HEATING/COOLING	/						
SPRINKLERS							
ELEVATORS							
BALCONY							
FINISHED BSMT.							
UNIFIN. BSMT.							
SEMI FIN. BSMT.							
BSMT. PARKING							
OFFICE MEZZ							
STORAGE MEZZ							
OPEN MEZZ							
							TOTALS
RCN $ PER SF							RCN
RCN							
DEPR STATUTORY/TOT	/						
BLDG. RCNLD							RCNLD
BLDG. OVERRIDE							
EXTRA FEATURES							Extra Features
TOTAL RCNLD							IMPS VALUE

CODE	DESCRIPTION	BLDG	UNITS	UNIT PRICE	FAC	ADJ UNIT PR	AYB	EYB	RCN	DEPR%	RCNLD	NOTES	PI	PPID

001183

0423

14468

Exhibit 18

STATE OF NEVADA
STATE BOARD OF EQUALIZATION

BRIAN SANDOVAL
Governor

1550 College Parkway, Suite 115
Carson City, Nevada 89706-7921
Telephone (775) 684-2160
Fax (775) 684-2020

DEONNE E. CONTINE
Secretary

In the Matter of	Case Nos. 17-175; 17-176; 17-177
Fore Stars LTD, 180 Land Co LLC, and Seventy Acres, LLC **PETITIONERS**	
Michele Shafe, Clark County Assessor **RESPONDENT**	

Received
DEC 08 2017
Accounting Department

NOTICE OF DECISION

Appearances

Andrew Glendon, appeared on behalf of Fore Stars LTD, 180 Land Co LLC, and Seventy Acres, LLC (Taxpayers).

Jeff Payson appeared on behalf of the Clark County Assessor (Assessor).

Summary

The matter of the Taxpayers' direct appeal of conversion of golf course property came before the State Board of Equalization (State Board) on October 17, 2017 via telephone conference in Carson City, Nevada. The cases were consolidated at the request of the parties.

The Assessor and Mr. Glendon presented the State Board with a signed stipulation for review and approval of the State Board for each case number.

DECISION

The State Board, having considered the signed stipulations, hereby approves, by unanimous vote, the signed stipulations presented by the Department. The stipulations provide that the Taxpayers stipulated to and accepted the Assessor's determinations with the Taxpayers reserving their rights to appeal the 2017/2018 tax year valuations.

BY THE STATE BOARD OF EQUALIZATION THIS 30th DAY OF NOVEMBER, 2017.

Deonne E Contine

Deonne Contine, Secretary
DC/jm

Submitted at City Council
Date 5/16/18 Item 71 for (74-83)
By: MARK Hutchison

004220

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14470

CERTIFICATE OF SERVICE
Fore Stars Ltd Case No. 17-175, 176, 177

I hereby certify on the 30th day of November 2017, I served the foregoing Findings of Fact, Conclusions of Law, and Decision by placing a true and correct copy thereof in the United States Mail, postage prepaid, and properly addressed to the following:

CERTIFIED MAIL: 7013 1090 0000 7280 8415
PETITIONER'S REPRESENTATIVE
17-175
FORE STARS LTD
ANDREW J GLENDON
C/O SANTORO WHITMIRE LTD
10100 W CHARLESTON BLVD SUITE 250
LAS VEGAS NV 89135

CERTIFIED MAIL: 7013 1090 0000 7280 8460
RESPONDENT
17-175
MS. MICHELE SHAFE
CLARK COUNTY ASSESSOR
500 SOUTH GRAND CENTRAL PARKWAY 2ND FLOOR
LAS VEGAS NV 89155-1401

Copy: Clark County Clerk
Clark County Comptroller
Clark County Treasurer

Christina Griffith
Christina Griffith, Program Officer
Department of Taxation
State Board of Equalization

MICHELE W. SHAFE
Clark County Assessor
APPRAISAL DIVISION
500 S. Grand Central Pkwy, PO Box 561401, Las Vegas NV 89155-1401
Telephone 702-455-4997
www.ClarkCountyNV.gov/assessor

Stipulation for the State Board of Equalization

September 21, 2017

180 Land Co LLC ("Taxpayer")
1215 S Fort Apache Road #120
Las Vegas, Nevada 89117

RE: Appeal No. 17-176
Parcel No(s). 138-31-801-002; 138-31-201-005; 138-31-601-008;
138-31-702-003; 138-31-702-004; 138-31-712-004 (collectively "Land")

The Appraisal Division of the Clark County Assessor's Office ("Assessor," and together with Taxpayer, the "Parties") has completed the review of the above referenced parcels and the Assessor has determined as follows ("Assessor Determinations"):

(1) The Land was used as a golf course and therefore, under NRS 361A.170, designated and classified as open-space real property and assessed as an open-space use.

(2) The Land ceased to be used as a golf course, as defined in NRS 361A.0315, on December 1, 2016. Therefore, the Land no longer falls within the definition of open-space real property, as defined in NRS 361A.040, and is no longer deemed to be used as an open-space use under NRS 361A.050. In accordance with NRS 361A.230, the Land has been disqualified for open-space use assessment.

(3) The Land has been converted to a higher use in accordance with NRS 361A.031. Therefore, the deferred taxes are owed as provided in NRS 361A.280.

Taxpayer stipulates to and accepts the Assessor Determinations. Notwithstanding the foregoing, the Parties agree that the Petitioner reserves its right to appeal the 2017/2018 tax year valuation of the applicable parcels identified above, in accordance with NRS 361.310.

By signing below, Taxpayer agrees to the above stipulation.

DATE: 9-25-17

Jeff Payson
Appraisal Division

DATE: 9/25/17

Vickie DeHart, as Manager of
EHB Companies LLC, its Manager
Taxpayer: 180 Land Co LLC.

004222

0426

14472

MICHELE W. SHAFE
Clark County Assessor
APPRAISAL DIVISION
500 S. Grand Central Pkwy, PO Box 561401, Las Vegas NV 89155-1401
Telephone 702-455-4997
www.ClarkCountyNV.gov/assessor

Stipulation for the State Board of Equalization

September 21, 2017

Seventy Acres LLC ("Taxpayer")
1215 S Fort Apache Road #120
Las Vegas, Nevada 89117

RE: Appeal No. 17-177
Parcel No(s). 138-31-801-003; 138-32-301-005; 138-32-301-007; 138-32-301-004 (collectively "Land")

The Appraisal Division of the Clark County Assessor's Office ("Assessor," and together with Taxpayer, the "Parties") has completed the review of the above referenced parcels and the Assessor has determined as follows ("Assessor Determinations"):

(1) The Land was used as a golf course and therefore, under NRS 361A.170, designated and classified as open-space real property and assessed as an open-space use.

(2) The Land ceased to be used as a golf course, as defined in NRS 361A.0315, on December 1, 2016. Therefore, the Land no longer falls within the definition of open-space real property, as defined in NRS 361A.040, and is no longer deemed to be used as an open-space use under NRS 361A.050. In accordance with NRS 361A.230, the Land has been disqualified for open-space use assessment.

(3) The Land has been converted to a higher use in accordance with NRS 361A.031. Therefore, the deferred taxes are owed as provided in NRS 361A.280.

Taxpayer stipulates to and accepts the Assessor Determinations. Notwithstanding the foregoing, the Parties agree that the Taxpayer reserves its right to appeal the 2017/2018 tax year valuation of the applicable parcels identified above, in accordance with NRS 361.310.

By signing below, Taxpayer agrees to the above stipulation.

DATE: 9-25-17
Jeff Payson
Appraisal Division

DATE: 9/25/17
Vickie De Hart, as Manager of
EHB Companies LLC, its Manager
Taxpayer: Seventy Acres LLC

MICHELE W. SHAFE
Clark County Assessor
APPRAISAL DIVISION
500 S. Grand Central Pkwy, PO Box 561401, Las Vegas NV 89155-1401
Telephone 702-455-4997
www.ClarkCountyNV.gov/assessor

Stipulation for the State Board of Equalization

September 21, 2017

Fore Stars, Ltd ("Taxpayer")
1215 S Fort Apache Road #120
Las Vegas, Nevada 89117

RE: Appeal No. 17-175
Parcel No(s). 138-32-202-001; 138-32-210-008; 138-31-212-002;
138-31-610-002; 138-31-713-002; 138-32-210-005 (collectively "Land")

The Appraisal Division of the Clark County Assessor's Office ("Assessor," and together with Taxpayer, the "Parties") has completed the review of the above referenced parcels and the Assessor has determined as follows ("Assessor Determinations"):

(1) The Land was used as a golf course and therefore, under NRS 361A.170, designated and classified as open-space real property and assessed as an open-space use.

(2) The Land ceased to be used as a golf course, as defined in NRS 361A.0315, on December 1, 2016. Therefore, the Land no longer falls within the definition of open-space real property, as defined in NRS 361A.040, and is no longer deemed to be used as an open-space use under NRS 361A.050. In accordance with NRS 361A.230, the Land has been disqualified for open-space use assessment.

(3) The Land has been converted to a higher use in accordance with NRS 361A.031. Therefore, the deferred taxes are owed as provided in NRS 361A.280.

Taxpayer stipulates to and accepts the Assessor Determinations. Notwithstanding the foregoing, the Parties agree that the Taxpayer reserves its right to appeal the 2017/2018 tax year valuation of the applicable parcels identified above, in accordance with NRS 361.310.

By signing below, Taxpayer agrees to the above stipulation.

DATE: 9-25-17
Jeff Payson
Appraisal Division

DATE: 9/25/17
Vickie De Hart, as Manager of
EHB Companies LLC, its Manager
Taxpayer: Fore Stars Ltd.

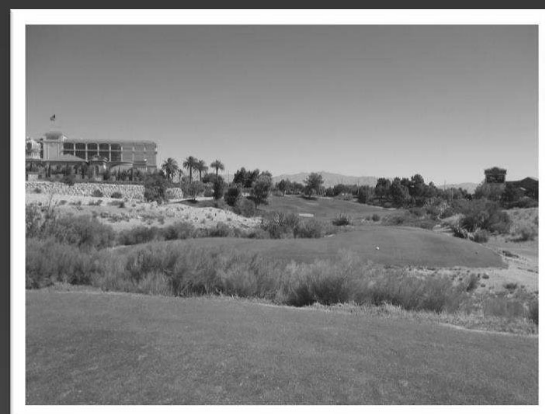
Exhibit 19

Valbridge
PROPERTY ADVISORS

Appraisal Report

NWC of Rampart & Charleston
Portion of Badlands Golf Course
Las Vegas, Clark County, Nevada 89145

Report Date: August 26, 2015



FOR:

Bank of Nevada
Ms. Cheryl Moss
2700 W. Sahara Avenue, 4th Floor
Las Vegas NV 89102

Client ID: 15-000212-01-1

Valbridge Property Advisors | Lubawy & Associates, Inc.

3034 S. Durango Drive, Suite 100
Las Vegas, Nevada 89117
(702) 242-9369 phone
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August 26, 2015

Ms. Cheryl Moss
Bank of Nevada
2700 W. Sahara Avenue, 4th Floor
Las Vegas, NV 89102

RE: Appraisal Report Of
NWC of Rampart & Charleston
Portion of Badlands Golf Course
Las Vegas, Clark County, Nevada 89145

Dear Ms. Moss:

In accordance with your request, we have performed an appraisal of the above referenced property. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to our value opinions. This letter of transmittal is not valid if separated from the appraisal report.

The subject property, as referenced above, is located near the northwest corner of Rampart Boulevard and Alta Drive and is further identified as Assessor's Parcel Number (APN) 138-32-301-004. The site measures approximately 70.52 acres or 3,071,851 square feet. The subject is currently a portion of the Badlands Golf Course with residential zoning of R-PD7 (Residential Planned Development) allowing for development of 7 units to the acre. The subject is currently encumbered by lease between Fore Stars Ltd. and Par 4 Golf Management which began June 2010. However, the lease includes a clause stating that after May 31, 2016, the landlord shall have the right to reduce the number of holes in service on the course. According to the owner, the lease would be terminated at this time for the subject site in order to begin development of the site. We have appraised the subject under the extraordinary assumption that the lease will be terminated at this time. Since the time frame between effective date of value and the termination date is less than one year (10 months), and rent of $22,510 per month will be collected, the lease is not expected to affect the market value of site, making it commensurate to the fee simple market value.

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); and the requirements of our client as we understand them.

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Bank of Nevada is the client in this assignment. The intended user(s) of this report are Bank of Nevada and-or affiliates. The intended use is for loan underwriting and-or credit decisions by Bank and or participants. The value opinions reported herein are subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are contingent on the following extraordinary assumptions and/or hypothetical conditions which may have impacted the assignment results:

Extraordinary Assumptions:

- We have been provided a cost estimate for drainage and grading on the site, provided by the borrower. A formal bid was requested but was not provided. We assume these costs are accurate. If not, this could impact the appraiser`s opinions and conclusions included herein.
- According to the borrower and owner Yohan Lowie, the Badlands Golf Course was purchased in 2007 and his company possesses the declarant rights and development rights associated with the property. We have requested and have not been provided with a purchase agreement or written documentation confirming this. We have appraised the subject under the extraordinary assumption that the verbal information provided by the owner that they have the declarant rights and development rights is correct and accurate, if not; this could impact the appraiser`s opinions and conclusions herein.
- The subject is currently encumbered by a lease between Fore Stars Ltd. and Par 4 Golf Management. However, the lease includes a clause stating that after May 31, 2016, the landlord shall have the right to reduce the number of holes in service on the course. According to the owner, the lease would be terminated at this time for the subject site in order to begin development of the site. We have appraised the subject under the extraordinary assumption that the lease will be terminated at this time, otherwise the lease payments could have an adverse effect on the market value of the property and the appraiser`s opinions and conclusions included herein.

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal assignment.

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Based on the analysis contained in the following report, our value conclusions are summarized as follows:

Value Conclusions

	As Is
Value Type	Market Value
Property Rights Appraised	Leased Fee
Effective Date of Value	July 23, 2015
Value Conclusion	**$49,400,000**
	$700,510 per acre

Respectfully submitted,
Valbridge Property Advisors | Lubawy & Associates, Inc.

Brenda Cazares
Appraiser
Nevada License #A.0206506-CG
License Expires 02-28-2016

Matthew Lubawy, MAI, CVA, CMEA
Senior Managing Director
Nevada License #A.0000044-CG
License Expires 04-30-2017

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Table of Contents

Summary of Salient Facts

Property Identification	
Client Identification Number	15-000212-01-1
Property Name	NWC of Rampart & Charleston
Property Address	Portion of Badlands Golf Course
	Las Vegas, Clark County, Nevada, 89145
Latitude & Longitude	36.165852, -115.289127
Census Tract	32.26
Assessor's Parcel Number	138-32-301-004
Property Owner	Fore Stars LTD
Zoning	R-PD7
FEMA Flood Map No.	32003C2145F
Flood Zone	A
Primary Gross Land Area	70.520 acres
Total Land Area	70.520 acres
Valuation Opinions	
Highest & Best Use - As Vacant	Development of residential properties with a density of 7 to 10 units per acre
Reasonable Exposure Time	6 to 12 months
Reasonable Marketing Time	6 to 12 months

Value Indications

Approach to Value	As Is
Sales Comparison	$49,400,000
Cost	N/A
Income Capitalization	
Direct Capitalization	N/A
Yield Capitalization (DCF)	N/A
Reconciled Income Capitalization	N/A

Value Conclusions

	As Is
Value Type	Market Value
Property Rights Appraised	Leased Fee
Effective Date of Value	July 23, 2015
Value Conclusion	**$49,400,000**
	$700,510 per acre

Extraordinary Assumptions:

- We have been provided a cost estimate for drainage and grading on the site, provided by the borrower. A formal bid was requested but was not provided. We assume these costs are accurate. If not, this could impact the appraiser`s opinions and conclusions included herein.
- According to the borrower and owner Yohan Lowie, the Badlands Golf Course was purchased in 2007 and his company possesses the declarant rights and development rights associated with the property. We have requested and have not been provided with a purchase agreement or written documentation confirming this. We have appraised the subject under the extraordinary assumption that the verbal information provided by the owner that they

have the declarant rights and development rights is correct and accurate, if not; this could impact the appraiser`s opinions and conclusions herein.

- The subject is currently encumbered by a lease between Fore Stars Ltd. and Par 4 Golf Management. However, the lease includes a clause stating that after May 31, 2016, the landlord shall have the right to reduce the number of holes in service on the course. According to the owner, the lease would be terminated at this time for the subject site in order to begin development of the site. We have appraised the subject under the extraordinary assumption that the lease will be terminated at this time, otherwise the lease payments could have an adverse effect on the market value of the property and the appraiser`s opinions and conclusions included herein.

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal assignment.

Aerial and Front Views

AERIAL VIEW

FRONT VIEW

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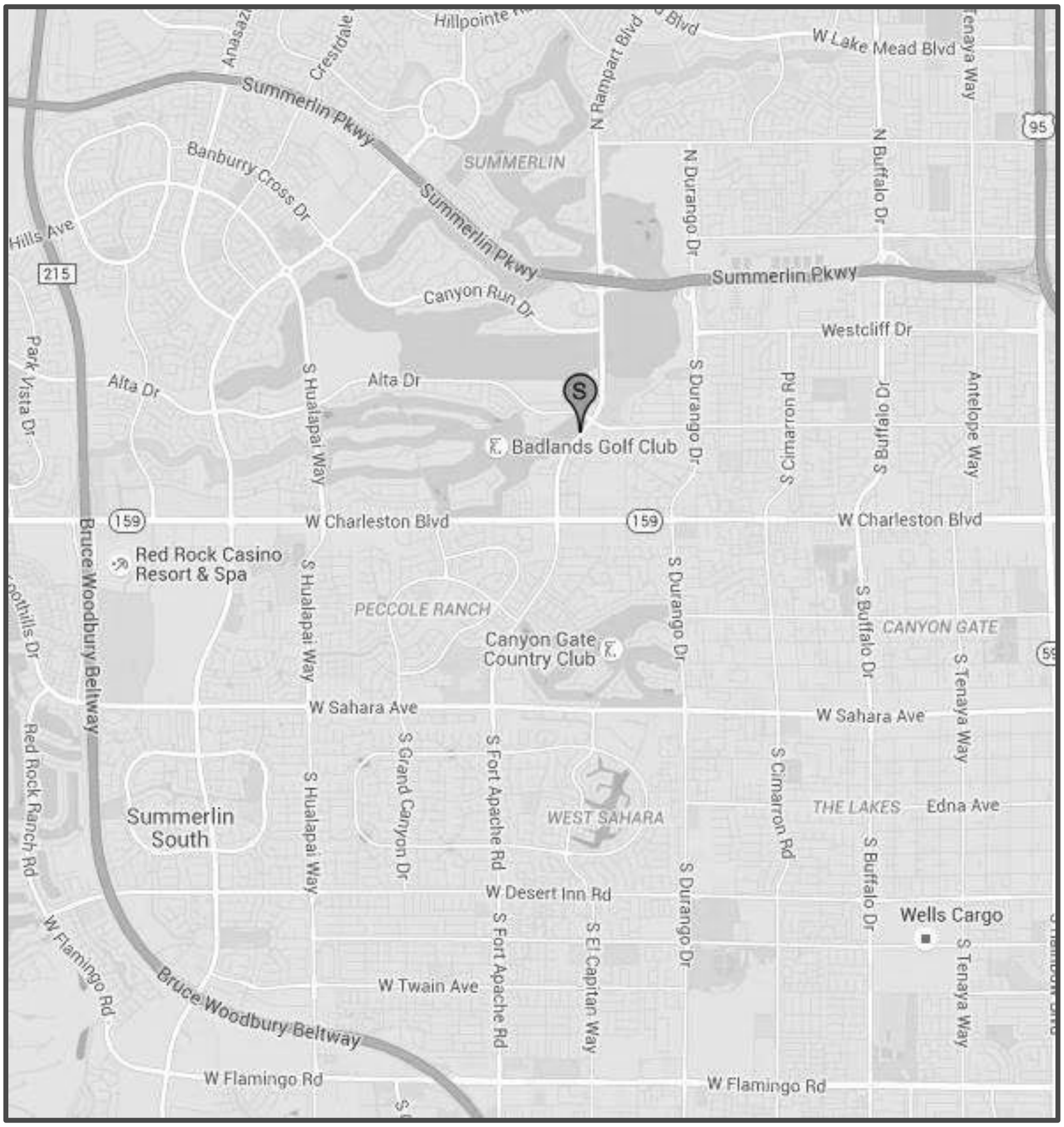
Location Map



Introduction

Client and Intended Users of the Appraisal
The client in this assignment is Bank of Nevada and the intended users of this report are Bank of Nevada and-or affiliates and no others.

Intended Use of the Appraisal
The intended use of this report is for loan underwriting and-or credit decisions by Bank and or participants.

Real Estate Identification
The subject property is located near the northwest corner of Rampart Boulevard and Alta Drive, Las Vegas, Clark County, Nevada 89145. The subject property is further identified by Assessor Parcel Number 138-32-301-004. The subject is currently a portion of the Badlands Golf Course with residential zoning of R-PD7 (Residential Planned Development) allowing for development of 7 units to the acre.

Legal Description
A portion of section 31 and the west half (W 1/2) of section 32, township 20 south, range 60 east, MDM, City of Las Vegas, Clark County, Nevada

Use of Real Estate as of the Effective Date of Value
As of the effective date of the appraisal, the subject was a golf course property.

Use of Real Estate as of the Date of this Report
Same as above.

Ownership of the Property
According to the Clark County Assessor's record, title to the subject property is vested in Fore Stars LTD.

History of the Property
Ownership of the subject property has not changed within the past three years. According to the owner Yohan Lowie, the Badlands Golf Course was purchased in 2007 and he possesses the declarant right and development rights associated with the property. The site is currently leased to the operator of the Badlands Golf Course for the next six months, at which point the golf course will be shut down. The site was previously encumbered by a ground lease beginning in 1996 and expiring in 2045. We have requested and have not been provided with a purchase agreement or documentation confirming this. We have appraised the subject under the extraordinary assumption that the information provided by the owner is correct and accurate, if not, this could impact the appraiser`s opinions and conclusions herein.

The subject is currently encumbered by a lease between Fore Stars Ltd. and Par 4 Golf Management. However, the lease includes a clause stating that after May 31, 2016, the landlord shall have the right to reduce the number of holes in service on the course. According to the owner, the lease would be terminated at this time for the subject site in order to begin development of the site. We have appraised the subject under the extraordinary assumption that the lease will be terminated at this time, otherwise the lease payments could have an adverse effect on the market value of the property and the appraiser`s opinions and conclusions included herein.

Listings/Offers/Contracts

The subject is not currently listed for sale or under contract for sale.. We are aware of a letter of intent between the current owner and The Calida Group to purchase 16.23 acres, the northern portion of the site with frontage along Rampart Boulevard for a reported $30,240,000, however, this purchase price is contingent on the site obtaining a zoning change to P-D (Planned Development). Therefore, as of the date of this appraisal, this offer has no bearing on the as is market value for the subject concluded to herein. We are not aware any further listings or offers concerning the subject property.

Type and Definition of Value

The appraisal problem (the term "Purpose of Appraisal" has been retired from appraisal terminology) is to develop an opinion of the market value of the subject property. "Market Value," as used in this appraisal, is defined as "the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus." Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- *Buyer and seller are typically motivated.*
- *Both parties are well informed or well advised, each acting in what they consider their own best interests;*
- *A reasonable time is allowed for exposure in the open market;*
- *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- *The price represents the normal consideration for the property sold unaffected by special or creative financing or sale concessions granted by anyone associated with the sale."1*

The value conclusions apply to the value of the subject property under the market conditions presumed on the effective date(s) of value.

Please refer to the Glossary in the Addenda section for additional definitions of terms used in this report.

Valuation Scenarios, Property Rights Appraised, and Effective Dates of Value

Per the scope of our assignment we developed opinions of value for the subject property under the following scenarios of value:

Valuation Scenario	Effective Date of Value
As Is Leased Fee Market Value	July 23, 2015

[1] Source: The Dictionary of Real Estate Appraisal, Fifth Edition, pg 123

We completed an appraisal inspection of the subject property on July 23, 2015.

Date of Report

The date of this report is August 26, 2015, which is the same as the date of the letter of transmittal.

List of Items Requested but Not Provided

- We have not been provided a formal bid for draining and grading cost from the owner

Assumptions and Conditions of the Appraisal

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are contingent on the following extraordinary assumptions and/or hypothetical conditions which may have impacted the assignment results:

Extraordinary Assumptions

- We have been provided a cost estimate for drainage and grading on the site, provided by the borrower. A formal bid was requested but was not provided. We assume these costs are accurate. If not, this could impact the appraiser`s opinions and conclusions included herein.
- According to the borrower and owner Yohan Lowie, the Badlands Golf Course was purchased in 2007 and his company possesses the declarant rights and development rights associated with the property. We have requested and have not been provided with a purchase agreement or written documentation confirming this. We have appraised the subject under the extraordinary assumption that the verbal information provided by the owner that they have the declarant rights and development rights is correct and accurate, if not; this could impact the appraiser`s opinions and conclusions herein.
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Hypothetical Conditions

- There are no hypothetical conditions for this appraisal assignment.

Scope of Work

The scope of work includes all steps taken in the development of the appraisal. These include 1) the extent to which the subject property is identified, 2) the extent to which the subject property is inspected, 3) the type and extent of data researched, 4) the type and extent of analysis applied, and the type of appraisal report prepared. These items are discussed as follows:

Extent to Which the Property Was Identified

Legal Characteristics
The subject was legally identified via a legal description and Assessor's Parcel Number in Clark County Assessor records and a preliminary title report.

Economic Characteristics
Economic characteristics of the subject property were identified via a comparison to similar properties in the Las Vegas market, as well as a comparison to properties with similar locational and physical characteristics.

Physical Characteristics
The subject was physically identified via a Clark County Assessor's map, Clark County GIS aerial mapping, and a physical inspection by Brenda Cazares.

Extent to Which the Property Was Inspected

We inspected the subject on July 23, 2015.

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

Type and Extent of Data Researched

We researched and analyzed: 1) market area data, 2) property-specific market data, 3) zoning and land-use data, and 4) current data on comparable listings, sales, and rentals in the competitive market area. We also interviewed people familiar with the subject market/property type, including brokers within the Summerlin area and Howard Hughes Company.

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

Land sales data was collected through various sources including CoStar, Property Line, LoopNet, and from brokers, owners, and developers. The information was verified with one or more of the parties involved in the transaction including the grantor, grantee, broker, or other knowledgeable parties, when possible. Verification of each sale is listed separately on each land sale abstract contained later in the report.

Personal Property/FF&E

Unless otherwise stated in the report, all furniture, fixtures, and equipment (FF&E) or any other personal property has been excluded from our analysis.

Type and Extent of Analysis Applied

There are no improvements on the subject site that contribute to an overall value that exceeds the land value.. We observed surrounding land use trends, the condition of the improvements, demand for the subject property, and relevant legal limitations in concluding a highest and best use. We then valued the subject based on the highest and best use conclusion, relying on the Sales Comparison Approach which is typical for vacant land properties.

Appraisal Report Type

This is an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2a. Please see the Scope of Work for a description of the level of research completed.

Appraisal Conformity

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); and the requirements of our client as we understand them.

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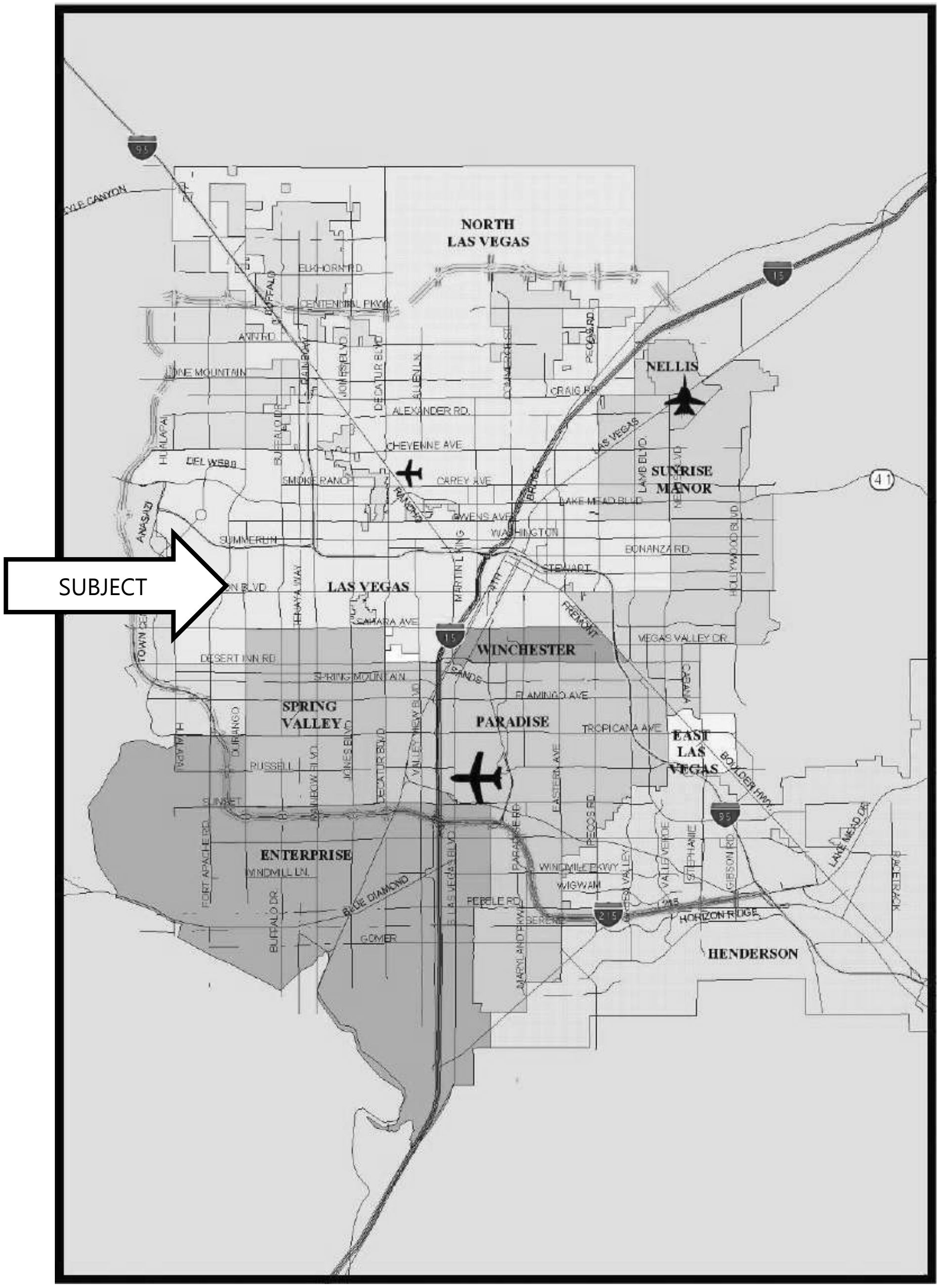
Regional and Market Area Analysis

REGIONAL MAP



Overview

The subject is located in Las Vegas, in Clark County. It is part of the Las Vegas, NV-AZ MSA.

Summary of Clark County

Until the economic and real estate market collapse in 2008, the Las Vegas MSA (consisting of Clark and Nye counties in Nevada and Mohave County in Arizona) had been rated in the top 10 for annual population growth and near the top in terms of employment increase. According to Valuation International Limited, a market research company, the growth had been primarily attributable to the area's favorable climate. Inc. magazine named Las Vegas the #1 city in America for starting or growing a business in 2000, and Chief Executive Magazine named Nevada number 5 in 2010 on its list of Best States for Business.

Despite an economic slowdown in 2001, and the negative effects of the events of September 11, 2001 on tourism, Southern Nevada's economy demonstrated resilience. In the immediate aftermath of the September 11 attacks, hotels and gaming establishments laid off an estimated 12,000 to 15,000 workers, and other tourism-related businesses such as airlines, curbside baggage handlers, taxicab companies, and Grand Canyon tour operators suffered layoffs. Hotel occupancy rates fell dramatically, and many conventions were cancelled. However, by mid-October 2001, weekend occupancy rates rose to their normal level of approximately 95%, and midweek business improved to the point that one-fourth of the laid-off workers were recalled.

By mid-2002, the consensus among economists was that the trend was for continuing economic strength over the foreseeable future. This optimistic outlook had been supported by strong gaming profits and tourism results reported from 2004 through 2007, and by a moderate unemployment rate. Since 2008, the still recovering national and local economies have cut into the gaming revenues.

As of March 2015, the total labor force for the Las Vegas MSA was 967,000, with the unemployment rate at 7.2%. The largest contributor to the labor force is the leisure and hospitality industry (hotels, restaurants, etc.) accounting for 31% of the job force. The median household income for the Las Vegas Valley is $54,255, and with the ongoing renovations, the planned construction and improving revenues in the gaming industry, the labor market is expected to grow as new resorts and resort expansions move forward in construction.

New home sales set a record in 2005 at 30,750 homes (not including 7,767 apartment-to-condominium conversions), which was 5% higher than the previous record of 29,248 new homes sold in 2004. Sales of existing homes in 2005 reached 54,663, which was 2.3% less than 2004's total. The lower resale number had provided optimism for a more stabilized market. However, the residential market softened in 2006, and by 2011, new home sales totaled just 3,894. Homes available on the resale market increased in 2006 and 2007 to reach nearly 30,000 which is another indication of the soft market. Additionally, the median price of a new home in the Las Vegas Valley was $312,204 in March 2015, which was 7.6% less than the median price in 2006 of $337,781, but up 58% from $197,490 in August 2011. The median price of existing homes is down 37% from $285,000 in 2006 to $180,000 in March 2015, but up 68% from $107,000 in August 2011. The market clearly flattened out in the second half of 2006 and declined thereafter, but a panel of residential real estate experts at the November 2012 and November 2013 Appraisal Institute Las Vegas Market Symposium indicated that resale home prices had reached bottom in 2011, and that the prices have steadily been increasing. Home Builders Research continues to project that the long-term health of the Las Vegas housing market should be good as the recovery progresses.

The Nevada Department of Employment Training and Rehabilitation (DETR) reported that 23,600 jobs were created in Clark County from March 2014 to March 2015. For Comparison, Nevada Workforce reported that 23,800 new jobs were created in Clark County in 2013, with every major industry reporting job growth. Nevada overall in 2013 outpaced the nation in terms of job growth. Also, Nevada ranked first nationally in home price increase in 2013 (up 20%), and home prices are expected to continue to increase, although at a slower rate, until the Southern Nevada median resale price of $180,000 catches up to the national median price of $210,000. Southern Nevada homebuilders hope to sell 8,000+ homes in 2014, and new-home building permits are up more than 18% year-over-year. Nat Hodgson, executive director of the Southern Nevada Home Builders Association, indicates it is reasonable to expect the local market to sell 12,000 homes a year in the near future. Clearly, signs of recovery for the Southern Nevada home market are evident, but the market needs to keep strengthening before it is again considered in strong health.

According to the *Lied Institute of Apartment Market Trends*, 1st Quarter 2015, the Las Vegas apartment market saw an increase in both asking rents and vacancy rate. Asking rents increased by 2% during the quarter and the average asking rent is now $815. Asking rents are up 7% in a year-over-year basis. After seeing a large decrease in asking rents in Las Vegas remain 7% lower than their peak in 2007. Preferable market conditions would involve coupling rent appreciation with waning vacancies, which are wavering occupancy currently. Apartment complexes, to a certain extent, compete with individually owned units, which mostly consist of single-family homes, townhomes, and condominiums. MLS rental leases, a proxy for this competition, typically start picking up towards the end of the first quarter and there was a three-month moving average of 2,774 leases in March 2015 – 10% more than the end of last quarter. However, MLS leases are down 319 leases (30%) on a year-over-year basis. Apartments compared to single-family homes often tend to offer shorter lease contracts, smaller deposits, and more common community amenities (i.e., pool, gym, or recreation center). Nevertheless, economic conditions, more than anything will influence the apartment market, especially as residents find better jobs, earn higher income, and recover financially.

According to *First Quarter 2015 Industrial Market Survey* prepared by Applied Analysis, there is 108,313,332 square feet of industrial space contained in 3,498 buildings with a vacancy factor of 7.4%, which is a decline from the fourth quarter of 2014. The industrial market continues to report stronger demand than its retail and office counterparts. The sector has reported annual declines in vacancy rate for 12 consecutive quarters. At current inventory levels, if this trend were to continue throughout the remainder of 2015, the industrial market vacancy rate would fall below 5.0 percent by the end of the year. Approximately 1.2 million square feet of positive net absorption was reported in the first quarter of 2015, with the industrial market experiencing 4.3 million square feet of net move-ins in the past year. During the first quarter of 2015, three industrial projects totaling 505,200 square feet completed construction, bringing total inventory to 108.3 million square feet. The amount of space actively under construction fell to 2.1 million square feet in the first quarter of 2015. Average asking rates increased slightly year-over-year to $0.57 per square foot per month, and this represents an increase or holding steady of seven consecutive quarters. Average asking rates have declined 25% since the peak in the second quarter of 2007 at $0.76 per square foot.

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According to *First Quarter 2015 Retail Market Survey* prepared by Applied Analysis, there is 54,530,677 square feet of retail space contained in 361 centers with a vacancy factor of 9.4%. The Las Vegas retail market reported positive net absorption of 87,200 square feet during the quarter, and in the past year, there has been 1.7 million square feet of net move-ins. Pricing during the first quarter of 2015 was reported at an average asking rate of $1.65 per square foot per month. This is slightly below that reported for the fourth quarter of 2014 at $1.66, which was a new record high from year-end 2010. Two anchored retail projects totaling 107,800 square feet completed construction during the first quarter, bringing total inventory to 54.5 million square feet. Development activity increased to 688,200 square feet in the first quarter as five anchored retail projects were under construction at the end of the period. The most notable project that broke ground during the quarter was IKEA's first Las Vegas store, which will encompass 351,000 square feet. Southern Nevada population increased 1.9 percent in 2014 to a record 2.1 million, with many new residents drawn to the region's improving job market. In addition, new master planned communities provide opportunities for future retail development, including Cadence in Henderson, Skye Canyon in the northwest and potentially Park Highlands in North Las Vegas. An expanding base of consumers and positive employment gains are expected to drive demand in the retail sector.

According to *First Quarter 2015 Office Market Survey* prepared by Applied Analysis, there is 52,933,598 square feet of office space contained in 1,914 buildings with a vacancy factor of 23.6%. The office market reported approximately 113,700 square feet of positive net absorption in the first quarter, which compared favorably to the negative 83,800 square feet of net absorption witnessed in the same quarter one year ago. Two office projects completed construction in the Las Vegas valley during the first quarter, adding 69,000 square feet to the market and bringing total inventory to 52.9 million square feet. Construction activity fell to 232,700 square feet by the end of the first quarter of 2015 as three projects remained actively under development throughout the Las Vegas valley. The current average asking rental rate is $1.87, which is down 16.2% from year-end 2009. Office-using employment reported a year-over-year increase of 4,400 positions in the latest period, with the professional and business services sector reporting the most substantial gain of 4,000 positions. The office market is expected to continue to report increased demand as the need for professional office space follows employment growth within the sector, but it will be some time before the market reaches absorption levels necessary to return vacancies to historical norms. At current inventory levels, the office market would be required to experience 1.9 million square feet of positive net absorption in order to reach a vacancy rate of 20.0 percent.

In conclusion, although the local real estate market softened as the economy weakened and financing tightened, the economic and financing conditions have been improving. Additionally, the construction of over 30,000+ hotel rooms a few years ago, along with new hotel construction, expansion, and renovation since then, has helped to soften the local recession, and the Las Vegas metropolitan economy, as a whole, should regain a position as one of the stronger metropolitan economies in the United States when the current economic and construction financing problems are fully resolved.

City and Neighborhood Analysis

NEIGHBORHOOD MAP

Overview

The subject is located in the City of Las Vegas in Clark County.

Neighborhood Location and Boundaries

The subject neighborhood is located in the Summerlin section of Las Vegas. The area is suburban in nature. The neighborhood is bounded by Lake Mead Boulevard to the north, Buffalo Drive to the east, Sahara Avenue to the south, and I-215 to the west.

This area encompasses a highly commercialized district within the central Las Vegas area. The southern boundary of the market is the Sahara Avenue commercial corridor, which includes multiple retail uses. The Sahara Corridor includes numerous automobile dealerships, restaurants, shopping centers, and other intense commercial properties.

Summerlin has been the main driving force for development along the west boundary of this area over the recent past. Summerlin is a 22,500-acre master-plan community generally located on the west side of Hualapai Way within the subject's submarket; it is a Howard Hughes project. Development of this community began around West Lake Mead Boulevard and Rampart Drive further north. As growth continued, development has spread in a southerly direction to the south limits of the community. This

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community will have a population of 200,000+ at build-out with 80,000 homes. The current population is 100,000 with 40,000 homes. The community covers 36 square miles of area and will include 6,750 acres for parks, trails, golf course and open areas. It is being developed in 31 "villages" with 19 complete or under construction thus far.

Boca Park, which is an outdoor shopping center encompassing 289,000 square feet of retailers such as Office Max, Target, Ross Dress 4 Less, REI, and Von's and a variety of smaller retailers, is located on the northeast corner of Charleston Boulevard and Rampart Drive. Many restaurants are located in Boca Park which include but are not limited to Wahoo's, Wendy's, McDonald's, Three Angry Wives, The Cheesecake Factory, The Melting Pot, and Gordon Biersch. This intersection also features additional shopping centers and more retail.

North of Boca Park on Rampart is Tivoli Village, Las Vegas Renaissance, One Queensridge Place, Suncoast Hotel/Casino and JW Marriott Resort and Spa (One Queensridge Place, Suncoast Hotel/Casino and J.W. Marriott are located on the west side of the submarket boundary). Tivoli Village is an approximate $850 million project, on ±28 acres and is a mixed-use development with 700,000 square feet of upscale retail, restaurant and offices as well as 340 condominium homes once completed. Phase I has been complete for a couple years and Phase II is under construction with plans to open winter or 2015 or spring of 2016. Las Vegas Renaissance is a proposed project by EHB Companies who has built Tivoli Village and One Queensridge Place. Las Vegas Renaissance will feature 700,000 square feet of enclosed shopping and dining across the street from Tivoli Village and on the north side of Boca Park. There will be three department stores with national retailers and restaurants. The project has been placed on hold due to legal issues.

One Queensridge Place is an upscale condominium project featuring 18 stories and 385 custom condominiums and is across the street from Boca Park and Tivoli Village. At the intersection of Rampart Boulevard and Alta Drive is the Suncoast Hotel/Casino featuring 388 guest rooms and 39 suites with a 95,000-square-foot casino and Race and Sports Book Lounge, Century 16 movie theater, 64-lane bowling alley, arcade, and restaurants. J.W. Marriot Resort and Spa is located north of Suncoast Hotel/Casino and features 548 guestrooms, dining, outdoor pool, golf, spa and an independently operated casino.

The Howard Hughes Corporation has developed "Downtown Summerlin" located just off of the 215 Beltway, between Sahara Avenue and Charleston Boulevard. Construction began in the middle of 2013 on the 106-acre, 1.6-million square-foot development, which represents the first phase of the future 400-acre property, and opened in October 2014. The initial phase features more than 125 stores and restaurants in a walkable downtown shopping center in the middle of the Summerlin master-planned community. The development will also include a nine-story Class A office building to be known as One Summerlin. The first phase includes tenants such as Dillard's Macy's, Nordstrom Rack, Sports Authority, Old Navy and Victoria's Secret. The development also features a luxury five-screen Regal Cinema. When all phases are complete, the development will include retail, entertainment, office, and multi-family residences.

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ARTIST'S RENDERING OF DOWNTOWN SUMMERLIN

Red Rock Casino is located on 70 acres of land at the gateway to Red Rock Canyon, just 10 miles west of the Las Vegas Strip. Red Rock Casino, Resort and Spa is a modern resort that offers the amenities of a hotel/casino resort located on the strip. This offers a variety of dining options, gaming, and entertainment such as bowling, movies, bars and lounges.

The submarket area also has several golf courses including TPC Summerlin (a private country club), Angel Park (a public course) and Canyon Gate Country Club (a private and gated country club with semi-custom and custom homes).

Demographics

The *2015 Las Vegas Perspective* is an informational publication with survey data and demographics on the Las Vegas metropolitan area sponsored by the Las Vegas Review Journal, Nevada Development Authority, NV Energy Company and Wells Fargo Company. This publication identifies 66 survey areas (by ZIP Code). The subject property is located in Survey Area 89145. The table below details the demographic information for the noted survey area.

Survey Area	Las Vegas Total	89145	Survey Area	Las Vegas Total	89145
No. of Households:	774,540	11,514	**Type of Dwelling**		
			Single-Family:	59%	56%
Population:	2,102,238	26,775	Apt./Duplex:	24%	12%
			Condo/Townhome:	15%	33%
Age of Adults:			Mobile Home:	3%	0%
Under 18	24%	20%			
18-24:	9%	9%			
25-34:	15%	14%	**Household Income:**		
35-44:	12%	13%	Under $15,000:	12%	10%
45-54:	13%	14%	$15,000-$24,999:	11%	10%
55-64:	12%	14%	$25,000-$34,999:	12%	11%
65+:	13%	16%	$35,000-$49,999:	15%	18%
			$50,000-$74,999:	20%	21%
Education of Adults:			$75,000-$99,999:	12%	12%
Less than 9th Grade	7%	4%	$100,000+	18%	19%
Some High School:	9%	8%			
High School Degree:	29%	32%			
Some College:	25%	25%	**Med. Household Inc.:**	$50,274	$51,153
College Degrees:	30%	32%			
Employment					
Employed:	78%	57%			
Not in Labor Force	17%	34%			
Unemployed	5%	9%			
Unemployment Rate	8%	13%			

Percentages may not add up to 100% due to rounding.

Source: Las Vegas Perspective 2015

Based on the statistics, approximately 38% of the adult population in the Las Vegas Valley is older than 45 years of age versus the 89145 area of 44%. The number of children in the area under age 18 is at 20%, which is lower than the Las Vegas Valley at 24%. Education levels in the area are slightly higher than the overall valley, with 32% of the area residents having achieved a college degree or higher and with 30% for the valley. Approximately 57% of the area is employed versus 78% for the Las Vegas Valley. The unemployment rate for 89145 is at 13% versus 8% for the entire Las Vegas Valley. The area has 56% single family housing, 12% apartment/duplexes, 33% condos/townhouse, and has no mobile homes. The Las Vegas Valley has 59% single family housing, 24% apartment/duplexes, 15% condos/townhouse, and 3% mobile homes. Median household income reported for the area is $51,153 versus $50,274 for the entire Las Vegas Valley.

Transportation Routes

The neighborhood is located in the southwestern portion of the Las Vegas Valley and is considered to have adequate accessibility to all sections of the Las Vegas area. The major east/west traffic arterials through the neighborhood are Lake Mead Boulevard, Summerlin Parkway, Charleston Boulevard, and Sahara Avenue.

Charleston Boulevard is a major community traffic arterial extending east and west across the entire valley. Charleston passes by the downtown Las Vegas business district, and it has freeway interchange access with I-15 in the downtown area. On the east side of the valley, Charleston provides freeway access to US 95, and at the far west edge of the valley Charleston has interchange access with the I-215 freeway.
Sahara Avenue is another important community traffic arterial crossing the entire valley from east to west. Along its length, Sahara Avenue has numerous car dealerships, shopping centers, office buildings, and residential districts. Sahara Avenue has freeway interchange access to I-15 and I-215.

The major north/south traffic arterials through the neighborhood are Fort Apache Road, which turns into Rampart Road, Durango Drive and Buffalo Road. Durango Drive has mostly smaller strip retail centers and apartment complexes along its length.

The I-215 freeway services the neighborhood and is part of the Las Vegas Beltway system, which encircles three-quarters of the valley. The I-215 freeway is completed across the southern end of the valley, and it interconnects with both the I-15 freeway (which extends across Southern Nevada from California to Utah) and the U.S. Highway 95 freeway (which connects downtown Las Vegas with Henderson). The I-215 freeway is of major importance in reducing traffic congestion and providing access to employment districts for the rapidly-growing suburban areas of the valley. Access to the area is considered average.

Neighborhood Land Use

The surrounding areas are developed with scattered residential uses along interior streets and commercial uses located along the major arterial roads. The improvements for the area should have a positive effect on the commercial and residential real estate market and the businesses moving into the area. No known external influences affect the subject property. There are very limited light industrial uses in the area and the existing uses do not appear to pose any environmental concerns.

Conclusions

Overall, the subject market area has good appeal and good access given the abundance of freeways and arterial roadways. Retail, office, and industrial uses remain oversupplied as the local economy has been in general recovery since 2010. The subject is located in a desirable neighborhood that is expected to continue to flourish over the upcoming years. Overall, the subject neighborhood is in the stable stage of its life cycle.

Site Description

The subject site is located near the northwest corner of Rampart Boulevard and Alta Drive. The characteristics of the site are summarized as follows:

Site Characteristics

Location:	Near the northwest corner of Rampart Boulevard and Alta Drive
Usable Land Area:	70.52 Acres or 3,071,851 SF
Usable Land %:	100.0%
Shape:	Irregular
Average Depth:	3,000.00 feet
Topography:	Level to Rolling
Drainage:	Poor
Grade:	Varies
Utilities:	All are located nearby
Off-Site Improvements:	Asphalt paved parking, concrete curb, gutters, sidewalks, and streetlights
Interior or Corner:	Corner
Signalized Intersection:	No: Traffic signal nearby that enhances access to the site. The nearest traffic signal is located at the corner of Rampart Boulevard and Charleston Boulevard.
Excess Land:	None
Surplus Land:	None

Street Frontage / Access

Frontage Road	Primary
Street Name:	Rampart Boulevard
Street Type:	Commercial arterial
Frontage (Linear Ft.):	1,400
Number of Curb Cuts:	N/A
Traffic Count (Cars/Day):	34000

Additional Access

Alley Access:	No

Flood Zone Data

Flood Map Panel/Number:	32003C2145F
Flood Map Date:	November 16, 2011
Flood Zone:	A
	The subject property is in a Zone 'A' flood zone where base flood elevations have not been determined.

Other Site Conditions

Soil Type:	A mix of mixed alluvial sand and top soil containing organic matter.
Environmental Issues:	There are no known adverse environmental conditions affecting the subject property
Easements/Encroachments:	There are no known adverse easements or encroachments affecting the subject property
Earthquake Zone:	The property is not in a fault, fissure, or earthquake zone

Adjacent Land Uses

North:	Alta Drive followed by the South Coast Hotel and Casino
South:	Office development followed by LVVWD site followed by commercial development
East:	Rampart Boulevard followed by Boca Park and vacant commercial land
West:	Residential development

Site Ratings

Access:	Average
Visibility:	Good

Zoning Designation

Zoning Jurisdiction:	Las Vegas
Zoning Classification:	R-PD7, Residential Planned Development District
General Plan Designation:	Residential Planned Development District
Permitted Uses:	Residential development up to 7 du per acre
Zoning Comments:	The subject, as improved, is a legal use of the site per the current zoning code

Analysis/Comments on Site

The subject site consists of one 70.52 acre parcel conducive for development. The subject has uneven terrain in most areas with arroyos running through a greater portion of the site. In order to develop the site, box culverts will be needed as well as removal of the top soil associated with the golf course due to the large amount of organic matter present.

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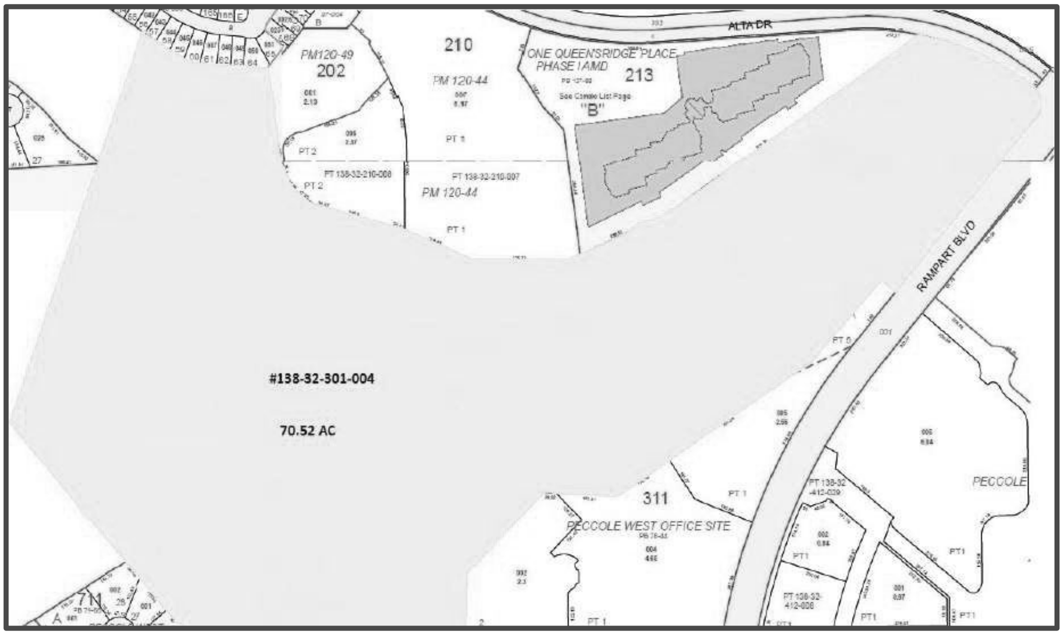
TAX/PLAT MAP


ALTA DR
210
PM120-49
202
PM 120-44
ONE QUEENSRIDGE PLACE
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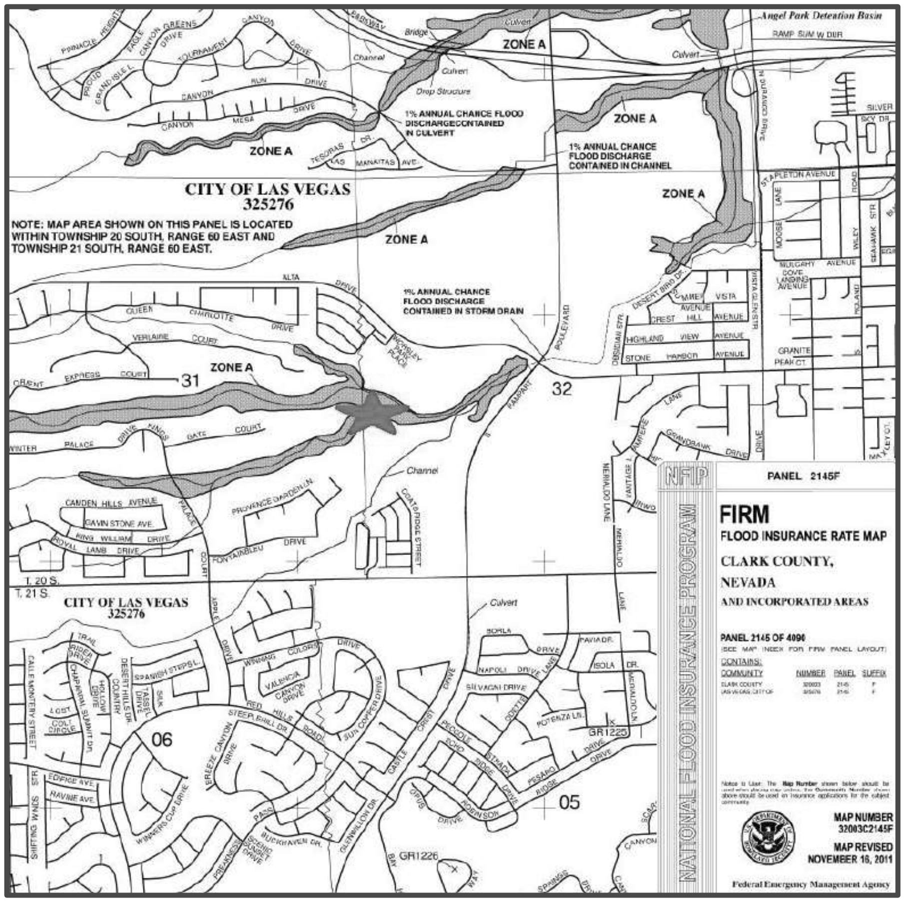
213
See Condo List Page
"B"
PT 2
PT 1
PT 138-32-210-008
PT 138-32-210-007
RAMPART BLVD
#138-32-301-004
70.52 AC
311
PECCOLE WEST OFFICE SITE
PECCOLE
PT 138-32-412-029
PT 138-32-412-028
711

FLOOD MAP


Angel Park Detention Basin
ZONE A
1% ANNUAL CHANCE FLOOD DISCHARGE CONTAINED IN CULVERT
1% ANNUAL CHANCE FLOOD DISCHARGE CONTAINED IN CHANNEL
CITY OF LAS VEGAS
325276
NOTE: MAP AREA SHOWN ON THIS PANEL IS LOCATED WITHIN TOWNSHIP 20 SOUTH, RANGE 60 EAST AND TOWNSHIP 21 SOUTH, RANGE 60 EAST.
1% ANNUAL CHANCE FLOOD DISCHARGE CONTAINED IN STORM DRAIN
31
32
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NFIP
NATIONAL FLOOD INSURANCE PROGRAM
PANEL 2145F
FIRM
FLOOD INSURANCE RATE MAP
CLARK COUNTY,
NEVADA
AND INCORPORATED AREAS
PANEL 2145 OF 4090
MAP NUMBER
32003C2145F
MAP REVISED
NOVEMBER 16, 2011
Federal Emergency Management Agency

ZONING MAP

0456

14503

Subject Photos

View of the subject facing east

View of the subject facing southeast

View of the subject facing northwest

View of the subject facing north

Additional photos are included in the Addenda

Assessment and Tax Data

Assessment Methodology

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

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

Tax Rates

The subject is within Tax District 200 (LAS VEGAS CITY), which has a current tax rate of $3.27820 per $100.00 of assessed value for the 2014/15 tax year. The fiscal year starts July 1st and ends on June 30th of every year.

HISTORIC TAX RATES

Tax Year	Tax Rate
2015/16	$3.2782
2014/15	$3.2782
2013/14	$3.2782
2012/13	$3.2782

Please note that property tax increases were capped by Nevada Legislature Assembly Bill 489, which was passed on April 6, 2005. The tax increase caps are 3% per year for a primary residence and 8% per year on all other properties.

Assessed Values and Property Taxes

The subject's assessed values, applicable tax rates and total taxes, including direct assessments, are shown in the following table:

Ad Valorem Tax Schedule
Parcel Number: 138-32-301-004

Clark County Appraised Values	Actual 2015
Land:	$434,720
Improvements:	$4,792,831
Total:	$5,227,551
Assessment Ratios	
Land:	35.00%
Assessed Value	
Land:	$152,152
Improvements:	$1,677,491
Total:	$1,829,643
Tax Rate	$3.278200
Millage Rate	per $100
	Actual
Tax Expense	2015
Total:	$59,979
Special Assessments:	$0
Total Taxes:	$59,979

Conclusions

According to the Clark County the subject's property taxes are current as of the date of value.

Market Analysis

The use potential of the subject property is influenced by continued population growth and a healthy real estate market. Consequently, the following summaries of the housing, retail, office, and hotel/gaming markets are provided.

Housing Market Analysis

Prospects for the local housing market depend on ongoing population growth, which, until the economic and financing problems started in 2008, had continued at a strong pace over several years. According to statistics from the Nevada State Demographer's Office, the following are population changes annually in Clark County from July 1 to June 30 each year:

Year	Population Change	Total Population
2003/2004	94,389	1,705,975
2004/2005	81,043	1,787,018
2005/2006	78,457	1,865,475
2006/2007	79,842	1,945,317
2007/2008	22,399	1,967,716
2008/2009	(15,676)	1,952,040
2009/2010	16,791	1,968,831
2010/2011	(1,109)	1,967,722
2011/2012	20,473	1,988,195
2012/2013	43,528	2,031,723
2013/2014	37,727	2,069,450

Source: State of Nevada Demographer

As shown above, the population growth slowed significantly in the 2007/2008 year, and actually declined in 2008/2009 and 2010/2011 as economic and financing problems persisted. However, in 2011/2012 through 2013/2014, growth in the population showed a recovering trend. Home Builders Research has reported new home sales activity as follows:

Year	# New Home Sales
2003	25,230
2004	29,248
2005	38,517
2006	36,051
2007	19,670
2008	8,994
2009	5,271
2010	5,341
2011	3,894
2012	5,544
2013	7,303
2014	6,007

Source: Home Builders Research

As can be seen, new home sales declined significantly from 2007 through 2011 with sales down in 2011 89.9% from 2005. The year 2005 was a record year for Southern Nevada new home sales, and sales started strong in early 2006. However, by the middle of 2006, sales slowed with consecutive months of decline that continued through 2009. The 2010 home sales were up slightly from 2009, but they declined significantly in 2011. Sales in 2012 were up, and new home sales in 2013 were 32% greater than in 2012. Dennis Smith, president of Home Builders Research, said the 32% increase made 2013 "an exceptional year." New homes sales in 2014 declined 18% from 2013, and the median home sales price was also down 2% from 2013. The decline is partly attributable to project processing delays with Clark County, and partly because the price of new homes has become unaffordable for many buyers.

At the market's lowest point, sales of new homes fell to an average of 325 per month in 2011, and the number of new homebuilders in Las Vegas dwindled to less than 40. The 3,894 new home sales in 2011 was the lowest total in 23 years, and while economists have said Las Vegas is on the road to recovery, the housing industry has not yet fully returned to a sense of normalcy. Housing analyst Dennis Smith of Home Builders Research believes 2011 will remain the worst year in terms of the number of new homes sold. New home sales are only around 15% of the overall Las Vegas housing market, whereas, they were 50% of the market in the early 1990s.

In comparison to new home sales, the resale market also declined in 2014 with 36,550 sales versus 44,125 in 2013. Prior to 2014, the resale market had stayed at high levels with 87% more sales in 2013 than in 2007 (23,956 resales in 2007). Recorded resales totaled 44,830 in 2009; 42,673 in 2010; 48,822 in 2011; and 49,657 in 2012, and the inventory of available resale homes on the market began to stabilize at around 22,000 by December 2008. The inventory has fluctuated since 2006, reaching nearly 30,000 units, but the inventory declined significantly in 2012, 2013, and 2014 for reasons discussed later.

The median price of a new home in the Las Vegas Valley was $305,704 in April 2015, which was 9.5% less than the median price in 2006 of $337,781, but up 55% from $197,490 in August 2011. The median price of existing homes is down 34% from $285,000 in 2006 to $187,000 in April 2015, but up 75% from $107,000 in August 2011. The market clearly flattened out in the second half of 2006 and declined thereafter, but a panel of residential real estate experts at the November 2013 Appraisal Institute Las Vegas Market Symposium indicated that resale home prices had reached bottom in 2011, and that the prices had steadily been increasing until plateauing in 2013. Home Builders Research continues to project that the long-term health of the Las Vegas housing market should be good as the recovery progresses.

Resale home closings in 2009 averaged 3,736 per month, with 3,556 per month in 2010, 4,069 in 2011, 4,138 in 2012, 3,677 in 2013, and 3,046 in 2014. Resale homes in 2012 produced one of the highest home resale numbers on record. Las Vegas economic consultant John Restrepo said in a Review Journal newspaper article that home price appreciation is tied to jobs, and in 2010 only 2,000 jobs per month were lost in the Las Vegas Valley versus 12,000 to 15,000 jobs lost per month in 2009. The average home price fell 3% in 2010 compared to 33% in 2008 and 22% in 2009, and with improving economic conditions nationally and locally, there is optimism that prospects are better for a sustained recovery. However, the home price recovery has slowed as rising home prices become less affordable.

In January 2014, Dennis Smith with Home Builders Research indicated that despite the strong new home sales growth from 2012 to 2013, the Las Vegas Valley remains America's capital for underwater homes. His projections for new home sales locally in 2015 remain "cautious and conservative," but while 2014 was a disappointment, it could have been worse according to Dennis Smith. The Greater Las Vegas Association of Realtors reported in January 2015 that Southern Nevada has less than a four-month supply of available homes when a six-month supply is considered to be a balanced market.

The new home market slowed after the Federal government's first time home buyer tax credit incentive of $8,000 ended in late April 2010, and hit bottom in 2011. However, new home building permits and sales in 2012 and 2013 outpaced the same months in 2011. Additionally, a 2010/2011 foreclosure review process by the Federal government found that significant banks were filing unreviewed documents with the courts to hasten foreclosures, and the government sought to force Bank of America to buy back $47 billion of troubled loans because of flawed foreclosure documents. That caused all mortgage lending institutions to slow down foreclosures to do better document reviews. In 2013, Federal banking regulators reached a settlement with 10 banks at $8.5 billion for the flawed review of foreclosed loans.

The need for better loan foreclosure reviews, plus a Nevada robo-signing law (AB284), resulted in lending institutions authorizing more short sales by homeowners. Short sales in Southern Nevada were brisk, and resale home prices increased. The Nevada robo-signing law was keeping short sales at the forefront of home sales, and by September 2012, short sales increased to 45% of all sales, while foreclosure sales accounted for less than 14% of sales. Since 2013, traditional home sales, as opposed to lender sales, are once again at the forefront of the market, making up 64% of all sales by mid-2013, and 70% of sales in 2014.

The robo-signing law cut the foreclosure and available home inventory considerably, and homes for sale received multiple offers. The list prices for homes became minimum prices, and many existing homes sold for thousands more than the list prices. Real estate professionals were projecting 500+ new home sales per month from mid-2012 on, and home builders became busier than ever since the market crash in 2008. In 2013, the projection for new home sales was raised to 700 per month. However, new home prices in 2014 were too high to sustain the sales growth. Even so, homeowners who went through foreclosure and bankruptcy when the economy collapsed are becoming eligible again for bank home mortgage loans starting in 2015. That could be a catalyst for the home sales market.

Although the numbers have headed in the right direction, job growth still needs to continue improving. The Brookings Institution indicated in November 2012 that the Las Vegas Valley has moved from the world's fifth worst economy in 2010 to the middle of cities in 2012. Brookings, a Washington, D.C. think tank foresees a rising standard of living and job growth for the valley as Southern Nevada's travel and tourism industry continues to improve, and as the local GDP (economic output) recovers. Even so, Steve Brown, director of the Center for Business and Economic Research at the University of Nevada Las Vegas, cautioned that "The economy here is improving, albeit pretty slowly".

Negative home equity in the valley is high but improving, and Southern Nevada existing housing is still affordable. Nevada has had one of the highest mortgage delinquency rates in the country since 2009, and in 2011, three-fourths of the homes sold were distress sales. Additionally, two-thirds of homes with a mortgage were "under water" in 2011, and there was concern that another 100,000 homes could be foreclosed upon by 2015. However, a panel of housing experts indicated on March 7, 2014, that although the local housing market has taken a long time to recover, the market did show strength in 2013 with surging sales and prices.

Nonetheless, the panel cautioned that home sales and pricing will likely remain near 2013 levels through much, if not all of 2015 because although 70,300 jobs have been added to the Nevada economy since 2011, that is only 35% of the jobs lost from 2007 to 2010. The unemployment rate remains high at 7.1%, and average annual income has stayed flat since 2007. Finally, mortgage financing is tougher to get for many buyers, and high land prices for scarce larger parcels is pushing builders to consider land in less desirable, but more affordable locations in the valley (Las Vegas Review Journal, March 8, 2014).

Multiple-Family Market Analysis

According to the Lied Institute of Apartment Market Trends, 1st Quarter 2015, the average vacancy rate for apartments in the MSA has declined from 10.96% at its peak in the 3rd Quarter 2009 to 9.2%, but is up from the most recent low during fourth quarter of 2014, as shown in the graph below.

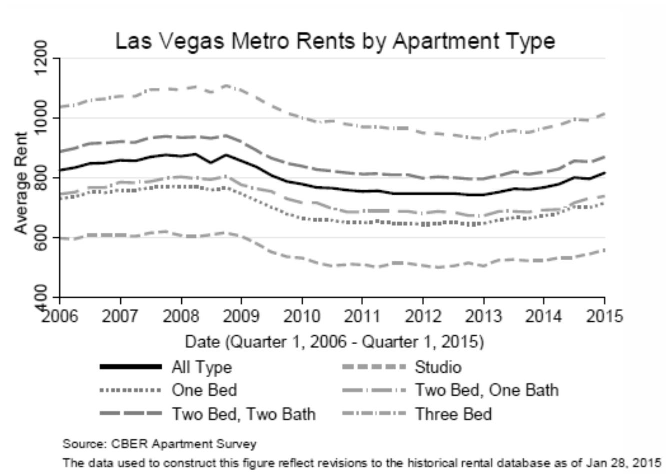
All but seven zip codes saw an increase in the vacancy rate this quarter and the overall vacancy rate in the Las Vegas metropolitan area increased by 0.9 percentage points. The most notable increases came from the central area where most zip codes saw an increase in the vacancy rate of about 2 percentage points. The 89109 zip code, the strip area, saw a 2 percentage-point increase in the vacancy rate and now has a vacancy rate of 15.7 percent – 4 percentage points higher than anywhere else in the Las Vegas Metropolitan area. The largest increase in the vacancy rate came from the 89139 zip code where the vacancy rate increased by 3 percentage points. The only notable decreases in vacancy rates came from the 89031 and 89131 zip codes, where the vacancy rate decreased by about 2 percent.

Asking rents increased by two percent this quarter and the average asking rent is now $815. Asking rents are up 7 percent on a year-over-year basis. Still, average asking rents in Las Vegas still remain 7 percent lower than their peach in 2007 ($876). The vacancy rate increased from 8.3 percent (2014 Q4) to 9.2 percent (2015 Q1).

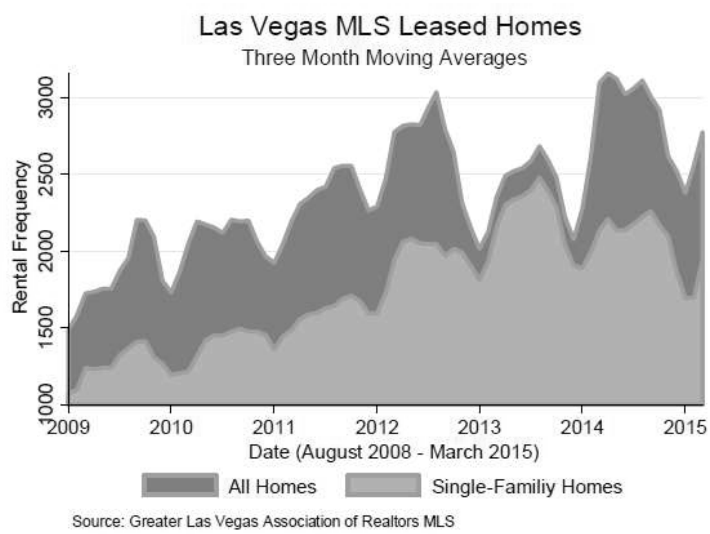
The Las Vegas metropolitan area saw a wide range of changes in asking rents this quarter. On one end, zip codes on the east side, which typically have lower asking rents, saw rents increase by over

$20 this quarter. On the other end, the zip codes that had the highest asking rent last quarter, the 89138 and 89144 zip codes, both saw asking rents decrease by about $40 this quarter. The most considerable increase came in the 89149 zip code where the average asking rent increased by $101 (11 percent). The most considerable decrease came from the 89011 zip code where the average asking rent decreased by $80 (8 percent).

One bedroom apartments saw the most considerable increase in asking rents this quarter. Furnished one-bedroom apartments saw an increase of $18 (2.6 percent) in the asking rent. Unfurnished one-bedroom apartments saw an increase of $16 (2.3 percent). Furnished studios, which recently had the most robust growth, saw the largest decrease in asking rent this quarter with a decrease of $14 (2.3 percent). Furnished two-bedroom, two-bath apartments are the only apartment type to have a decrease in the asking rent on a year-over-year basis.



Apartment complexes, to a certain extent, compete with individually owned units, which mostly consist of single family homes, townhomes, and condominiums. MLS rental leases, a proxy for this competition, began to slow down towards the end of this quarter reaching a three month moving average of 2,774 leases in March 2015 – 10 percent more than the end of last quarter. However, MLS leases are down 319 leases (10 percent) on a year-over-year basis. Apartments compared to single-family often tend to offer shorter lease contracts, smaller deposits, and more common community amenities (i.e., pool, gym, or recreation center).



Nevertheless, economic conditions, more than anything will influence the apartment market, especially as residents find better jobs, earn higher income, and recover financially.

Highest and Best Use

The Highest and Best Use of a property is the use that is legally permissible, physically possible, and financially feasible which results in the highest value. An opinion of the highest and best use results from consideration of the criteria noted above under the market conditions or likely conditions as of the effective date of value. Determination of highest and best use results from the judgment and analytical skills of the appraiser. It represents an opinion, not a fact. In appraisal practice, the concept of highest and best use represents the premise upon which value is based.

Analysis of Highest and Best Use As If Vacant

In determining the highest and best use of the property as if vacant, we examine the potential for: 1) near term development, 2) a subdivision of the site, 3) an assemblage of the site with other land, or 4) holding the land as an investment.

Legally Permissible

The subject site is zoned R-PD7, Residential Planned Development District which controls the general nature of permissible uses and allows for development of 7 units to the acre. However, according to the City of Las Vegas, "new development under the R-PD District is not favored and will not be available under this Code" and also states that "the "equivalent standard residential district" means a residential district listed in the Land Use Tables which, in the Director's judgement, represents the (or a) district which is most comparable to the R-PD District in question in terms of density and development type". Therefore, a change in zoning is likely. In conversation with the subject owner's attorney, Chris Kaempfer with Kaempfer Crowell Law Firm, it is likely that the subject can obtain zoning that would allow for the development of 7 to 10 unit per acre. We were told that this zoning is probable as it is based off of obtaining densities similar to the surrounding zoning that ranges from 5 units to the acre to very high density (from One Queensridge Place.

We have been provided with title reports for the site and there are no known easements, encroachments, covenants or other use restrictions that would unduly limit or impede development.

Physically Possible

The physical attributes allow for a number of potential uses. Elements such as size, shape, availability of utilities, known hazards (flood, environmental, etc.), and other potential influences are described in the Site Description and have been considered.

The subject is located in an area that has fairly stable soils and subsoil's with regard to support of commercial and residential structures. Moreover, we have been provided a Phase I soils report (performed by GES Services Inc. Project No. 20072184V2 and dated December 19, 2014) for the subject that concludes that there are no development limitations on the subject site. The site however, is developed with approximately 40% golf course and there will be need for removal of the top golf course soils prior to construction of any residential units due organic matter and the poor soil stability of the topsoil.

The property is located within a flood hazard area (Flood Zone A); therefore, flood insurance is required for any improvements on the site. The parcel has mild to severe sloping and undulations and arroyos that are typical of golf course construction. Prior to development of a residential use, the site will require installation of proper drainage and box culverts to allow for development.

Financially Feasible

According to the owner, the Badlands Golf Course will be shut down within the next six months due to declines in profit. That said, the probable use of the site for residential development is feasible and conforms to the pattern of land use in the market area. A review of published yield, rental and occupancy rates suggest that there is a balanced supply and demand in the Summerlin area and it is sufficient to support construction costs and ensure timely absorption of additional inventory in this market. Therefore, near-term speculative development of the subject site is financially feasible.

Maximally Productive

Among the financially feasible uses, the use that results in the highest value (the maximally productive use) is the highest and best use. Considering these factors, the maximally productive use as though vacant is for development of residential properties with a density of 7 to 10 units per acre.

Conclusion of Highest and Best Use As If Vacant

The conclusion of the highest and best use as if vacant is for development of residential properties with a density of 7 to 10 units per acre.

Most Probable Buyer/User

As of the date of value, the most probable buyer of the subject property is developer and the most probable user would be a residential user.

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Appraisal Methodology

Three Approaches to Value

There are three traditional approaches typically available to develop indications of real property value: the cost, sales comparison, and income capitalization approaches.

Cost Approach

The cost approach is based upon the principle that a prudent purchaser would pay no more for a property than the cost to purchase a similar site and construct similar improvements without undue delay, producing a property of equal desirability and utility. This approach is particularly applicable when the improvements being appraised are relatively new or proposed, or when the improvements are so specialized that there are two few comparable sales to develop a credible Sales Comparison Approach analysis.

Sales Comparison Approach

In the sales comparison approach, the appraiser analyzes sales and listings of similar properties, adjusting for differences between the subject property and the comparable properties. This method can be useful for valuing general purpose properties or vacant land. For improved properties, it is particularly applicable when there is an active sales market for the property type being appraised – either by owner-users or investors.

Income Capitalization Approach

The income capitalization approach is based on the principle that a prudent investor will pay no more for the property than he or she would for another investment of similar risk and cash flow characteristics. The income capitalization approach is widely used and relied upon in appraising income-producing properties, especially those for which there is an active investment sales market.

Subject Valuation

As stated within the Scope of Work, we have relied upon the Sales Comparison Approach. If an approach has been omitted, the reason for that exclusion is also stated within the Scope of Work.

Land Valuation

Methodology

Land is most often valued using the Sales Comparison Approach. The opinion of market value is based on an analysis of sales, listings and pending sales of properties similar to the subject property, using the most relevant units of comparison. The comparative analysis focuses on the difference between the comparable sales and the subject property using all appropriate elements of comparison.

Unit of Comparison

The unit of comparison depends on land use economics and how buyers and sellers use the property. The unit of comparison in this analysis is per gross acre.

Elements of Comparison

Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The main elements of comparison that are considered in sales comparison analysis are as follows: (1) real property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location and (7) physical characteristics.

Comparable Sales Data

A search of data sources and public records, a field survey, interviews with knowledgeable real estate professionals in the area, and a review of our internal database were conducted to obtain and verify comparable sales and listings of vacant land properties.

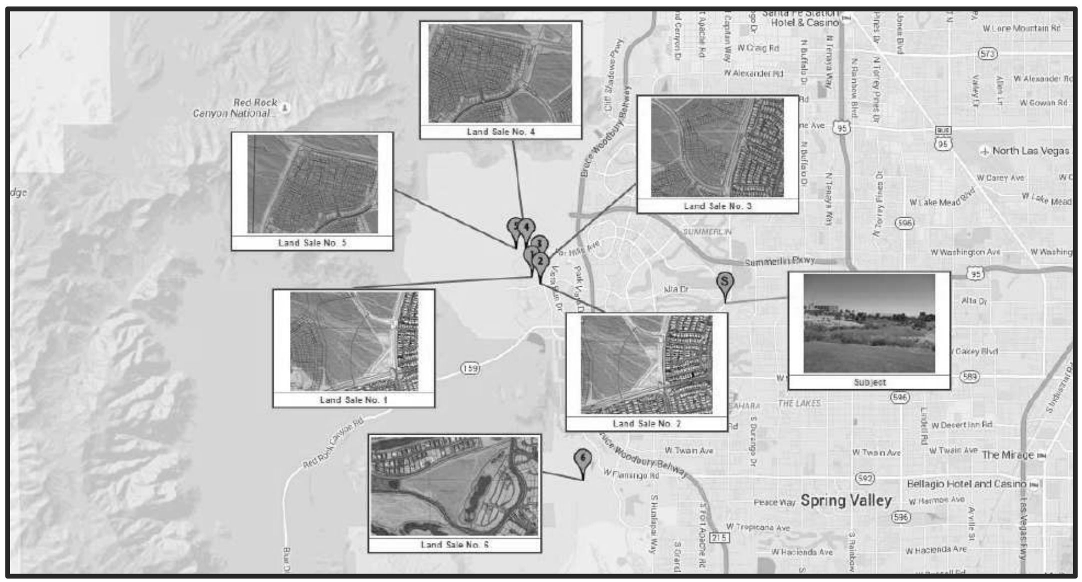
We used six sales in our analysis, these representing the sales judged to be the most comparable in developing an indication of the market value of the subject property. The land sales have been compared to the primary subject site, as a base. The indicated value was then adjusted accordingly and applied to the excess land.

The following table summarizes each of the land sale comparables and is followed by a map displaying the location of each comparable in relation to the subject. Summary sheets detailing each comparable follow the location map.

Land Sales Summary

Land Sale No.	Date of Sale	Gross Acres	Location		Zoning	Proposed Use	Sale Price Actual	Per Acre
1	3/20/2014	33.000	Alta Dr	Las Vegas, Nevada	P-C	Single family residential	$16,281,200	$493,370
2	4/17/2014	26.500	NWC Alta Dr and Desert Foothills	Las Vegas, Nevada	P-C	Single Family Development	$12,000,000	$452,830
3	6/20/2014	28.570	Antelope Dr	Las Vegas, Nevada	P-C	Single Family Development	$15,284,950	$535,000
4	12/11/2014	20.350	Fox Hill Dr	Las Vegas, Nevada	P-C	Single Family Development	$10,570,000	$519,410
5	2/4/2015	29.280	Fox Hill Dr	Las Vegas, Nevada	P-C	Single Family Development	$16,773,900	$572,879
6	5/29/2015	33.190	Ns of Granite Ridge Drive, south of Flamingo	Las Vegas, Nevada	R-1a	Single Family Development	$20,800,000	$626,695

COMPARABLE SALES MAP



0471

14518

Land Comparable 1

Transaction Information

Status:	Closed
Recording Date:	March 20, 2014
Recording #:	20140320:02087
Sale Price:	$16,281,200
Adjusted Sales Price:	$16,281,200
Grantor:	Howard Hughes Company, LLC
Grantee:	Toll South LV, LLC

Property Rights

Rights Conveyed:	Fee Simple
Financing:	All Cash to Seller
Conditions of Sale:	Arm's Length
Marketing Time (Days):	Not available
Price Per Gross Acre:	$493,370
Price Per Gross SF:	$11.33
Price Per Usable Acre:	$520,000.00
Price Per Usable SF:	$11.94

Property Type:	Land
Property Sub-Type:	Residential (Single-Family)
Location:	Alta Dr, Las Vegas, Nevada 89138
County:	Clark
Tax ID/APN:	137-34-519-001
Confirmed With:	Rachel Lyons with Howard Hughes Co.
Confirmed By:	Tammy O'Rourke

Land Description

Gross Acres:	33.00
Gross SF:	1,437,480
Net Acres:	31.31
Net SF:	1,363,864
Zoning:	P-C, Planned Community
Zoning Jurisdiction:	Las Vegas
Utilities:	All public utility lines will be delivered to the site per the purchase agreement
Off-Sites:	All off-site improvements are to be installed
On-Sites:	None
Frontage:	513
Shape:	Irregular
Topography:	Generally level
In Flood Plain:	No
Encumb./Easements:	No known adverse easements or encumbrances

Proposed Improvements

Proposed Use:	Single family residential
Highest & Best Use:	Single family residential

Comments: This 33 gross acre parcel of land is located in the west/central portion of Las Vegas in the master planned community of Summerlin. As is typical for this community, the parcel will be fully finished with off-site improvements and all utilities will be delivered to the site. This parcel was purchased by Toll South LV, LLC in March 2014 for $520,000 per net acre. The sale has been confirmed by a representative of the seller as arms length with no unusual buyer or seller motivation. As is typical for the Summerlin community, the buyer of this parcel also assumed SID fees in the amount of $1,871,701.69 (as of March 2014). The parcel is also subject to a price participation clause where the buyer must pay a percentage to the seller on each home sold. There were no brokers involved on either side of this transaction.

0472

14519

Land Comparable 2

Transaction Information

Status:	Closed
Recording Date:	April 17, 2014
Recording #:	20140417:02201
Sale Price:	$12,000,000
Adjusted Sales Price:	$12,000,000
Grantor:	Howard Hughes Company LLC
Grantee:	Ryland Homes Nevada LLC

Property Rights

Rights Conveyed:	Fee Simple
Financing:	Assumed All Cash to Seller
Conditions of Sale:	Assumed Arm's Length
Marketing Time (Days):	Not available
Price Per Gross Acre:	$452,830
Price Per Gross SF:	$10.40
Price Per Usable Acre:	$500,000.00
Price Per Usable SF:	$11.48

Property Type:	Land
Property Sub-Type:	Residential (Single-Family)
Location:	NWC Alta Dr and Desert Foothills, Las Vegas, Nevada 89138
County:	Clark
Tax ID/APN:	137-34-519-002
Confirmed With:	Rachel Lyons, Howard Hughes Co.
Confirmed By:	Tammy O'Rourke

Land Description

Gross Acres:	26.50
Gross SF:	1,154,340
Net Acres:	24.00
Net SF:	1,045,440
Zoning:	P-C, Planned Community
Zoning Jurisdiction:	City of Las Vegas
Utilities:	At or near site
Off-Sites:	Full off-sites will be installed as included in purchase price
On-Sites:	None
Frontage:	1,110
Shape:	Irregular
Topography:	Above grade and near level
In Flood Plain:	No
Encumb./Easements:	No known adverse easements or encumbrances

Proposed Improvements

Proposed Use:	Single Family Development
Highest & Best Use:	Single Family Development

Comments: This 24 net acre parcel of land is located in the west/central portion of Las Vegas in the master planned community of Summerlin. As is typical for this community, the parcel will be fully finished with off-site improvements and all utilities will be delivered to the site. This parcel was purchased by Ryland Homes Nevada, LLC in April 2014 for $500,000 per net acre. The sale has been confirmed by a representative of the seller as arms length with no unusual buyer or seller motivation. As is typical for the Summerlin community, the buyer of this parcel also assumed SID fees in the amount of $1,434,712.50 (as of May 2014). The parcel is also subject to a price participation clause where the buyer must pay a percentage to the seller on each home sold. There were no brokers involved on either side of this transaction.

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Land Comparable 3

Transaction Information

Status:	Closed
Recording Date:	June 20, 2014
Recording #:	20140620:02262
Sale Price:	$15,284,950
Adjusted Sales Price:	$15,284,950
Grantor:	Howard Hughes Company, LLC
Grantee:	Woodside Homes of Nevada, LLC

Property Rights

Rights Conveyed:	Fee Simple
Financing:	All Cash to Seller
Conditions of Sale:	Arm's Length
Marketing Time (Days):	N/A
Price Per Gross Acre:	$535,000
Price Per Gross SF:	$12.28
Price Per Usable Acre:	$535,000.00
Price Per Usable SF:	$12.28

Property Type:	Land
Property Sub-Type:	Residential (Single-Family)
Location:	Antelope Dr, Las Vegas, Nevada 89138
County:	Clark
Tax ID/APN:	137-27-813-002
Confirmed With:	CoStar, public records, calls to Peggy Chandler with Howard Hughes were not returned
Confirmed By:	Brenda Cazares

Land Description

Gross Acres:	28.57
Gross SF:	1,244,509
Net Acres:	28.57
Net SF:	1,244,509
Zoning:	P-C, Planned Community District
Zoning Jurisdiction:	City of Las Vegas
Utilities:	All are to the site
Off-Sites:	Offsites are installed
On-Sites:	No site improvements
Frontage:	1,700
Shape:	Irregular
Topography:	Mostly level
In Flood Plain:	No
Encumb./Easements:	There are no known adverse easements or encumbrances.

Proposed Improvements

Proposed Use:	Single Family Development
Highest & Best Use:	Single Family Development

Comments: This 28.57 acre parcel of land is located in the west/central portion of Las Vegas in the master planned community of Summerlin. As is typical for this community, the parcel will be fully finished with off-site improvements and all utilities will be delivered to the site. This site was purchased by Woodside Homes of Nevada, LLC for single family development. According to public records, the site will be the future home of Savona, a single-family subdivision. The site was approved for construction of 135 lots or 4.73 units per acre. The zoning will remain the same at P-C (Planned Community) which allows for up to 10 units per acre. The buyer may be required to assume remaining (if any) SID fees, however, the amounts were not disclosed.

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Land Comparable 4

Transaction Information

Status:	Closed
Recording Date:	December 11, 2014
Recording #:	20141211:02406
Sale Price:	$10,570,000
Adjusted Sales Price:	$10,570,000
Grantor:	Howard Hughes Company, LLC
Grantee:	William Lyon Homes Inc

Property Rights

Rights Conveyed:	Fee Simple
Financing:	All Cash to Seller
Conditions of Sale:	Arm's Length
Marketing Time (Days):	N/A
Price Per Gross Acre:	$519,410
Price Per Gross SF:	$11.92
Price Per Usable Acre:	$519,410.00
Price Per Usable SF:	$11.92
Price Per Unit:	N/A

Property Type:	Land
Property Sub-Type:	Multi-Family
Location:	Fox Hill Dr, Las Vegas, Nevada 89138
County:	Clark
Tax ID/APN:	137-27-313-001
Confirmed With:	CoStar, public records, calls to Peggy Chandler with Howard Hughes were not returned
Confirmed By:	Brenda Cazares

Land Description

Gross Acres:	20.35
Gross SF:	886,446
Net Acres:	20.35
Net SF:	886,446
Zoning:	P-C, Planned Community District
Zoning Jurisdiction:	City of Las Vegas
Utilities:	All are to the site
Off-Sites:	All off sites are installed
On-Sites:	No site improvements
Frontage:	1,481
Shape:	Irregular
Topography:	Mostly level
In Flood Plain:	No
Encumb./Easements:	There are no known adverse easements or encumbrances.

Proposed Improvements

Proposed Use:	Single Family Development
Highest & Best Use:	Single Family Development

Comments: This 20.35 acre parcel of land is located in the west/central portion of Las Vegas in the master planned community of Summerlin. As is typical for this community, the parcel will be fully finished with off-site improvements and all utilities will be delivered to the site. This site was purchased by William Lyon Homes Inc. for single family development. According to public records, the site will be the future home of Allegra community within Paseos Village. The site was approved for construction of 88 lots or .23 units per acre. The zoning will remain the same at P-C (Planned Community) which allows for up to 10 units per acre. There were no conditions to the sale and no specific reason the price per acre is higher than the previous sold superpads. All approvals for single family residential development are in place as well as utilities and zoning. There was no broker representation on the transaction. The buyer may be required to assume remaining (if any) SID fees, however, the amounts were not disclosed.

Land Comparable 5

Property Type:	Land
Property Sub-Type:	Multi-Family
Location:	Fox Hill Dr, Las Vegas, Nevada 89138
County:	Clark
Tax ID/APN:	137-27-312-001, 137-27-313-004
Confirmed With:	CoStar, public records, calls to Peggy Chandler with Howard Hughes were not returned
Confirmed By:	Brenda Cazares

Transaction Information

Status:	Closed
Recording Date:	February 4, 2015
Recording #:	20150204:04866
Sale Price:	$16,773,900
Adjusted Sales Price:	$16,773,900
Grantor:	Howard Hughes Company, LLC
Grantee:	Toll South LV, LLC

Property Rights

Rights Conveyed:	Fee Simple
Financing:	All Cash to Seller
Conditions of Sale:	Arm's Length
Marketing Time (Days):	N/A
Price Per Gross Acre:	$572,879
Price Per Gross SF:	$13.15
Price Per Usable Acre:	$572,879.00
Price Per Usable SF:	$13.15

Land Description

Gross Acres:	29.28
Gross SF:	1,275,437
Net Acres:	29.28
Net SF:	1,275,437
Zoning:	P-C, Planned Community District
Zoning Jurisdiction:	City of Las Vegas
Utilities:	All are to the site
Off-Sites:	All off sites are installed
On-Sites:	No site improvements
Frontage:	428
Shape:	Irregular
Topography:	Mostly level
In Flood Plain:	No
Encumb./Easements:	There are no known adverse easements or encumbrances.

Proposed Improvements

Proposed Use:	Single Family Development
Highest & Best Use:	Single Family Development

Comments: This 29.28 acre parcel of land is located in the west/central portion of Las Vegas in the master planned community of Summerlin. As is typical for this community, the parcel will be fully finished with off-site improvements and all utilities will be delivered to the site. This site was purchased by Toll Brothers Inc. for single family development. According to public records, the site will be the future home of Los Altos, a gated community within Paseos Village. The site was approved for construction of 78 lots or .37 units per acre. The zoning will remain the same at P-C (Planned Community) which allows for up to 10 units per acre. There were no conditions to the sale and no specific reason the price per acre is higher than the previous sold superpads. The deal was under contract for approximately 90 days. All approvals for single family residential development are in place as well as utilities and zoning. There was no broker representation on the transaction. The buyer may be required to assume remaining (if any) SID fees, however, the amounts were not disclosed.

0476

14523

Land Comparable 6

Transaction Information

Status:	Closed
Recording Date:	May 29, 2015
Recording #:	20150529:05783
Sale Price:	$20,800,000
Adjusted Sales Price:	$20,800,000
Grantor:	The Howard Hughes Corporation
Grantee:	ADLV Land Holdings LLC

Property Rights

Rights Conveyed:	Fee Simple
Financing:	All Cash to Seller
Conditions of Sale:	Arm's Length
Marketing Time (Days):	N/A
Price Per Gross Acre:	$626,695
Price Per Gross SF:	$14.39
Price Per Usable Acre:	$626,695.00
Price Per Usable SF:	$14.39

Property Type:	Land
Property Sub-Type:	Residential (Single-Family)
Location:	Ns of Granite Ridge Drive, south of Flamingo, Las Vegas, Nevada 89135
County:	Clark
Tax ID/APN:	164-14-813-001
Confirmed With:	CoStar, public records, calls to Peggy Chandler with Howard Hughes were not returned
Confirmed By:	Brenda Cazares

Land Description

Gross Acres:	33.19
Gross SF:	1,445,756
Net Acres:	33.19
Net SF:	1,445,756
Zoning:	R-1a, Single Family Residential up to 5 units per acre
Zoning Jurisdiction:	City of Las Vegas
Utilities:	All are to the site
Off-Sites:	The site requires all off improvements
On-Sites:	No site improvements
Frontage:	1,460
Shape:	Irregular
Topography:	Mostly level
In Flood Plain:	No
Encumb./Easements:	There are no known adverse easements or encumbrances.

Proposed Improvements

Proposed Use:	Single Family Development
Highest & Best Use:	Single Family Development

Comments: This 33.19 acre parcel of land is located in the west/central portion of Las Vegas in the master planned community of Summerlin. This site was purchased by William Lyon Homes, Inc. for single family development. The zoning at time of sale was R-1a, allowing development of up to 5 units per acre. The deal was under contract for approximately 90 days. All utilities are in place. Plans to develop the site are not known. Lyon Homes current has two single-family developments under construction to the east of this parcel. The proposed homes are semi-custom luxury homes in gated communities and it is expected that this parcel will also be developed with a similar community.

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Land Sales Comparison Analysis

We analyzed the sales and made adjustments for differences in the elements of comparison previously listed. The comparable sales are adjusted to the subject: if the comparable sale was superior to the subject, we applied a negative adjustment to the comparable sale. A positive adjustment to the comparable property was applied if it was inferior to the subject. A summary of the elements of comparison follows.

Transaction Adjustments

These items are applied prior to the application of property adjustments. Transaction adjustments include:

1. Real Property Rights Conveyed
2. Financing Terms
3. Conditions of Sale
4. Expenditures Made Immediately After Purchase

The adjustments are discussed as follows:

Real Property Rights Conveyed

The subject is currently encumbered by lease between Fore Stars Ltd. and Par 4 Golf Management. However, the lease includes a clause stating that after May 31, 2016, the landlord shall have the right to reduce the number of holes in service on the course. According to the owner, the lease would be terminated at this time for the subject site in order to begin development of the site. We have appraised the subject under the extraordinary assumption that the lease will be terminated at this time. Since the time frame between effective date of value and the termination date is minimal (10 months) the lease is not expected to affect the market value of site, making it commensurate to the fee simple market value. The sale comparables all reflect the fee simple interest as well as the subject, with no adjustments required.

Financing Terms

The transaction price of one property may differ from that of an identical property due to different financial arrangements. Sales involving financing terms that are not at or near market terms require adjustments for cash equivalency to reflect typical market terms. A cash equivalency procedure discounts the atypical mortgage terms to provide an indication of value at cash equivalent terms. All of the comparable sales involved typical market terms by which the sellers received cash or its equivalent and the buyers paid cash or tendered typical down payments and obtained conventional financing at market terms for the balance. Therefore, no adjustments for this category were required.

Conditions of Sale

When the conditions of sale are atypical, the result may be a price that is higher or lower than that of a normal transaction. Adjustments for conditions of sale usually reflect the motivations of either a buyer or a seller who is under duress to complete the transaction. Another more typical condition of sale involves the downward adjustment required to a comparable property’s for-sale listing price, which usually reflects the upper limit of value.

A review of the land sales did not indicate any condition of sale adjustments to be warranted for atypical conditions or for sale listings.

Expenditures Made Immediately After Purchase

A knowledgeable buyer considers expenditures that will have to be made upon purchase of a property because these costs affect the price the buyer agrees to pay. Such expenditures may include: (1) costs to demolish and remove any portion of the improvements, (2) costs to petition for a zoning change, and/or (3) costs to remediate environmental contamination.

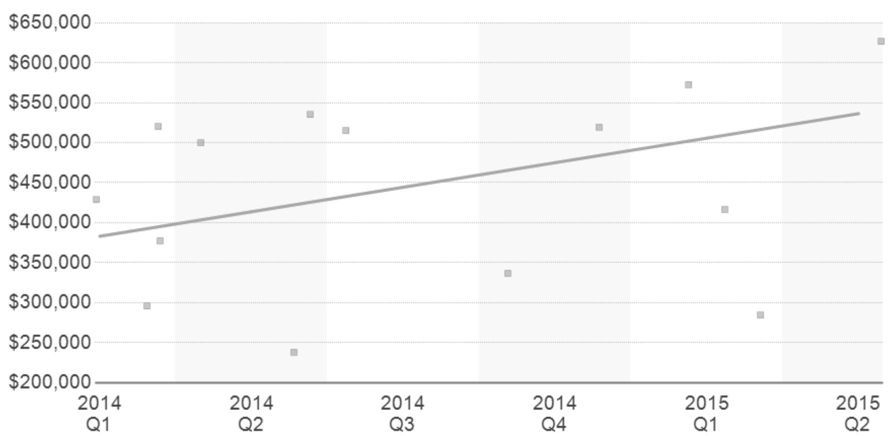
The relevant figure is not the actual cost incurred, but the cost that was anticipated by both the buyer and seller. Unless the sales involved expenditures anticipated upon the purchase date, no adjustments to the comparable sales are required for this element of comparison.

The parties to these transactions did not anticipate expenditures were required immediately after purchase; therefore, no adjustments were warranted.

Market Conditions Adjustment

Market conditions change over time as a result of inflation, deflation, fluctuations in supply and demand and other factors. Changing market conditions creates the need for adjustments to sale comparables that represent transactions during periods of dissimilar market conditions.

The subject is located within a centralized portion of Summerlin. The sales are also located in Summerlin, but in a mostly residential area that within the past year or so has been developed with several new residential communities. In order to determine if a market conditions adjustment is warranted, we have looked to CoStar to provide trends as to sales within the Summerlin area, above 15 acres, having sold after January 1, 2014 to the present time. The following table shows the market trend for sales in the Summerlin area:



The average price per acre in Q1 2014 was $383,056 and in Q2 2015 the average price per acre rose to $536,375 per acre, an increase of approximately 40%, according to Co Star records. However, this included several lower priced sales within 2014, causing upward pressure in 2015.

We have also looked to the land sales included in this section, and compared these sales to one another to better determine any market conditions adjustments. Below is a comparison of the land sales and their respective appreciation amounts:

Sale #	Sale Date	Sale Price/Per Acre
1	Mar-14	$493,369
5	Feb-15	$572,879
	Increase of:	**16%**
	Per Month:	**1.23%**
	Per Year	**14.76%**

Sale #	Sale Date	Sale Price/Per Acre
3	Jun-14	$535,000
5	Feb-15	$572,879
	Increase of:	**7%**
	Per Month:	**0.875%**
	Per Year:	**10.50%**

Based on our analysis, the market conditions can range from 10.50% to 40% per year. We have estimated market conditions at 20% given the subject's location and ongoing development in the Summerlin area.

Property Adjustments

Property adjustments are usually expressed quantitatively as percentages that reflect the increase or decrease in value attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are used. These adjustments are based on locational and physical characteristics and are applied after the application of transaction and market conditions adjustments.

We have summarized adjustments to the sale comparables below. These adjustments are based on our market research, best judgment, and experience in the appraisal of similar properties.

The adjustments are discussed as follows:

Location

Location adjustments may be required when the locational characteristics of a comparable are different from those of the subject. These characteristics can include general neighborhood characteristics, freeway accessibility, street exposure, corner- versus interior-lot location, neighboring properties, view amenities, and other factors.

The subject site is located within Queensridge and is along Rampart Boulevard with average access and good visibility. The subject site is centrally located in the Summerlin area with access to various commercial developments and amenities. We are of the opinion that the subject is superior in location to all of the comparable sales due to its centralized location. In order to order to determine the location adjustment we have compared a recent home sale within the Queensridge and have compared it to a model home currently for sale within Land Sale 3. As mentioned, Land Sale 3 was purchased to develop the single-family community of Savona built by Woodside Homes. The following grid compares the sale within Queensridge vs. the Portofino Plan 3 within Savona, which is currently available for sale:

ITEM	SUBJECT			COMPARABLE NO. 1				COMPARABLE NO. 2			
Address/Location	Queensridge Residential Community			9516 Royal Lamb Drive				Model- Portofino Plan 3			
Subdivision				Las Vegas, NV 89145				Savona Community, Summerlin			
Assessor's Parcel Number				APN 138-31-815-019				Not Available			
Sales Price							$ 670,000				$ 505,990
Price/Gross Liv. Area	$			$ 217.74				$ 168.89			
Data and/or				Clark County Records/MLS				Woodside Homes Website			
Verification Source				DOC# 150728:03584 MLS# 1510181							
VALUE ADJUSTMENTS	DESCRIPTION			DESCRIPTION			+ (-) $ Adj.	DESCRIPTION			+ (-) $ Adj.
Sales or Financing				Cash/Conventional				Assumed Cash/Conventional			
Concessions				None							
Date of Sale/Time				7/28/2015			$0	8/20/2015			$0
Location	Average/Typical			Similar				Similar			
Leased Fee/Fee Simple	Fee Simple			Fee Simple				Fee Simple			
Site, Square Feet	6,970			6,970			$ 0	7,000			$ (30)
View	Residential/Typical			Similar				Similar			
Design and Appeal	2-story average			2-story average				2-story average			
Quality of Construction	Wood Frame/Average			Similar				Similar			
Age	14 Years			14 Years			$ -	0 Years			$ (17,710)
Condition	Good			Similar				Similar			
Above Grade	Total	Bdrms	Baths	Total	Bdrms	Baths		Total	Bdrms	Baths	
Room Count	7	4	3	7	4	3		8	4	4	
Gross Living Area	3,077 Sq. Ft.			3,077 Sq. Ft.			$ 0	2,996 Sq. Ft.			$ 4,050
Basement & Finished	None			None				None			
Rooms Below Grade	None			None				None			
Functional Utility	Single Family			Similar				Similar			
Heating/Cooling	FWA/Central			FWA/Central				FWA/Central			
Energy Efficient Items	None/Typical			Similar				Similar			
Garage/Carport	3-car garage			3-car garage				3-car garage			
Porch, Patio, Deck,	Covered patio			Covered Patio				Covered Patio			
Fence, Pool, Site Improvements	Fence, , Pool/Spa, landscaping			Similar				None			$ 15,000
Upgrades/Finishes, Etc.	Good/Remodeled			Similar				Upgrades			$ 10,000
Net Adj. (total)							$ -				$ 11,310
Adjusted Sales Price/PSF							$ 218				$ 173
Of Comparables							$ 670,000				$ 517,300

We have adjusted the model home for difference such as square footage, age, size, and site improvements. The adjusted sale price resulted in $517,300, or $173 per square foot, a negative difference of approximately 30%, when compared to the Queensridge home sale. Since all of the land sales are located in similar locations within Summerlin, we have made an upward adjustment of 30.0% to Sales 1 through 5 for location.

Sale 6 is located in Summerlin; however, it is located farther south and near the Bear's Best Golf course, which is considered superior than the remaining sales. As a result, we have adjusted Sale 6 upward by 25%.

Size

The size adjustment identifies variances in the physical size of the comparables and the subject improvements. Typically, the larger a parcel, the lower the sale price per unit. This inverse relationship is due, in part, to the principle of "economies of scale."

The subject site consists of 70.52 acres of useable land. The sales range in size from 20.35 acres to 33.19 acres. The subject site is larger than the comparable sales; however, we expect that the subject parcel could be developed with multiple product types or possibly be subdivided in to smaller parcels. Moreover, we are aware of other larger residential sites, like the subject, being purchased for development or being sold off into smaller parcels and/or developed with different product types. As a result, we are of the opinion that a size adjustment is not warranted and no adjustment has been applied to any of the sales.

Shape/Depth

The subject site consists of an irregular-shaped tract considered similar enough to the land sales to not warrant any adjustment for this category. Therefore, no adjustment was warranted to any of the sales.

Utilities

The subject property has all utilities in place. The sales also include utilities and no adjustment was warranted.

Topography

The subject has a level to rolling topography. Additional grading that will be required for the subject site and costs of exporting and importing the subject's soil to make the site ready for development in a condition similar to the land sales.

In order to estimate this cost, we have analyzed the purchase of two of the three Stallion Mountain Golf Courses that were purchased for redevelopment to single family residential homes by Pulte and their Del Webb subsidiary. While this sale transferred on March 15, 2004 it remains an indication of costs associated with grading/exporting/importing fill. According the seller, Pulte spent approximately $14 million importing and exporting the old soil out and replacing it with a foundation of materials more suitable for single family development as well as removing the topsoil due to organic material from the golf courses. However, this cost is based upon March 2004 data. We have therefore adjusted this cost to represent the likely cost today by using the Marshall Valuation Service cost book. Based upon the District Comparative Cost Multipliers found in Section 98, Page 6, we have reconciled a multiplier of 1.40 bringing the cost of $14,000,000, current to $19,600,000. Approximately 226 acres of the Stallion Mountain golf course was converted. This results in a unit cost per acre of $19,600,000/226 acres or $86,725 per acre. In conversations with the subject owner, Yohan Lowie, he mentioned that top soil would be removed, but will be ground and utilized as mulch for the remaining golf course site. Doing this, would reduce the cost of removing the top soil significantly since there would be no need to export the soil.

Moreover, we have spoken to other golf course operators that have indicated that the majority of the cost of removing the soil is exporting it off the property. In the case of Stallion Mountain, Mike Luce with the Walter Group indicated that the soils could not be re-located on nearby properties and had to be hauled off to the landfill. We have estimated the cost of removing the soils at approximately 30% of the $86,725 per acre, or $25,000 per acre for the subject property. Approximately 40% of the subject includes top soil that will need to be removed, or approximately 28 acres. Applying the cost of $25,000 per acre multiplied by the 28 acres, results in a total cost of $700,000, or approximately $10,000 per acre if applied to the overall site area of 70.52 acres. The sales utilized did not require this cost and this has been applied as a downward adjustment to each of the sales.

Floodplain

A property's location within flood zone areas is typically a negative factor due to the increased costs of raising improvements up out of the floodplain, as well as additional insurance costs associated with improvements.

The subject and the sales are not located within flood zone area and no adjustment was warranted.

Zoning

The highest and best use of sale comparables should be very similar to the subject property. When comparables with the same zoning as the subject are lacking or scarce, parcels with slightly different zoning, but a highest and best use similar to that of the subject may be used as comparables. These comparables may have to be adjusted for differences in utility if the market supports such adjustment.

The subject site is zoned Residential Planned Development District allowing for development of up to 7 units per acre. As discussed in the Highest and Best Use section, a zoning change is likely allowing for the density to allow between 7 and 10 units per acre.

Sales 1 through 5 have similar zoning and the ability to develop up to 10 units per acre, therefore, no adjustment was warranted.

Sale 6 can be developed up to 5 units per acre and is considered slightly inferior to the subject and an upward adjustment of 5.0% was warranted.

Drainage Cost/Grading

The subject includes several arroyos and rolling topography. In order to develop the subject site, appropriate drainage channels will need to be installed and the site will require grading. In conversations with the owner, two 12' X 12' box culverts will be developed on the subject site in order to alleviate any drainage issues. We have been provided a cost breakdown by EHB companies totaling $7,663,000, or $108,664 per acre or $110,000 rounded. We have not been provided a formal bid for the costs are including these costs under the assumption that these are correct, and if not, the appraiser's opinions and conclusions included herein may be impacted. Based on the costs provided, we have made a downward adjustment of $110,000 per acre to each of the sales.

Summary of Adjustments

Based on the preceding analysis, we have summarized adjustments to the sale comparables on the following adjustment grid. These quantitative adjustments are based on our market research, best judgment, and experience in the appraisal of similar properties.

	Subject	Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5	Sale # 6
Sale ID		16085	16370	16763	18230	18232	18229
Date of Value & Sale	July 23, 2015	March-14	April-14	June-14	December-14	February-15	May-15
Unadjusted Sale Price		$16,281,200	$12,000,000	$15,284,950	$10,570,000	$16,773,900	$20,800,000
Gross Acres	70.520	33.000	26.500	28.570	20.350	29.280	33.190
Transactional Adjustments							
Property Rights Conveyed	*Leased Fee*	*Fee Simple*	*Fee Simple*	*Fee Simple*	*Fee Simple*	*Fee Simple*	*Fee Simple*
Adjustment		-	-	-	-	-	-
Adjusted Sale Price		$493,370	$452,830	$535,000	$519,410	$572,879	$626,695
Financing Terms	*Cash to Seller*	*All Cash to Seller*	*Assumed All Cash to Seller*	*All cash to seller*	*All Cash to Seller*	*All Cash to Seller*	*All Cash to Seller*
Adjustment		$0	$0	$0	$0	$0	$0
Adjusted Sale Price		$493,370	$452,830	$535,000	$519,410	$572,879	$626,695
Conditions of Sale		*Arm's Length*	*Assumed Arm's Length*	*Arm's length*	*Arm's Length*	*Arm's Length*	*Arm's Length*
Adjustment		$0	$0	$0	$0	$0	$0
Adjusted Sale Price		$493,370	$452,830	$535,000	$519,410	$572,879	$626,695
Expenditures after Sale		*$0*	*$0*	*$0*	*$0*	*$0*	*$0*
Adjustment		$0	$0	$0	$0	$0	$0
Adjusted Sale Price		**$493,370**	**$452,830**	**$535,000**	**$519,410**	**$572,879**	**$626,695**
Market Conditions Adjustments							
Elapsed Time from Date of Value		*$1*	*$1*	*$1*	*$1*	*$0*	*$0*
Market Trend Through	July-15	$0	$0	$0	$0	$0	$0
Adjusted Sale Price		**$625,836**	**$567,464**	**$651,674**	**$583,163**	**$625,929**	**$645,581**
Physical Adjustments							
Location	*Portion of Badlands Golf Course*	*Alta Dr*	*NWC Alta Dr and Desert Foothills*	*Antelope Dr*	*Fox Hill Dr*	*Fox Hill Dr*	*Ns of Granite Ridge Drive, south of Flamingo*
Adjustment		30.0%	30.0%	30.0%	30.0%	30.0%	25.0%
Size	*70.520 acres*	*33.000 acres*	*26.500 acres*	*28.570 acres*	*20.350 acres*	*29.280 acres*	*33.190 acres*
Adjustment		-	-	-	-	-	-
Shape/Depth	*Irregular*	*Irregular*	*Irregular*	*Irregular*	*Irregular*	*Irregular*	*Irregular*
Adjustment		-	-	-	-	-	-
Utilities	*All are located nearby*	*All public utility lines will be delivered to the site per the purchase agreement*	*At or near site*	*All are to the site*	*All are to the site*	*All are to the site*	*All are to the site*
Adjustment		-	-	-	-	-	-
Topography	*Level to Rolling*	*Generally level*	*Above grade and near level*	*Mostly level*	*Mostly level*	*Mostly level*	*Mostly level*
Adjustment		-2.0%	-2.2%	-1.9%	-1.9%	-1.7%	-1.6%
	Enter $/Gross Acres Adj.	-$10,000.00	-$10,000.00	-$10,000.00	-$10,000.00	-$10,000.00	-$10,000.00
Floodplain	*A*	*X*	*X*	*X*	*X*	*X*	*X*
Adjustment		-	-	-	-	-	-
Zoning	*R-PD7*	*P-C*	*P-C*	*P-C*	*P-C*	*P-C*	*R-1a*
Adjustment		-	-	-	-	-	5.0%
Drainage Cost/Grading							
Adjustment		-22.3%	-24.3%	-20.6%	-21.2%	-19.2%	-17.6%
	Enter $/Gross Acres Adj.	-$110,000.00	-$110,000.00	-$110,000.00	-$110,000.00	-$110,000.00	-$110,000.00
Net Physical Adjustment		5.7%	3.5%	7.6%	6.9%	9.1%	10.9%
Adjusted Sale Price per Gross Acre		**$661,368**	**$587,326**	**$701,006**	**$623,383**	**$682,596**	**$715,639**

Conclusion - Primary Site

From the market data available, six most comparable land sales were selected and adjusted based on pertinent elements of comparison. The adjustments were discussed earlier and are presented in the preceding adjustment grid. The following table summarizes the unadjusted and adjusted sale prices:

Land Sale Statistics

Metric	Unadjusted	Adjusted
Minimum Sale Price per Gross Acre	$452,830	$587,326
Maximum Sale Price per Gross Acre	$626,695	$715,639
Median Sale Price per Gross Acre	$527,205	$671,982
Mean Sale Price per Gross Acre	$533,364	$661,886

The most comparable sale was Sale #5, the most recent sale with the least amount of adjustments, with an adjusted sale price of $682,595 per gross acre. Sale 2 was the lowest sale and was given the least weight. The remaining sales provided a range of $623,383 to $715,639 per gross acre, with four of the sales ranging between $661,368 to $715,639 per gross acre. Based on the adjusted prices and the most comparable sale, a unit value for the subject property is near the upper end of the adjusted range, given weight the subject's located within Queensridge, or $700,000 per acre per gross acre. This indicates an as is market value of $49,400,000.

Land Value Indications				
Primary Site - Indicated Reasonable Value Range				
70.520 acres	x	$675,000 per acre	=	$47,601,000
70.520 acres	x	$700,000 per acre	=	$51,127,000
Primary Site - Market Value Opinion				(Rounded)
70.520 acres	x	**$700,000 per acre**	=	$49,400,000

Exposure Time and Marketing Periods

Based on statistical information about days on market, escrow length, and marketing times gathered through national investor surveys, sales verification, and interviews of market participants, marketing and exposure time estimates of 6 to 12 months and 6 to 12 months, respectively, are considered reasonable and appropriate for the subject property.

General Assumptions and Limiting Conditions

This appraisal is subject to the following limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.

2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.

3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | Lubawy and Associates, Inc. will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.

4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.

5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.

6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.

7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory, or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | Lubawy and Associates, Inc. is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.

8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.

9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions.

10. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.

11. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.

12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.

13. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.

14. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | Lubawy and Associates, Inc. and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party.

15. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.

16. This appraisal shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors | Lubawy and Associates, Inc..

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17. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.

18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

19. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject's flood zone classification from a licensed surveyor.

20. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income and Expense Projection" are anticipated.

21. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.

22. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. Should the client have concerns in these areas, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise to make such inspections and assumes no responsibility for these items.

23. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.

24. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.

25. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire a greater level of measuring detail, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer). We reserve the right to use an alternative source of building size and amend the analysis, narrative and concluded values (at additional cost) should this alternative measurement source reflect or reveal substantial differences with the measurements used within the report.

26. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, we reserve the right to amend this appraisal (at additional cost) if substantial differences are discovered.

27. If only preliminary plans and specifications were available for use in the preparation of this appraisal, then this appraisal is subject to a review of the final plans and specifications when available (at additional cost) and we reserve the right to amend this appraisal if substantial differences are discovered.

28. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.

29. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.

30. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.

31. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.

32. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.

33. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.

34. The data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.

35. You and Valbridge Property Advisors | Lubawy and Associates, Inc. both agree that any dispute over matters in excess of $5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | Lubawy and Associates, Inc. and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Lubawy and Associates, Inc. or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by Valbridge Property Advisors | Lubawy and Associates, Inc. for this assignment, and under no circumstances shall any claim for consequential damages be made.

36. Valbridge Property Advisors | Lubawy and Associates, Inc. shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors | Lubawy and Associates, Inc.. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | Lubawy and Associates, Inc. and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge Property Advisors | Lubawy and Associates, Inc. harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | Lubawy and Associates, Inc. in such action, regardless of its outcome.

37. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Lubawy and Associates, Inc.. Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.

38. If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.

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39. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.

40. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.

Certification – Brenda Cazares

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. The undersigned has not performed services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. 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 value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Brenda Cazares has personally inspected the subject property.
10. No one provided significant real property appraisal assistance to the person signing this certification, unless otherwise noted.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, the undersigned has completed the Standards and Ethics Education Requirement for Candidates/Practicing Affiliates of the Appraisal Institute.

Brenda Cazares
Appraiser
Nevada License #A.0206506-CG
License Expires 02-28-2016

Certification – Matthew Lubawy

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

14. The statements of fact contained in this report are true and correct.
15. 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.
16. 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.
17. The undersigned has not performed services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
18. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
19. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
20. 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 value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
21. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
22. Matthew Lubawy did not personally inspect the subject property.
23. No one provided significant real property appraisal assistance to the person signing this certification, unless otherwise noted.
24. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
25. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
26. As of the date of this report, the undersigned has completed the continuing education program for Designated Members of the Appraisal Institute.

Matthew Lubawy

Matthew Lubawy, MAI, CVA, CMEA
Senior Managing Director
Nevada License #A.0000044-CG
License Expires 04-30-2017

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Addenda

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Subject Photographs

View of the subject facing west

View of the subject facing south

View of the subject facing south

View of the subject facing west

View of the subject facing northeast

View of the subject facing east

Engagement Letter

BANK OF NEVADA

Appraisal Department

2700 W. Sahara Ave.
Las Vegas, NV 89102
702-252-6366
cmoss@bankofnevada.com

August 26, 2015

RE: Appraisal Assignment

Land - Multi-Family-Other
Off the NW Corner of Rampart & Charleston
Las Vegas, NV 89145

RIMS Project #: 15-000212-01

Dear Matthew J Lubawy, MAI, CVA, CMEA.:

We would like to engage your services for the appraisal of the referenced property as indicated in the addendum to this letter. Your engagement is as an independent contractor and not as an employee or agent of Bank of Nevada. The appraisal assignment is to be prepared in accordance with the requirements of the current edition of Uniform Standards of Professional Appraisal Practice (USPAP).

A qualified staff appraiser may perform the appraisal, but you must review and sign the report. The appraisal may not be subcontracted to an outside individual or firm without my prior written consent. By accepting this appraisal assignment, you and all members of your organization certify that they have no direct or indirect interest, financial or otherwise, in the property or transaction, or relationship with the ownership or borrower. Moreover, you agree not to accept or pursue the appraisal, or related assignments, of the subject property for a minimum of one year from the delivery date of the final appraisal report without written consent from Bank of Nevada.

Timing and Fee of Appraisal Assignment: It is our understanding that the fee for this assignment includes all expenses and an allowance for any technical assistance you feel necessary or appropriate. The original, signed appraisals should be delivered to the undersigned no later than the specified due date. **If delays are anticipated or occur, you must immediately request an extension of the due date in writing from the undersigned in order to avoid late fees or penalties.**

Should the appraisal not be delivered on or before this date, Bank of Nevada reserves the right, at its sole discretion, to either cancel the assignment for cause without payment of the fee or deduct a penalty of one percent (1%) per business day until the appraisal is received. Additionally, Bank of Nevada reserves the right to cancel this assignment. Upon cancellation, payment of the fee will be limited to actual time spent and any out-of-pocket expenses incurred up to the date of termination.

We understand that you and all personnel associated with the assignment will be available to discuss any concerns we might have regarding the analysis and the value conclusions. Bank of Nevada reserves the right to withhold payment if, at our sole discretion, if the appraiser fails to address our concerns with the appraisal within ten working days of such notice.

Property Contact / Information: Please arrange an inspection of the property and make your initial request for information with the property contact listed in the addendum to this letter. Your initial request for information should be made in writing within two business days of receipt of this letter and a copy of the request should be sent to the undersigned. **Any questions regarding this assignment should be e-mailed to the undersigned at cmoss@bankofnevada.com.**

When applicable, discounted cash flow analysis should be performed using the most recent version of ARGUS. Please upload a copy of the ARGUS data file to RIMS upon completion along with your

Matthew J Lubawy, MAI, CVA, CMEA
8/26/2015

Re: RIMS Project #: 15-000212-01

completed report.

Confidentiality: Bank of Nevada is your client and unless authorized by the undersigned, you may not disclose confidential data, including the value conclusion, to anyone other than the undersigned, including the owner of the property, our borrower, or any other individual connected directly or indirectly to this transaction.

To enable you to complete this assignment, we will provide to you information, some of which we regard as highly confidential. Your acceptance of the assignment includes your agreement to keep confidential **any and all information** provided to you, regardless of whether any information provided is marked or otherwise designated as "Confidential Information."

Specifically, any and all information about customers of Bank of Nevada, of any nature whatsoever, including but not limited to customer financial information, and the fact of the existence of a relationship, or potential relationship, between Bank of Nevada and customers, is confidential. Some of the information provided to you may not be confidential if:

- it was known to you before Bank of Nevada or the customer provided it to you; or
- it was public knowledge before Bank of Nevada or the customer provided it to you; or
- it becomes available from a third party, not subject to any restrictions, after Bank of Nevada or customer provided it to you.

You must protect the Confidential Information provided to you using at least a reasonable degree of care, to prevent the unauthorized disclosure of such Confidential Information. You can disclose the Confidential Information to your employees, but you must tell them that the information is confidential and must be maintained that way. You may use Bank of Nevada's Confidential Information only:

- for the purpose of completing your assignment, and
- for the purpose of meeting your professional obligations.

Your obligation to maintain the confidentiality of Bank of Nevada's Confidential Information continues even after the completion of your assignment, except that you have the right to use the Confidential Information to fulfill your professional obligations with respect to mandated file retention and disclosure for purposes of peer review.

If you are, or may be, required by a court or a governmental agency to disclose any Confidential Information, you agree to notify Bank of Nevada before you make any disclosure.

If a representative of Bank of Nevada inquires as to what provisions you have made to keep Bank of Nevada's information confidential, you agree to disclose in detail what steps you have taken and are taking to ensure confidentiality.

If you have any questions about your obligations as set forth above, or about how to meet your obligations set forth above, contact Cheryl Moss at cmoss@bankofnevada.com immediately. Cheryl Moss will assist you in meeting your obligations if at all possible. It is essential that Bank of Nevada's Confidential Information be maintained as confidential.

Acceptance: A copy of the fully executed engagement letter must be included in the addenda of each copy of the final appraisal report.

During the course of this assignment, if you determine that changes to the terms of this agreement or requested scope of work are necessary, please contact the undersigned in writing. Any changes to this engagement must be authorized by Cheryl Moss.

Delivery Instructions: Please upload the final appraisal report including all addendum to RIMS. Please hold all hard copies until notified by Bank of Nevada.

Invoice: Please include the following Cost Center 61 in your submitted invoice to ensure prompt

Page 3

Matthew J Lubawy, MAI, CVA, CMEA.
8/26/2015

Re: RIMS Project #: 15-000212-01

payment.

Sincerely,

By: CMoss

Name: Cheryl Moss
Title:
Address: 2700 W. Sahara Ave.
Las Vegas, NV 89102

Signature: Matthew Lubawy
Date of Signature: 8/26/15
State Certification Number: A.0000424-CG
Expiration Date: 4/30/16

Cheryl Moss

It is not necessary to return a signed copy of the Engagement Letter until the completion of the assignment. By accepting this assignment through RIMS, it is understood that you fully agree to the terms herein.

Agreed and Accepted:

Date: 8/26/15

By: Matthew Lubawy

BANK OF NEVADA

ADDENDUM TO ENGAGEMENT LETTER RIMS Project#: 15-000212-01

Property Data

Borrower:		MS Northwest Land Company
Property Contact:		Brett Harrison
Affiliation:		Manager
Property Contact Phone:		702-940-6937
Property Contact E-Mail:		brett@ehbcompanies.com
Subject Property Address:		Off the NW Corner of Rampart & Charleston Las Vegas, NV 89145
Property Type:		Land - Multi-Family-Other
Property Description:		Raw land for future development. Zoned RPD7.
Appraisal Assignment		
Appraisal Fee:		$4,000
Due Date:		8/26/2015
Job Manager:		Cheryl Moss Phone: 702-252-6366 Fax: Email: cmoss@bankofnevada.com
Report Addressee(s):		Cheryl Moss 2700 W. Sahara Ave. Las Vegas, NV 89102
Delivery Instructions:		
Electronic copies:	1	Upload to RIMS upon completion, along with all supporting files
Hard copies:	0	Douglas Hathaway Bank of Nevada 2700 W Sahara Ave 2nd Floor Las Vegas, NV 89102
Intended Use:		Use - Loan Underwriting Description: The intended use of this appraisal is for loan underwriting and-or credit decisions by Bank and-or participants
Intended User:		User - Bank Description: The intended users of this report is Bank and-or affiliates
Approaches to Value:		Approach - Best Description: The most appropriate valuation approach or approaches to reach a sound valuation conclusion
Inspection Requirements:		Inspect - Full Subject Description: An interior and exterior inspection of the subject property in sufficient detail to determine marketability

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Listing Comparables:	Listing Comparables Description: Please include listings of both sales and rental comparables
Adjustment Grid:	Adjustment Grid Description: Include an Adjustment Grid for both sales and rental comparables.
Source References:	Reference Sources Description: Please include the name and phone number on all market sources referenced
Addendum:	Please include the Environmental and Hazmat Questionnaire in the final report.
Market Conditions Disclaimer:	Due to concerns with changing market conditions, we are requiring your analyses to consider: 1. Market Participant Interviews: Discussions with real estate market prarticipants (buyers, sellers, property managers, realestate agents/brokers). Reference these interviews in a dedicated section, and report and analyze the most pertinent comments and how they impact the subject value. 2. Comparable Listings: In addition to consummated comparable sales and leases, listings should be considered, with the most pertinent ones reported and analyzed, and incorporated within your market data.
Scope of Work:	1.USPAP Summary report 2. Preparer inspects subject-unless otherwise instructed 3. Preparer provides two most meaningful approaches to value in a Summary format. 4. Preparer determines and states within the report, as described within their scope and subject to their extraordinary assumptions and hypothetical conditions- if applicable-the value conclusion-conclusions are credible. 5. Additional services as instructed.
Specific Performance Standards As Is:	As Stabilized Market Value (If you, the appraiser, judge it likely that the stabilization will take more than two years, use the hypothetical As if Stabilized. If you, the appraiser, think it will take two years or less, then it is a prospective date of value.)
Specific Performance Standards Leased Fee:	The following scope of work is the MINIMUM standard for this assignment. If more work is necessary, the appraiser is required to perform that work, whether or not the work is included in the minimum scope shown below. Disclose what you did in developing the assignment results.
Specific Performance Standards Sales Comparison:	1. Adjustment Grid, comp sheets, photos and location map for sales comps. 2. All sales to be confirmed with a party to the transaction. 3. All adjustments to be discussed and supported with market data and analysis. 4. The concluded adjusted indicator must be bracketed by the adjusted comparables. 5. Any sale within the past three years and the pending transaction involving the subject property MUST be reported and ANALYZED. The appraiser is encouraged to use the recent and/or pending sale of the subject as a comp.
Specific Performance Standards	1. Adjustment grid and comp sheets are required for rent comps.

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Income Approach:	Please include the term, start date, annual rent/SF, suite size and TI allowance for each comp. The concluded market rent must be bracketed by the adjusted comps. Conclude annual market rent for each type of space, rather than an average. Discuss and analyze subject?s contract rents and conclude whether the contract rents are at, below or above current market rents. State whether a tenant improvement allowance is amortized in the subject?s lease(s) and adjust appropriately for future rollovers/renewals. 2. Support vacancy allowance with a date and analysis of market vacancy rates and subject vacancy history. 3. If space absorption is a factor, support the absorption period with comparable analysis and market indicators. 4. Support estimates for each expense item for all types of leases. 5. For net leases, all expenses are to be estimated /analyzed and grossed-up with the estimated tenant reimbursements. Then they are to be deducted to a net basis. 6. Analyze and reconcile subject?s historical income and expenses with appraiser?s concluded stabilized operating income. If no history (new construction), use comps and market norms and state sources. 7. Provide a rent roll in the report and review all submitted leases. State the type of lease in terms of who is responsible for which operating expenses. 8. Support tenant improvement allowance ($/SF) and leasing commissions for new leases and rollovers. 9. Support tenant overall capitalization and discount rates. A DCF analysis is NOT required but may be applicable. If a DCF is performed, ARGUS is preferred, but not required. 10. Put our RIMS number on the title page. 11. Interior and exterior inspections are required as well as interior and exterior photographs. Measurement of the building and tenant spaces (if applicable) is required. 12. A conclusion as to the remaining useful life of the improvements is required, even if a Cost Approach is not
Report Type:	Appraisal Report
Report Format:	Narrative
Valuation Scenario(s):	Market Value - As-Is - Fee Simple Market Value - As-Is - Leased Fee

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Hazardous Waste Supplement

A. IDENTIFICATION

Owner's Name(s) EHB

Property Address of Brief Description 70.52 Acres Rampart/Alta

Date of Inspection 7/23/15

B. STORAGE TANKS

Are there any storage tanks on the property? ☐ Yes ☒ No

If yes, please provide the following information for each tank.

(Use additional pages if necessary.)

Tank #1		Tank #2	
Is tank in use?	☐ Yes ☒ No ☐ Unable to determine	Is tank in use?	☐ Yes ☐ No ☐ Unable to determine
Tank is:	☐ Above ground ☐ Below ground	Tank is:	☐ Above ground ☐ Below ground
Location: ______		Location: ______	
What is/was tank used for? ______		What is/was tank used for? ______	
What is the tank size? ______		What is the tank size? ______	

C. COLLECTION SITES

1. Are there any open pits or sumps? ☐ Yes ☒ No
2. Are there any drain water evaporation ponds? ☐ Yes ☒ No
3. Are there any holding ponds with chemical waste effluents? ☐ Yes ☒ No
   If yes, please provide the following information for each pit/pond.

   Number of pits/ponds ______

   Size of each ______
4. Is there any evidence of pollutants in the water or around the edges of the ponds? ☐ Yes ☒ No

D. DRUMS/CONTAINERS

Are there any drums/containers (e.g., pesticides, oils, fuels, lubricants, paints, etc.)? ☐ Yes ☒ No

If yes, please provide the following on a separate attachment:

a. A rough count by size (number of gallons) and type.
b. Number of unlabeled drums.
c. Evidence of spills or leaks.
d. Location of drums.

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E. PESTICIDE APPLICATION OPERATION

1. Is there any evidence or knowledge that any part of the property is or has been used for a pesticide application or chemical manufacturing business? ☒ Yes ☐ No

   If yes, please explain on a separate sheet. Pesticide is used on the golf course. No manufacturing of pesticide

2. Is there any evidence of any hazardous waste problem which has not been described above? ☐ Yes ☒ No

   If yes, please explain on a separate sheet.

F. MISCELLANEOUS

1. Is there evidence of soil contamination or other noteworthy conditions which has not been previously discussed? ☐ Yes ☒ No

   If yes, please explain on a separate sheet.

   Examples of conditions are as follows:

   a. Gullies partially filled in or edges of mounds with containers exposed.
   b. Top soil removed and/or soil does not support the same vegetation as the surrounding area.
   c. Unexplained one inch (1") or bigger pipeline or any kind of opening with metal rim (a possible indicator of an underground storage tank).

2. Is there any evidence or knowledge of contamination from adjacent or nearby properties (e.g., property is located next to a crop duster operation or a dump site)? ☐ Yes ☒ No

   If yes, please explain on a separate sheet.

G. APPRAISAL REPORT

1. Have storage and/or disposal site(s) been shown on the plat or site plan? ☐ Yes ☒ No
2. Does the existence, storage and/or disposal of any hazardous materials affect appraised value? ☐ Yes ☒ No

If yes, please indicate how the appraised value is affected.

3. This report is true and correct to the best of my/our knowledge and belief.

8/26/15 _______ [signature] _______ (Primary Appraiser)

By signing the above, the appraiser does not imply or represent that he/she has expertise in the field of environmental contamination.

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AMERICANS WITH DISABILITIES ACT (ADA) SUPPLEMENT

The following questionnaire will help Bank of Nevada determine the subject property's compliance or non-compliance with ADA. Please answer each question, "Yes" or "No" based on your inspection of the subject property. If explanation is needed, please attach additional sheets of paper.

		Yes	No	N/A
1.	Are there cuts to allow access through the curb from the street and/or parking area?			X
2.	Are parking spaces for the disabled identified and located in the most convenient access point to the facility entrance?			X
3.	Is there an unobstructed wheelchair route from the parking area to the facility entrance?			X
4.	Are ramps provided across a portion of stairs that otherwise would be impassable?			X
5.	Are landings at the top and bottom of ramps level and large enough to accommodate passage of a wheelchair or walker (5' x 5')?			X
6.	Is there at least one entrance door accessible to disabled persons?			X
1.	Is the space between two doors in a series a minimum of 48" plus the width of any door swinging into the space?			X
2.	If the facility has double doors, is at least one side of the double door a minimum width of 32" and does it open at least 90 degrees?			X
3.	Are door handles easy to grasp and can doors be easily opened with one hand?			X
4.	Are there overhanging objects which would obstruct a blind person?			X
5.	Are drinking fountains and restrooms accessible to persons in wheelchairs?			X
6.	If elevators are present, are controls identified by braille?			X

[signature] 8/26/15

Glossary

Definitions are taken from the Dictionary of Real Estate Appraisal, 5th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP) and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

Additional Rent

Any amounts due under a lease that is in addition to base rent. Most common form is operating expense increases. (Dictionary)

Amortization

The process of retiring a debt or recovering a capital investment, typically though scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Dictionary)

Base (Shell) Building

The existing shell condition of a building prior to the installation of tenant improvements. This condition varies from building to building, landlord to landlord, and generally involves the level of finish above the ceiling grid. (Dictionary)

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

Building Common Area

The areas of the building that provide services to building tenants but which are not included in the rentable area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common areas are; floor common areas, parking spaces, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

Certificate of Occupancy (COO)

A statement issued by a local government verifying that a newly constructed building is in compliance with all codes and may be occupied.

Common Area (Public) Factor

In a lease, the common area (public) factor is the multiplier to a tenant's useable space that accounts for the tenant's proportionate share of the common area (restrooms, elevator lobby, mechanical rooms, etc.). The public factor is usually expressed as a percentage and ranges from a low of 5 percent for a full tenant to as high as 15 percent or more for a multi-tenant floor. Subtracting one (1) from the quotient of the rentable area divided by the useable area yields the load (public) factor. At times confused with the "loss factor" which is the total rentable area of the full floor less the useable area divided by the rentable area. (BOMA)

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property.

CAM can be a line-item expense for a group of items that can include maintenance of the parking lot and landscaped areas and sometimes the exterior walls of the buildings. CAM can refer to all operating expenses.

CAM can refer to the reimbursement by the tenant to the landlord for all expenses reimbursable under the lease. Sometimes reimbursements have what is called an administrative load. An example would be a 15 percent addition to total operating expenses, which are then prorated among tenants. The administrative load, also called an administrative and marketing fee, can be a substitute for or an addition to a management fee. (Dictionary)

Condominium
A form of ownership in which each owner possesses the exclusive right to use and occupy an allotted unit plus an undivided interest in common areas.

A multiunit structure, or a unit within such a structure, with a condominium form of ownership. (Dictionary)

Conservation Easement
An interest in real property restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature to continue, subject to the easement. In some locations, a conservation easement may be referred to as a conservation restriction. (Dictionary)

Contributory Value
The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)

Debt Coverage Ratio (DCR)
The ratio of net operating income to annual debt service (DCR = NOI/Im), which measures the relative ability to a property to meet its debt service out of net operating income. Also called Debt Service Coverage Ratio (DSCR). A larger DCR indicates a greater ability for a property to withstand a downturn in revenue, providing an improved safety margin for a lender. (Dictionary)

Deed Restriction
A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

Depreciation
1) In appraising, the loss in a property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. 2) In accounting, an allowance made against the loss in value of an asset for a defined purpose and computed using a specified method. (Dictionary)

Disposition Value
The most probable price that a specified interest in real property is likely to bring under the following conditions:

- Consummation of a sale within a exposure time specified by the client;
- The property is subjected to market conditions prevailing as of the date of valuation;
- Both the buyer and seller are acting prudently and knowledgeably;
- The seller is under compulsion to sell;
- The buyer is typically motivated;
- Both parties are acting in what they consider to be their best interests;
- An adequate marketing effort will be made during the exposure time specified by the client;
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Easement
The right to use another's land for a stated purpose. (Dictionary)

EIFS
Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

Effective Date
The date at which the analyses, opinions, and advice in an appraisal, review, or consulting service apply. 2) In a lease document, the date upon which the lease goes into effect. (Dictionary)

Effective Gross Income (EGI)
The anticipated income from all operations of the real property after an allowance is made for vacancy and collection losses and an addition is made for any other income. (Dictionary)

Effective Rent
The rental rate net of financial concessions such as periods of no rent during the lease term and above- or below-market tenant improvements (TIs). (Dictionary)

EPDM
Ethylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings. (Dictionary)

Escalation Clause
A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called an expense recovery clause or stop clause. (Dictionary)

Estoppel Certificate
A statement of material factors or conditions of which another person can rely because it cannot be denied at a later date. In real estate, a buyer of rental property

typically requests estoppel certificates from existing tenants. Sometimes referred to as an estoppel letter. (Dictionary)

Excess Land
Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land may have the potential to be sold separately and is valued separately. (Dictionary)

Expense Stop
A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. (Dictionary)

Exposure Time
1) The time a property remains on the market. 2) The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. (Dictionary)

Extraordinary Assumption
An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary)

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

Floor Common Area
Areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. (BOMA)

Full Service (Gross) Lease
A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a full service lease. (Dictionary)

Going Concern Value
- The market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern.
- The value of an operating business enterprise. Goodwill may be separately measured but is an integral component of going-concern value when it exists and is recognizable. (Dictionary)

Gross Building Area
The total constructed area of a building. It is generally not used for leasing purposes (BOMA)

Gross Measured Area
The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading docks (or portions of the same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

Gross Up Method
A method of calculating variable operating expense in income-producing properties when less than 100 percent occupancy is assumed. The gross up method approximates the actual expense of providing services to the rentable area of a building given a specified rate of occupancy. (Dictionary)

Gross Retail Sellout
The sum of the appraised values of the individual units in a subdivision, as if all of the units were completed and available for retail sale, as of the date of the appraisal. The sum of the retail sales includes an allowance for lot premiums, if applicable, but excludes all allowances for carrying costs. (Dictionary)

Ground Lease
A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

Ground Rent
The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

HVAC
Heating, ventilation, air conditioning. A general term encompassing any system designed to heat and cool a building in its entirety.

Highest and Best Use
The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are 1) legal permissibility, 2) physical possibility, 3) financial feasibility, and 4) maximally profitability. Alternatively, the probable use of land or improved –specific with respect to the user and timing of the use–that is adequately supported and results in the highest present value. (Dictionary)

Hypothetical Condition
That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary)

Industrial Gross Lease
A lease of industrial property in which the landlord and tenant share expenses. The landlord receives stipulated rent and is obligated to pay certain operating expenses, often structural maintenance, insurance and real estate taxes as specified in the lease. There are significant regional and local differences in the use of this term. (Dictionary)

Insurable Value
A type of value for insurance purposes. (Dictionary)

(Typically this includes replacement cost less basement excavation, foundation, underground piping and architect's fees).

Investment Value
The value of a property interest to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. (Dictionary)

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 as he or she would be if the property had not been taken. (Dictionary)

Leased Fee Interest
A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease). (Dictionary)

Leasehold Interest
The tenant's possessory interest created by a lease. (Dictionary)

Lessee (Tenant)
One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

Lessor (Landlord)
One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

Liquidation Value
The most probable price that a specified interest in real property should bring under the following conditions:

- Consummation of a sale within a short period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and seller are acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider to be their best interests.
- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Loan to Value Ratio (LTV)
The amount of money borrowed in relation to the total market value of a property. Expressed as a percentage of the loan amount divided by the property value. (Dictionary)

Major Vertical Penetrations
Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines

are not considered to be major vertical penetrations. (BOMA)

Market Rent
The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement including permitted uses, use restrictions, expense obligations; term, concessions, renewal and purchase options and tenant improvements (TIs). (Dictionary)

Market Value
The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

a. Buyer and seller are typically motivated;
b. Both parties are well informed or well advised, and acting in what they consider their own best interests;
c. A reasonable time is allowed for exposure in the open market;
d. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
e. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Market Value As If Complete
Market value as if complete means the market value of the property with all proposed construction, conversion or rehabilitation hypothetically completed or under other specified hypothetical conditions as of the date of the appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value shall reflect the market value of the property as if complete and prepared for occupancy by tenants.

Market Value As If Stabilized
Market value as if stabilized means the market value of the property at a current point and time when all improvements have been physically constructed and the property has been leased to its optimum level of long term occupancy.

Marketing Time
An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Standards Board of the Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time). (Dictionary)

Master Lease
A lease in which the fee owner leases a part or the entire property to a single entity (the master lease) in return for a stipulated rent. The master lessee then leases the property to multiple tenants. (Dictionary)

Modified Gross Lease
A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease. (Dictionary)

Operating Expense Ratio
The ratio of total operating expenses to effective gross income (TOE/EGI); the complement of the net income ratio, i.e., OER = 1 – NIR (Dictionary)

Option
A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the optionee) to buy, sell, or lease real property for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

Partial Interest
Divided or undivided rights in real estate that represent less than the whole (a fractional interest). (Dictionary)

Pass Through
A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real estate taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Potential Gross Income (PGI)
The total income attributable to real property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)

Prospective Future Value Upon Completion

Market value "upon completion" is a prospective future value estimate of a property at a point in time when all of its improvements are fully completed. It assumes all proposed construction, conversion, or rehabilitation is hypothetically complete as of a future date when such effort is projected to occur. The projected completion date and the value estimate must reflect the market value of the property in its projected condition, i.e., completely vacant or partially occupied. The cash flow must reflect lease-up costs, required tenant improvements and leasing commissions on all areas not leased and occupied.

Prospective Future Value Upon Stabilization

Market value "upon stabilization" is a prospective future value estimate of a property at a point in time when stabilized occupancy has been achieved. The projected stabilization date and the value estimate must reflect the absorption period required to achieve stabilization. In addition, the cash flows must reflect lease-up costs, required tenant improvements and leasing commissions on all unleased areas.

Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. (Dictionary)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, super-adequacies, and obsolescence of the subject building. (Dictionary)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (Dictionary)

Sandwich Leasehold Estate

The interest held by the original lessee when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease

An agreement in which the lessee (i.e., the tenant) leases part or all of the property to another party and thereby becomes a lessor. (Dictionary)

Subordination

A contractual arrangement in which a party with a claim to certain assets agrees to make his or her claim junior, or subordinate, to the claims of another party. (Dictionary)

Substantial Completion

Generally used in reference to the construction of tenant improvements (TIs). The tenant's premises are typically deemed to be substantially completed when all of the TIs for the premises have been completed in accordance with the plans and specifications previously approved by the tenant. Sometimes used to define the commencement date of a lease.

Surplus Land

Land that is not currently needed to support the existing improvement but cannot be separated from the property and sold off. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

Triple Net (Net Net Net) Lease

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, triple net lease, or fully net lease. (Dictionary)

(The market definition of a triple net lease varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

Usable Area

The measured area of an office area, store area or building common area on a floor. The total of all the usable areas or a floor shall equal floor usable area of that same floor. The amount of floor usable area can vary over the life of a building as corridors expand and contract and as floors are remodeled. (BOMA)

Value-in-Use

The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. (Dictionary)

Qualifications of Brenda Cazares

Appraiser

Valbridge Property Advisors | Lubawy & Associates, Inc.

Independent Valuations for a Variable World

State Certifications

Nevada License
#A.0206506-CG

Education

Bachelor of Science-Finance
University of Las Vegas Nevada

Contact Details

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Membership/Affiliations:
UNLV Alumni Association

Appraisal Institute & Related Courses:

Appraisal Principles	2005
National USPAP Module	2006
Appraisal Law in Nevada	2006
Highest and Best Use	2006
Advanced Applications	2007
USPAP Update	2007
Basic Appraisal Procedures	2008
Site Valuation & Cost Approach	2008
General Appraiser Sales Comparison Approach	2008
Real Estate Finance Statistics & Valuation Modeling	2008
USPAP Update	2009
Report Writing & Analysis	2009
Income Capitalization Approach 1 & 2	2009
General Report Writing & Analysis	2009
General Highest & Best Use Analysis	2009
Business Standards & Ethics	2010
USPAP Update	2011
Apartment Appraisal Concepts & Applications	2012
USPAP Update	2012
Advanced Income Capitalization	2013

Experience:

Appraiser
Valbridge Property Advisors | Lubawy & Associates (2013-Present)

Appraiser
Lubawy & Associates, Inc. (2006-2013)

Appraisal/valuation and consulting assignments include: apartment buildings; retail buildings and shopping centers; office buildings; industrial buildings; religious and special purpose properties including schools, churches and cemeteries; hotels and motels; residential subdivisions; and vacant industrial, commercial and residential land. Assignments also include tax credit valuations, Fannie Mae and Freddie Mac reports, and comparability studies. Assignments have been concentrated in the Las Vegas Metropolitan areas.

APPRAISER CERTIFICATE

STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY

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

This is to Certify That : BRENDA CAZARES **Certificate Number:** A.0206506-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: February 26, 2014 **Expire Date:** February 29, 2016

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

FOR: VALBRIDGE PROPERTY ADVISORS
3034 S DURANGO DR STE 100
LAS VEGAS, NV 89117

REAL ESTATE DIVISION

GAIL J ANDERSON
Administrator

Qualifications of Matthew Lubawy, MAI, CVA, CMEA

Senior Managing Director

Valbridge Property Advisors | Lubawy & Associates, Inc.

Independent Valuations for a Variable World

State Certifications

Nevada License
A.0000044-CG

Arizona License
#31821

Education

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Business Administration
University of Nevada, Las Vegas

Contact Details

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Membership/Affiliations:

Member:	Appraisal Institute - MAI Designation #10653 Director - (2008 – 2011) President of Las Vegas Chapter (1998 - 1989) 1st V.P. of Las Vegas Chapter (1997 – 1998) 2nd V.P. of Las Vegas Chapter (1996 – 1997)
Member:	NACVA – CVA Designation (Certified Valuation Analyst for business valuation)
Member: Machinery	NEBB Institute – CMEA Designation for and Equipment
Board Member:	Valbridge Property Advisors - Vice-Chairman of the Board of Directors (2011 – Present)
Member:	International Right of Way Association
Member:	National Association of Realtors
Member:	GLVAR
Board Member:	Nevada State Development Corporation Chairman of the Board (2008-Present)

Experience:

Senior Managing Director
Valbridge Property Advisors|Lubawy & Associates (2013 to Present)

Principal
Lubawy & Associates (1994-2013)

Independent Fee Appraiser and Real Estate Consultant
Timothy R. Morse and Associates (1992 – 1994)

Staff Appraiser/Assistant Vice President
First Interstate Bank (1988 - 1992)

Independent Fee Appraiser and Real Estate Consultant
The Clark Companies (1987 - 1988)

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Appraisal/valuation and consulting assignments include: vacant land; apartment buildings; retail buildings; shopping centers; office buildings; industrial buildings; religious and special purpose properties including schools, churches hotel/casinos air hangars, automobile dealerships, residential subdivisions, and master-planned communities. Other assignments include tax credit valuations, Fannie Mae and Freddie Mac reports, and HUD MAP valuations and market studies, as well as valuation of fractional interests in FLP's, LP's LLC's and/or other business entities.

Appraisal Institute & Related Courses:

NEBB Institute Machinery & Equipment Certification Training	January 2014
2014-2015 National USPAP Update Course, Appraisal Institute	January 2014
NACVA Business Valuation Certification and Training Center	December 2013
Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets, Appraisal Institute	March 2012
7-Hour National USPAP Update Course, Appraisal Institute	January 2012
2010-2011 National USPAP Update, Appraisal Institute	January 2010
Appraising Distressed Commercial Real Estate, Appraisal Institute	July 2009
Understanding the Home Valuation Code of Conduct, Appraisal Institute	June 2009
Introduction to Valuation for Financial Reporting, Appraisal Institute	June 2009
Argus Based Discounted Cash Flow Analysis, Appraisal Institute	June 2009
National Uniform Standards of Professional Practice Course 400, Appraisal Institute	April 2009
Online Scope of Work: Expanding Your Range of Services, Appraisal Institute	April 2009
Online Rates and Ratios: Making sense of GIMs, OARs and DCF, Appraisal Institute	April 2009
Forecasting Revenue, Appraisal Institute	October 2008
Law of Easements: Legal Issues & Practical Considerations, Lorman Education Services	August 2008
Analyzing Operating Expenses, Appraisal Institute	May, 2007
Valuation of Detrimental Conditions in Real Estate, Appraisal Institute	April, 2007
2007 National USPAP Update, Appraisal Institute	March, 2007
Analyzing Commercial Lease Clauses, Appraisal Institute	February, 2007
Analyzing Distressed Real Estate, Appraisal Institute	February, 2007
Uniform Appraisal Standards for Federal Land Acquisitions, Appraisal Institute	October 2005
Online Analyzing Distressed Real Estate, Appraisal Institute	September 2005
Business Practices and Ethics, Course 420, Appraisal Institute	September 2005
USPAP Update – Course 400, Appraisal Institute	February 2005
Litigation Appraising: Specialized Topics and Applications	October 2004
Separating Real & Personal Property from Intangible Business Assets	September 2003
So. NV Public Land Mgt. Act BLM Appraisal Compliance Workshop	May 2003
Income Capitalization	March 2003
Appraising Non-Conforming and Difficult Properties	March 2003
Appraiser Liability	March 2003
2003 National USPAP	February 2003
Valuation of Partial Acquisitions, Course 401 through IRWA	October 2000
Partial Interest Valuation – Divided, Course A7414	April 2000

Highest & Best Use and Market Analysis	March 2000
Subdivision Analysis	January 2000
Writing the Narrative Appraisal Report	November 1999
USPAP 1999 Revisions A7415ES	March 1999
Reporting Sales Comparison Grid Adj. for Residential Properties	March 1999
USPAP 1999 Revisions – A7415ES	March 1998
Litigation Appraisal and Expert Testimony	June 1997
USPAP (Parts A & B)	1996
Ethics - USPAP Statements	March 1995
Comprehensive Appraisal Workshop	July 1994
Current Issues and Misconceptions in Appraisal	December 1993
Standards of Professional Appraisal Practice, Part B	1992
Land Faire Nevada	July 1992
Appraising From Blueprints and Specifications	September 1992
Accrued Depreciation	September 1992
Standards of Professional Appraisal Practice, Part A	1991
Report Writing and Valuation Analysis; Exam 2-2	June 1991
Case Studies; Exam 2-1	June 1991
Capitalization Theory and Techniques, Part B; Exam 1-BB	June 1990
Capitalization Theory and Techniques, Part A; Exam 1-BA	June 1990
Basic Valuation; Exam 1A2	May 1989
Principles of Real Estate Appraisal ; Exam 1A1	May 1989

APPRAISER CERTIFICATE

STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY

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

This is to Certify That : MATTHEW J LUBAWY **Certificate Number:** A.0000044-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: March 31, 2015 **Expire Date:** April 30, 2017

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

FOR: VALBRIDGE PROPERTY ADVISORS
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REAL ESTATE DIVISION

JOSEPH (JD) DECKER
Administrator

THE GREAT SEAL OF THE STATE OF NEVADA

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Valbridge PROPERTY ADVISORS

SERVICES

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- Litigation support, including expert witness testimony
- Business and partnership valuation and advisory services, including partial interests

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Williamsburg, VA 23188
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506 Second Avenue, Suite 1001
Seattle, WA 98104
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324 N. Mullan Road
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Exhibit 20

NATIONAL

A Decade Out From The Mortgage Crisis, Former Homeowners Still Grasp For Stability

May 22, 2016 · 8:03 AM ET
Heard on Weekend Edition Sunday

11-Minute Listen

PLAYLIST Download
Transcript

Former homeowner Brian Burns, who now rents an apartment in Henderson, Nev., says he "still sees a lot of empty houses" in Las Vegas, where about 20 percent of homeowners are still underwater in the wake of the housing crisis almost 10 years ago.

Ethan Miller/Getty Images

Before the mortgage crisis, real estate seemed like a sure bet. Pretty much anyone could buy a house: no money down, thousands of square feet, second and third vacation homes were not out of the question. Then the bubble burst.

Homeowners across the U.S. confronted the reality that their houses were worth a fraction of what they had paid for them. Now, a decade later, even though the recession is over, more than 6 million homeowners are still upside down on their mortgages.

This week on For the Record, we hear the stories of two people who lost their homes in the mortgage crisis and how they're coping today.

Brian Burns, Las Vegas

For 26 years, Brian Burns watched Vegas grow. He saw the desert dirt roads transformed by construction projects. Land was available and cheap. By 2004, housing prices soared.

"The builders couldn't keep up with the demand," he says. "Land prices went through the roof."

Burns and his then wife had bought into the dream. They lived in a huge house he estimates was 3,500 square feet. "There were parts of the house you never even saw. That's how big it was," he says.

Article continues after sponsor message

When a Realtor friend persuaded him to sell, he was blown away by the profit he turned.

"That house that I bought for $250,000, my friend sold for $645,000 three years later," he says. "I had never had remotely that much money in my life. Probably never had more than $10,000 to $15,000 in the bank before. And I took $40 out one time and I showed my friend my ATM receipt and it said $228,000 balance. And we just looked at each other and laughed, it was ridiculous. I didn't know what to do with it."

ECONOMY
Housing Market Fake-Outs Stump Economists

He decided to keep it in the bank and buy another, smaller house in a brand-new development in the town of Henderson, Nev. Sure, the tan, stucco tract-style housing didn't have a whole lot of charm, but Burns didn't care. He persuaded some of his friends to buy other houses in the neighborhood. He had cash in the bank, excellent credit, and he put no money down.

Before we return to the second half of Brian's story, let's bring in a second voice.

Guillermo Galindo, Medford, Mass.

In 2005, Guillermo Galindo and his wife bought their house in Revere, Mass., for $450,000. They put about 5 percent down and ended up with a manageable monthly mortgage payment of about $2,000.

He worked delivering medical supplies, and they got monthly payments from a family who rented a unit on the second floor. Galindo and his wife lived there for a few years with their baby daughter, and life felt pretty stable.

But that security began to crumble in 2008 when his employer started cutting his hours. The interest rate on his adjustable mortgage started creeping up. Then, he lost income from his second-floor tenants.

"The people upstairs, to top it off, this girl had a baby and then she had problems with her husband," Galindo says.

Eventually, the young woman's husband abandoned her and the baby.

"At the end she was just was left alone and she stopped paying rent," he says.

He wouldn't kick her out, but that meant Galindo was now really struggling to make his mortgage payments. Around the same time, he found out that his home had lost about 50 percent of its value, so he got in touch with his bank hoping to work out a deal.

"They asked for more papers; I send them all. It was back and forth, back and forth, until they said they couldn't help me, that the price was that. And they couldn't do anything," he says.

Across the country in Las Vegas, Brian Burns had also seen the value of his home plummet.

"I think everybody's dream, when you are a normal person — not super rich, not super poor — is that your home is kind of your biggest asset," Burns says. "That you feel like, 'I'm going to play by the rules, I'm going to pay my mortgage, it's just going to continue to increase in value.' Maybe not by leaps and bounds, but by no means should it be worth a third of what you paid for it. And it started to scare everybody."

He found out that the house he bought for $320,000 was now worth only $140,000.

At the same time, his work as a graphic designer was drying up. Eventually, he chose to stop paying his mortgage. He didn't feel good about it.

"I wasn't raised that way to not honor your obligations, and do the right thing and pay your bills on time," he says. "My credit score was perfect. In fact, when I bought that little house, the guy said, 'We're willing to give you no down because you have one of the best. I've been doing this for 20 years and your credit score is 850 points or something like that and I've never seen one that high.' "

He could have used his savings to keep paying his mortgage payments, but he thought that was a bad idea.

"The analogy I use back then is, I'm not going to pay Mercedes prices for a Kia. Why would I pay $320,000 for a house that's never going to be worth that?"

The decision destroyed Burns' credit. He let the bank take his house and he moved to Oregon to start over again.

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Meanwhile, Guillermo Galindo was in a different situation because he didn't want to leave. His life savings were wrapped up in this house, and that's where he wanted to raise his daughter.

"I thought I was going to pass [the house] on to my daughter," he says. "I thought it was going to be something that would last for my remaining life."

He kept talking with the bank, trying to figure out how to stay. Eventually they sent him a letter saying they were foreclosing. He fought it for another five months and finally said, fine, take it.

They gave him $3,000 and he handed over the keys.

"It was very depressing for me," Galindo recalls. "I was trying to show my best face to my wife and my daughter. I remember we had a dog because that was one of the things that I promised my daughter if we had our own house ... And it was really, really, really heartbreaking for me to find the words to tell my little one, was probably 3 years by then, that we were going to have to get rid of the dog. So, believe it or not, I wasn't even thinking on anything else but that how we were going to tell her that her dog was going to have to go."

Today, Brian Burns is back in Las Vegas, where he rents an apartment with his fiancée. They feel really gun-shy about buying anything, mainly because it doesn't seem like the housing crisis is over in Vegas. Roughly 20 percent of homeowners are still underwater there, and it doesn't look like a recovery.

"I drive up into suburbia, and there are streets still of empty houses. No curtains, no nothing, weeds in the yard," Burns says. "There are still a lot of empty houses in this town."

Over in Medford, Mass., Guillermo Galindo also rents an apartment. There are two main rooms — one where Guillermo and his wife sleep, the other they use as a day care facility. When all the children leave at 6 p.m., Guillermo's now 12-year-old daughter converts it into her bedroom.

"My daughter is still thinking about having a house, and the first thing she's going to do is to get a dog," he says. "I feel very proud of her. She's getting high honors. She's been adapting really good."

Galindo's credit rating is still in the tank because of the foreclosure. And they don't have any money for a down payment, so buying another house is not an option right now, and might not be for a long time.

for the record housing crisis

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Jan 26, 2011, 07:29pm EST

2010's Worst Cities For Foreclosures

Morgan Brennan Former Staff
Business
I write about real estate markets, outrageous homes and cities.

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Image via Wikipedia

The good news is foreclosure activity is down in the U.S. cities hardest hit by the housing market crisis.   The bad news? Foreclosures in general have increased in 72% of all the other major cities across the country.

At least, that was the case in 2010, according to RealtyTrac's "2010 MSA U.S. Foreclosure Market Report." As a year-end re-cap, the online foreclosure marketplace leader crunched default data for America's 206 largest Metropolitan Statistical Areas (MSAs), as defined by the U.S. Census Bureau.   They counted the total number of properties with at least one foreclosure filing entered into RealtyTrac's database during the 2010 calendar year. If a property received more than one filing during the year, only the most recent

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foreclosure process or at the end, the bank repossession," explains Rick Sharga, a senior vice president of RealtyTrac. " So there will be some spill over of homes into 2011."

The cities registering the highest numbers of foreclosures last year were those belonging to Florida and the Sandy States of Nevada and Arizona. Californian cities helped round out the list. Perhaps not surprisingly, many of these metros will see home values drop further this year. (For more on that list, check out **"The Best and Worst Cities For Home Values In 2011"**)

Like 2009, Las Vegas was the worst. The desert city of tantalizing debauchery and entertainment extravagance logged in 88,198 filings last year, with one out of every nine home owners in distress. Let me put these numbers another way: if you lived in Vegas and had a dinner party with your eight closest friends, one of them would likely be in the process of losing their home.

It's a troublesome statistic. The silver lining for the Silver State's largest metro? That number is lower than it was in 2009 by about 7%. The foreclosure crisis in Las Vegas, like 20 other cities out of the top 25 worst, is showing signs of slowing down.

Nevada, Florida, Arizona and California all experienced large housing booms and subsequent busts. They have been leaders in the country's foreclosure crisis for several years now thanks to bad loans and severely depreciated housing markets. They continue to lead because their economies have relied so heavily on real estate-related industries like construction.

The presence of several newcomers to the list (see below) signify the shift

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"The outlier on this list is Boise City [Idaho]," says Sharga. "Boise is representative of the second wave of foreclosure activity -- which we are in right now -- that's driven largely by unemployment and the economic downturn." In 2010, Boise was the 20th worst city for foreclosure activity, with 11,289 homes attached to at least one filing. One out of every 21 Boise home owners lost or is losing their property.

Sharga explains that Boise didn't have the price run-up on homes, nor did it have much toxic lending going on with the so-called exotic loan products that sank the housing market into its first foreclosure wave. Rather the Idaho state capital is experiencing foreclosures almost exclusively based on its weak economy and 9.9% unemployment rate.

"It is probably the vanguard if you will of the rest of the country," asserts Sharga. Indeed while cities in Florida, California and the Sandy States are showing signs of slowing down foreclosure-wise, a troubling 72% of all the other cities across the U.S. are showing signs of increased activity.

So what does all of this mean for 2011? "We are looking at another record year of foreclosures and another record year of bank repossessions," states Sharga. "There's a second wave of toxic loans -- which will be the third wave of the foreclosure cycle -- due to reset this year that are resetting on properties that are losing 30-50% of their values. So they could get messy this year too."

Below is RealtyTrac's list of the top 25 worst cities for foreclosures this past year:

1. Las Vegas, NV: 1 out of 9 home owners

2. Cape Coral-Fort Meyers, FL: 1 out of 12 home owners

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5. Miami-Fort Lauderdale, FL: 1 out of 14 home owners

6. Riverside, CA: 1 out of 14 home owners

7. Stockton, CA: 1 out of 14 home owners

8. Merced, CA: 1 out of 14 home owners

9. Orlando, FL: 1 out of 15 home owners

10.Vallejo-Fairfield, CA: 1 out of 16 homeowners

11.Reno, NV: 1 out of 16 homeowners

12. Bakersfield, CA: 1 out of 17 home owners

13. Deltona-Daytona Beach, FL: 1 out of 17 home owners

14. Naples, FL: 1 out of 18 home owners

15. Sacramento, CA: 1 out of 19 home owners

16. Port St. Lucie, FL: 1 out of 19 home owners

17. Tampa-St. Petersburg, FL: 1 out of 20 home owners

18. Lakeland, FL: 1 out 21 home owners

19. Sarasota, FL: 1 out of 19 home owners

20. Boise City, ID: 1 out of 19 home owners

21. Greeley, CO: 1 out of 19 home owners

22. Palm Bay, FL: 1 out of 19 home owners

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25. Atlanta, GA: 1 out of 23 home owners

Morgan Brennan

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Capping a 'decade of extremes' :

From building boom to recessionary bust, local real estate market was a wild ride that went south

By Buck Wargo

Friday, June 11, 2010 | 3 a.m.

If you like a roller-coaster ride, that's exactly what happened to the Las Vegas real estate market over the past decade.

The ride was full of climbs and exhilaration followed by a rapid descent and heart-racing scenarios that still haven't played out.

The decade started slow and steady but turned into the classic boom-and-bust cycle for both residential and commercial real estate — much like mining has been during Nevada's history.

"It was a decade of extremes," said Richard Lee, a real estate analyst and vice president of First American Title. "We had too much appreciation too fast and then too much depreciation too fast. The pendulum swung from us being No. 1 in jobs, population growth and housing growth to the end of the decade where we are No. 1 in foreclosures."

Steve Bottfeld, executive vice president of Marketing Solutions, attributes the local building boom to the recession that followed the Sept. 11, 2001, terrorist attacks. The recession caused builders to stop securing permits, he said.

"By the time we got to the end of 2003, there was very little new-home product left and during the second quarter of 2004, there were no homes to buy and the median prices shot up 50 percent from the second quarter of 2003," Bottfeld said. "Then what happened is we go through the third and fourth quarters of 2004, and builders woke up and we got a huge building boom in 2005 and carrying into 2006."

In 2000, Las Vegas builders sold 20,508 new homes and 29,218 existing homes for a total of 49,726, according to Las Vegas-based research firm SalesTraq.

That topped out in 2005 when 93,403 homes were sold — 38,705 new homes and 54,698 existing homes. Sales declined to 41,582 in 2008 — 9,965 new homes and 31,617 existing homes were sold.

Demand for existing houses in the middle of the decade jacked up prices and, with it, demand to build homes. The decade brought more master-planned communities such as Aliante in North Las Vegas in 2002, Mountain's Edge in the southwest in 2004, Providence in northwest Las Vegas in 2006 and Inspirada in Henderson in 2007.

In 2000, the median price of existing homes was $134,500. That shot up to a high of $285,000 in 2006, but in 2010 prices have been running slightly more than $120,000.

In the new-home market, the median price was $155,548 in 2000 and peaked at $328,580 in 2006. It is hovering just above $200,000 this year.

Many homeowners started defaulting on their subprime loans because they could no longer afford the payments after rates adjusted, triggering the wave of foreclosures that would engulf the state.

Since January 2007, Nevada has ranked No. 1 in the nation in foreclosure filings. Las Vegas was ranked No. 1 in 2009 and will be near the top again in 2010. Las Vegas started seeing a different type of buyer face foreclosure in 2008 and 2009 — people who lost their jobs and could no longer afford their homes, Bottfeld said.

"If the decade shows us nothing else, we need to balance the number of homes we build with jobs and population growth that is real," he said.

The apartment market has suffered as well. Occupancy and rents rose during the boom and have declined since the bust.

Following the 2001-02 recession, the occupancy rate was 92.8 percent and that rose to a high of 95.7 percent in 2006, but today has dropped to a decade low of 90.8 percent, according to Applied Analysis.

It took rents awhile to adjust, starting the decade at $708 per unit to a high of $887 in 2008. Today, they have fallen to $834 per unit, Applied Analysis reported.

The story of residential and commercial real estate can be traced to the development along the Strip and the success of the gaming industry that generated jobs, population growth and construction throughout the valley.

In 2000, Clark County's population was 1.42 million, but by 2007 it had grown to nearly 2 million.

That in turn required more homes to be built to keep up with demand and helped increase prices and fuel commercial development off the Strip, Lee said.

"Enter the financial leveraging from Wall Street with all the derivatives and that just added on top of it," Lee said. "They were able to build stuff like crazy, and it was made easy because there was so much money."

That was the same with the real estate industry, where people were able to buy homes with no money down and little credit and speculators were able to buy homes and flip them and contribute to what would become the housing bubble.

"It was a leveraged, false environment, and we all bought into the Kool-Aid," Lee said. "The mentality was to go borrow credit and put money into the house and get it back before it was finished."

Las Vegas has learned during the boom-and-bust cycle that people shouldn't buy any more than they can afford, Lee said. The world has changed in that it's harder to get financing today, and that will help temper any overdevelopment again.

"Hopefully it will teach us that lesson we have learned before that don't be greedy and if it's too good to be true, it's too good to be true," Lee said. "It has a been a wild ride. Now is the time to hit the reset button and get lean and mean. All recessions are followed by a recovery. The recovery is coming — if not this year, the next."

What happened to the housing market was no different for commercial real estate.

That sector saw tremendous growth since 2000, especially in the southwest valley.

The office market grew from 28.4 million square feet in 2000 to 48.5 million square feet in 2008. Since then, the market has added only 1.2 million square feet. That's because the vacancy rate that was 7.7 percent in 2000 stands at 23.4 percent this year with 11.6 million square feet of vacant space, according to Applied Analysis.

That has created a roller-coaster effect with office rental rates, which on average were $1.82 per square foot per month in 2000 and peaked at $2.34 per square foot in 2008. They have fallen to $2.16 per square foot.

The industrial market saw similar rapid expansion, going from 66.9 million square feet in 2000 to 102.6 million square feet in 2008. It has only added 2 million square feet since then.

The vacancy rate was 6.6 percent in 2000, but that fell to 3.3 percent in 2005 because of heavy demand that fueled 18 million square feet of construction over the next three years and forced a vacancy rate that reached 15 percent this year.

Rental rates have swung sharply from a low of 52 cents per square foot in 2003 to a high of 78 cents per square foot in 2006. By this year, it had fallen to 60 cents per square foot.

The retail market saw a similar story.

The inventory was 32.1 million square feet in 2000 and skyrocketed to 48.5 million square feet in 2007. That growth has slowed since with a supply of 51.8 million square feet today.

The vacancy rate was only 4 percent in 2007, but the recession took a toll on many national chains and small retailers and the vacancy rate reached 10.5 percent today. That's because 4.3 million square feet of space was added in 2007, the largest amount by more than 1.3 million square feet of any year in the past decade, according to Applied Analysis.

The average rents requested for retail space in 2000 were $1.41 per square foot. That grew to $2.20 per square foot in 2007 and today has fallen back to $1.72.

Brian Gordon, a principal at Applied Analysis, said because the office, industrial and retail space increased by 50 to 70 percent over the last decade, it could take four years to work through the excess office inventory and at least three years in the retail and industrial sectors before there is any speculative development.

"It is going to take time to work through the inventory just like the housing market was facing foreclosure," Gordon said. "Similar trends are present in the commercial market ... With any community, growing pains are part of the process. With elevated development activity during the past several years, we are in the correction process that was inevitable."

The rising vacancy rates and declining rents have taken a toll on commercial real estate with Real Capital Analytics reporting that nearly $20 billion in Las Vegas real estate has had distressed loans. Unlike what happened in residential real estate, there hasn't been a wave of commercial foreclosures.

As in residential real estate, billions of dollars have been lost in commercial real estate failures in Southern Nevada. But compared with residential, commercial mortgages are frequently renegotiated either in or out of Bankruptcy Court as banks and other lenders have little choice except to compromise.

The overbuilding was especially felt in the high-rise condo industry. Including CityCenter, Las Vegas has 5,500 high-rise condos today compared with the start of the decade when Turnberry Towers and Park Towers were the only condo high rises in town, Gordon said. In addition, Las Vegas saw the construction of 5,400 condo hotel complexes for a combined 11,000 units in the past decade, he said.

More than 100,000 units were on the drawing board at one time because access to capital was so easy and investors were willing to jump in and buy, Gordon said. Ultimately, supply and demand caught up to the market, he said.

The price of land has swung wildly in the past decade from $158,000 an acre in 2001, the first year it was tracked by Applied Analysis, to $900,000 an acre, excluding the Strip, in the fourth quarter of 2007. Land deals were bolstered by multiple Bureau of Land Management auctions that resulted in the newest master-planned communities going for hundreds of millions of dollars — prices that drove up the cost of housing.

Land prices fell to less than $200,000 an acre in the first quarter of 2010, the firm reported.

Bottfeld said the boom-and-bust cycle has taught us a lot about Las Vegas. It revealed that construction is the second most important industry and until that recovers and jobs are generated from it, the valley will remain in a recession.

"We learned sometimes it pays to hold back even in a boom," Bottfeld said. "We have a lot of people who hurt themselves terribly because they didn't see the end of the boom."

Although the market has essentially returned to where it was 10 years ago in terms of sales and prices, Lee said that doesn't mean it's been a wasted decade. The water infrastructure and road systems that have been built have paved the way for the next round of growth, said Lee, who cautions that the old rules don't work in the short term.

"We had a formula that we had been using where you build hotel rooms and create jobs and cause people to move here. That formula does not work anymore. We can't build ourselves out of this recession ... We are all pretty anxious to see to the market where it is somewhere in the center. The more stable it is, the rules apply again, but the old rules are gone. It is difficult to navigate in this minefield."

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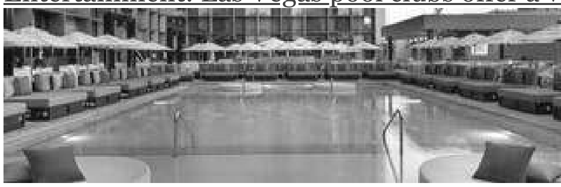

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By: Joyce Lupiani

Posted at 8:07 AM, May 01, 2018 and last updated 9:52 AM, May 01, 2018

A housing bubble is when prices for houses rise rapidly because of demand and a lin
supply or supply that can't keep up with the demand. Speculators enter market, furt
driving up demand. At some point, the demand decreases or stagnates at the same t
that the supply increases. That results in a sharp drop in prices and the bubble burst

The United States housing bubble, which began around 2003, affected over half of t
states. Housing prices peaked in early 2006 (June 2006 for Las Vegas) and then sta
decline (biggest price drop reported on Dec. 20, 2008), reaching new lows in 2012. '
credit crisis resulting from the bursting of the housing bubble was one of the main c
of the 2007-2009 recession in the U.S.

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Out of 20 of the largest metropolitans areas in the U.S., 6 markets saw very little appreciation (less than 10 percent). They included Dallas, Cleveland, Detroit, Denve Charlotte.

Prices in Las Vegas (along with Tampa, Miami, San Diego, Los Angeles, Phoenix anc Washington D.C.) went up 80 percent. That meant that houses that once sold for $1 in Las Vegas began selling for $270,000.

Purchases of new homes peaked in 2005 at 38,500 units and fell between 2006 and an average annual rate of 14 percent.

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buying and selling of homes. People were also making money by selling their homes huge profit. Those people then turned around and bought another house. Sometime or three. People were able to walk into houses and buy them with no money down (mortgage lenders were extremely generous at the time because of prior low delinqu in the market).

Other people built their dream homes because they thought prices would keep going and it was a good investment for the future. Las Vegans also borrowed heavily again homes for other luxuries because they thought the value of their homes would keep up. But, the bubble burst and suddenly these people owed way more on the houses bought or built than what they were worth.

Sales began falling when the prices got too high for most potential/non-investor buy and Las Vegas became a member of the "dead zone." That's when formerly frantic m grew eerily calm. And the people who got quickest in the market were also the ones out the quickest, which was mostly investors.

The amount of residential mortgage debt doubled in the U.S. between the years of 2 and 2008.

Las Vegas was one of the hardest hit because it had the biggest gains. When the bub burst and the country went into a recession, people were forced to give up their hom Home prices in Las Vegas plummeted by 60 percent, which was nearly twice the nat rate.

A contributing factor was that many people had taken out unreasonable loans, think they could sell the new houses at a profit. People either became stuck with a crazy mortgage they could not actually afford or they were forced to give up their houses. people did short sell their homes but many just walked away. It was so bad in N

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The hardest hit areas including neighborhoods in the west and northwest. It was no uncommon to drive through those neighborhoods and see for sale and for rent signs every other house (or so it seemed).

Many renters were hurt during this period because the people who bought houses a rented them often did not tell the renters that they were in danger of losing their ho The owners would stop paying the mortgage but would still take the money from th renters. Eventually the bank would decide to foreclose and renters would come hom find foreclosure notices, telling them to get out even though they had been paying r had leases.

Houses in Vegas hit their lowest in the fall of 2011. Median price was $115,700.

In 2015, Las Vegas was still ranked last in a report on housing market health. At tha people whose mortgage debt outweighed the value of their home was 39 percent. La also had the second-longest amount of time until the average homeowner's mortgag paid off (24 years). Nevada still had the fourth-highest foreclosure rate in the natio during the first half of 2015.

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crash more than originally believed. The flip rate reached nearly 19 percent in Las V (and some parts of Florida) in the mid-2000s. Many people believe that flippers are contributing once again to the rising costs for homes in Nevada.

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Home sales increased at an annual average rate of 12 percent from 2008 to 2013.

The housing market in Las Vegas is once again gaining speed. Prices are rising at on fastest rates in the nation. Home prices climbed in every ZIP code in the valley last y (2017). The biggest price jumps were seen for older homes in central locations. New in the more affluent neighborhoods posted the highest overall prices. Prices are bein bolstered by the improved job market (Nevada also had one of the highest unemplo rates in the nation during the recession and for a long time after) and growing popu

Primary Year	Sale Price, Average
2013	$214,120
2014	$237,430

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Vegas Boulevard North). Prices jumped 31.2 percent in that zip code.

The highest median sales price (for the third consecutive year) in 2017 was in the 89
ZIP code (around Alta and Desert Foothills drives in Summerlin). The median price
home there was $385,000.

Las Vegas valley's top ZIP codes for price growth and median sales price

Growth from 2016

— 89030: 31.2 percent

— 89101: 30.4 percent

— 89104: 26.5 percent

Prices in 2017

— 89138: $385,000

— 89135: $378,999

— 89052: $352,000

Source: SalesTraq

Despite the growth, prices still aren't up to what they were in 2005.

In March 2018, the median price for an existing single-family home in Souther

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“Home prices grew briskly in the first quarter of 2018,” says Frank Nothaft, chief economist for CoreLogic, in a release. “High demand and limited supply have pushe prices above where they were in early 2006. New construction still lags historically r levels, keeping upward pressure on prices.”

According to CoreLogic Market Condition Indicators (MCI) data, an analysis of hou values in the country’s 100 largest metropolitan areas based on housing stock, 37 pe of metropolitan areas had an overvalued housing market as of March.

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the years

hey usually marvel at how crazy things got during the bubble, the market has rebounded.

But what were prices like before the boom? What would you pay for a two-bedroom in, say, the 1950s or '60s, when Las Vegas was a small mobbed-up town?

To find out, we flipped through the archives of our sister paper the Las Vegas Sun, looking at decades-old real estate ads for both new and existing homes.

Turns out, property was pretty cheap in the old days, even when adjusted for inflation. Prices grew steadily over the years until they soared out of control a decade ago, when small, used homes in the suburbs cost $400,000, and ads promised little more than "many upgrades."

Spring 1954

Houses were pretty simple back then and not too expensive.

Listings mentioned a home's appliances (refrigerator, dishwasher, dryer); that properties had fruit trees; and that houses had living rooms, dining rooms and hardwood floors.

You could buy a two-bedroom house for $14,000 (about $123,000 today), a three-bedroom for $16,000 and a four-bedroom for $22,750.

Land, however, was dirt cheap, selling for $300 an acre — a mere $2,635 today.

"Acreage! Invest in land, for quick profits or long term gain," read one ad, offering "fringe acreage" a mile north of Las Vegas city limits.

"Rapid development seems assured," it noted.

Spring 1964

Homebuilders were running large, color ads, pushing homes that started at $17,290 or $17,500.

"NOTHING UNDER the SUN beats a SPROUL HOME!" read an ad from Sproul Homes for a development at West Charleston Boulevard and Carpenter Drive.

Amenities still were sparse, leaving builders mentioning properties' ovens, garbage disposals, refrigerators and heating and cooling systems.

"Words can hardly describe these 3 and 4 bedroom, 2 bath homes with large family rooms and patios," read an ad for Park Victoria, a development near Lamb Boulevard and what was then known as Salt Lake Highway.

Spring 1974

With suburban sprawl taking over America — not to mention bell-bottoms and moustaches — a price gap among local homes widened and amenities were ramped up. Swimming pools and garages became more common.

Prices ranged from $25,000 ($119,824 today) for a three-bedroom house off East Charleston with block wall, large patio and carport; to $43,000 ($206,800 today) for a three-bedroom, two-bathroom with a brick fireplace, built-in barbecue and double garage; to $70,000 ($336,600) for a 5-acre ranch.

"Pool for summer comfort, fireplace for cozy winters," read an ad for a four-bedroom house priced at $46,900 ($225,500 today).

Spring 1984

Talk about sticker shock. What once was an affordable place to live is getting a lot pricier.

A four-bedroom, 2,200-square-foot home with an Olympic size pool, automatic sprinkler system and large backyard cost $145,000 ($329,764 today); a four-bedroom, two-bathroom house with perks such as a fireplace and enclosed patio was listed at $96,500 ($219,464 today); and a three-bedroom, two-bathroom, 1,600-square-foot home close to pianist Liberace's former house, near UNLV, cost $80,000 ($181,939 today).

Spring 1994

Las Vegas becomes more sprawled out, and bigger homes come on the market.

Prices fluctuate, but not nearly as much as they do today.

In Green Valley, a 3,000-square-foot house with two master suites and a three-car garage cost $255,000 ($406,577 today); a four-bedroom, 2,330-square-foot home in Spring Valley with a "superb built-in kitchen with breakfast bar" cost $156,900 ($250,164 today); and a one-story, two-bedroom at West Cheyenne Avenue and North Rainbow Boulevard with "pretty landscaping" was priced at $99,900 ($159,283 today).

Spring 2004

The valley's housing market is out of control, with bloated prices and rampant construction, banks approving mortgages for practically anyone, and investors, often with no real estate experience, flipping homes for profit.

Prices ran the gamut, but it seemed everything was overpriced. A two-story, three-bedroom house in Green Valley was priced at $399,000 ($499,105 today); a one-story, 1,800-square-foot house with a two-car garage in Rhodes Ranch cost the same; and a two-story, 2,600-square-foot home in Summerlin cost $495,000 ($619,190 today).

Used-home prices peaked two years later at $315,000 ($395,330 today) — but it was all downhill from there.

Spring 2014

After plunging during the recession, prices have been rising for the past two years at one of the fastest rates nationally, fueled in large part by investors who have bought cheap homes, often in bulk, to turn into rentals.

The median sales price of previously owned single-family homes in Southern Nevada in April was $192,000, up 15 percent from a year earlier.

Used-home prices have jumped 63 percent since hitting bottom at $118,000 in January 2012, but they remain far below the peak of $315,000 in June 2006.

Today, you can buy a one-story, three-bedroom, 1,040-square-foot house built in 1981 for $89,900; a two-story, three-bedroom, 1,725-square-foot home built in 2003 for $194,900; and a one-story, four-bedroom, 3,800-square-foot house built in 2001 for $940,000.

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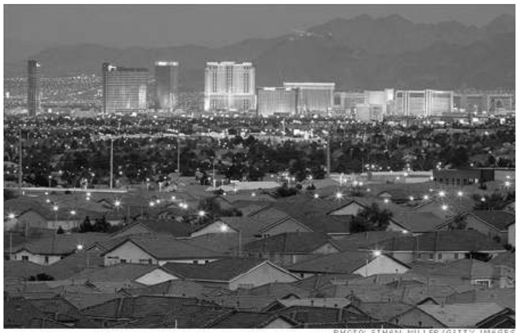
Is Las Vegas' housing market ready to make a comeback?

By Les Christie November 11, 2011: 6:38 PM ET



Las Vegas has suffered through the housing market bust like a few other places, but still has further to fall.

NEW YORK (CNNMoney) -- Las Vegas has suffered through the housing bust like few others places and still has further to fall. But these days many real estate investors and home buyers are betting that it's poised to stage a comeback.

Sin City's metro area led the nation in mortgage defaults for 22 straight months through August and home prices plunged a whopping 60% from their 2006 peak, according to RealtyTrac. And prices still have further to fall. Financial analytics company, Fiserv, projects home prices in Las Vegas could fall another 16% by next June.

But to investors and home builders, there are enough positive signs to start betting on Vegas now.

Home sales, especially of bank repossessions, have picked up significantly. Nearly 36,000 homes have been sold so far this year through September 30, an 11% increase compared with the same period in 2010, according to Lawrence Yun, chief economist for the National Association of Realtors.

As a result, inventory of both new and existing homes has shrunk significantly over the past year. Currently, there are about 10,000 single-family homes on the market, according to David Tina, general manager of Realty One Group, a Las Vegas real estate broker. With the current sales pace near 5,000 units per month, that's just a two-month supply. Typically, those are inventories seen in extremely healthy markets.

"I think the turnaround will be slow, but new home pricing is close to its bottom," said Tina.

And things are looking up. The metro area added 200,000 new residents since the bust first hit in mid-2006, an 11% jump or more than twice the national growth rate.

Home price projections: Your local market tracked

Part of the recent influx is due to job growth. The local economy has recorded job gains in several industries, including the hotel and restaurant trades, health and education, business services and retail, according to Metrostudy, a financial analytics firm. In September, the unemployment rate fell to 13.6% from 15.6% 12 months earlier, the ninth biggest decline among U.S. metro areas.

Still, there is a steady stream of foreclosures coming onto the market and dragging prices lower. Yet, investors remain unfazed.

Glenn Plantone, a Vegas-based broker and investor who deals mostly in foreclosed properties these days, said he's seen an influx of foreign buyers, especially from Canada and China. Last year, he brokered 25 sales but this year he's already up to 65.

"I'll triple my business this year," he said.

In fact, the beaten down prices are exactly why investors are starting to nab the properties now, explained Ken H. Johnson, a professor of real estate at Florida International University. Homes cost about one-third less in Vegas than the national average based on median prices compared with median incomes.

For investors who are willing to stick it out there's a lot of potential.

"Las Vegas has been hammered, but as the [economy] recovers, the upside in the market there will be significant," said Adam Coffey, a business executive who bought a second home in town last year.

Las Vegas' low cost of living, warm, dry climate and its attractions, make it a destination, especially for retirees and people looking to buy vacation homes. "For adults, Las Vegas represents Disney World," said Coffey, "It's the place where adults go to have fun."

The biggest headwind the Vegas housing market faces is that nearly two-thirds of all homeowners owe more on their mortgage than their homes are worth.

According to CoreLogic data, 63.3% of homeowners there are underwater on their mortgages. As a group, Las Vegas mortgage borrowers owe about 20% more on their mortgages than the value of their homes. Many will lose their homes to foreclosure.

Home prices headed for triple dip

But for all of those who lose their homes, there are others who see it as an opportunity. More than 50% of all sales in town are foreclosures, said Plantone.

Recently, he had a client who made bids on 40 different bank-owned properties. He was outbid each time. The investor wound up buying four new 1,400 square-foot homes in North Las Vegas for $140,000 each instead. He rents them out for $1,495 a month apiece, which give him immediate returns on his investment.

Once the housing market recovers he could sell the properties for a healthy return, too. It's hard to beat those kinds of odds. ■

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First Published: November 9, 2011: 5:53 AM ET

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LAS VEGAS HOME SALES REPORT

JUNE 1, 2005

How is the Las Vegas real estate (https://www.greatlasvegashomes.com/) market doing in 2005?

To gain an idea of the difference in markets between this year and last year, note the following:

- On June 10,2004 there were 5,459 single family and 600 condos on the market and the median close price was $247,000.
- As of May 29, 2005 there are 9,145 single family homes on the market and 1,211 condos with a median close price of $301,000.

This does not take into account any of our high rise activity where prices have topped $1,000 per square foot. Time on the market for listed property is steady in the mid 50 days. This means the average listed property has been on the market for that time period.

But for the first time ever, median price for single family homes has now topped $301,000 in 2005.

This site is the proud winner of the Real Estate ABC Gold Award, an award given only to sites which go "above and beyond" in helping real estate consumers by having lots of onsite content and extensive links to other sources of real estate information on homes for sale in Las Vegas (https://www.greatlasvegashomes.com/)!

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Las Vegas homebuilders see record prices, lower sales

Frames of new Century Communities homes in southwest Las Vegas on Wednesday, Aug. 9, 2017. Patrick Connolly Las Vegas Review-Journal @PConnPie

By Eli Segall Las Vegas Review-Journal

August 12, 2017 - 7:46 am

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Las Vegas homebuilders are fetching record prices, with buyers writing checks not seen since the bubble years.

But sales totals still are nowhere near their peaks — and it seems no one expects them to reach new highs anytime soon, if ever.

Builders closed roughly 4,300 new-home sales in Clark County this year through June. It was the highest midyear sales tally in almost a decade, according to Home Builders Research, but the pace was still far below that of the white-hot mid-2000s or of the 1990s.

Meanwhile, the peak median sales price from the boom days — about $338,600 in summer 2007 — has been eclipsed twice this year.

The disparity shows that while buyers are paying big prices and new subdivisions keep popping up, construction, at least, remains a long way off from the days when the housing market was so bloated it eventually burst.

Fueling the record prices are rising demand, tighter inventory, higher development costs and a focus on building bigger, pricier homes.

Higher prices are holding sales totals down, but so are labor shortages, a smaller roster of builders and decreased available land. Other factors include Las Vegas' long recovery from the recession and more-normal mortgage lending that, unlike last decade, doesn't let practically anyone buy a house, builders and analysts said.

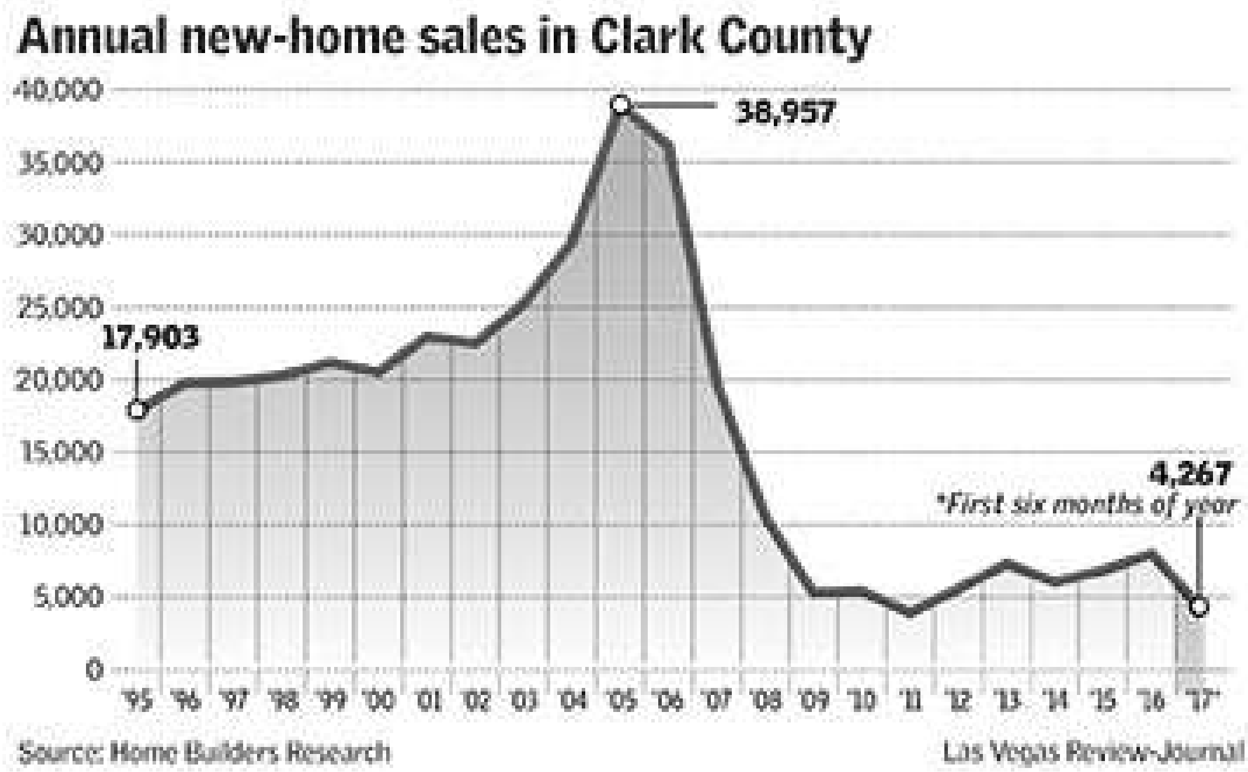
Las Vegas isn't alone. There is a supply-demand "imbalance" nationally, making for an "unusual period" in the home-construction industry, National Association of Home Builders chief economist Robert Dietz said.

Despite the changed market, sales still are climbing fast in Las Vegas, as the midyear tally was 22 percent above last year's.

Home Builders Research founder Dennis Smith said he hasn't been surprised by the pace, adding that he expected sales to climb as the economy and consumer confidence improved.

Plus, after the homebuilding market was wiped out during the recession, there was only one way it could go.

"It couldn't get any worse," he said.



'Artificial growth'

Las Vegas grew fast for decades, and by the late 1990s, builders were selling around 20,000 homes a year.

That soared to almost 39,000 sales in 2005 during the bubble and then plunged to just 3,900 in 2011 after it burst, according to Smith's research.

Annual sales have more than doubled since hitting bottom amid a growing population and rebounding employment. Locals say they expect sales to keep climbing, but to a point.

KB Home's Nevada division president, Brian Kunec, figures there is enough demand to get back to 15,000 sales but not to the previous peak. "I don't believe we'll get there," he said.

He said lenders aren't doling out "crazy mortgage products" as they did in years past that would spur "artificial growth."

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And finding enough people to build homes has been difficult. Contractors are "constantly short" on laborers, lengthening the time it takes to deliver a house, said Robb Beville, Nevada division president for Century Communities.

Also, there isn't enough demand for 40,000 new homes a year, Beville said, but 15,000 is "realistic."

"It's an aircraft carrier; this thing does not turn quickly," he said.

More sales if prices lower

Smith said Las Vegas is at least five years away from 15,000 annual sales, and he recently wrote that it doesn't seem "at all possible" that sales will ever get back to the levels of the early or mid-2000s.

The number of builders has been slashed. Smith figures there are around 40 homebuilders in the Las Vegas area, down from about 190 before the market tanked.

Land sales are by no means drying up, but the shrinking supply of choice parcels and Las Vegas' stubbornly high rate of underwater borrowers also are crimping new-home sales, Smith said.

Underwater homeowners, whose mortgage outweighs their home value, can't easily sell, making them less likely to soon buy again.

Also, it's "pretty clear" that if prices were lower, builders "would sell more houses," said Klif Andrews, Las Vegas division president for Pardee Homes.

Long recovery

Nationally, builders have been focused on larger, more expensive houses. Locally, they still sell in the more-affordable $200,000 range, but Beville said entry-level homes “disappeared for a few years” because the profits weren’t there.

Among the rising costs this year: Lumber prices are up about 20 percent, economist Dietz said, amid new tariffs by the Trump administration on imported Canadian softwood lumber and wildfires in that country.

Still, low interest rates are helping people buy costlier homes, allowing prices to rise, Andrews said, and a sliding inventory of resales might be pushing house-hunters to construction sites.

Las Vegas also is growing, creating an influx of potential buyers. Clark County's population rose 10.5 percent from 2010 to 2016, to almost 2.2 million, U.S. Census Bureau data show.

But given how badly Las Vegas got pummeled by the recession, the economy still is recovering or lagging in some ways. And the housing market, like other industries, feels the impact.

"Whoever thought it would take 10 years or more to get out of the recession?" Smith said.

Contact Eli Segall at esegall@reviewjournal.com or 702-383-0342. Follow @eli_segall on Twitter.

Price gap

Here's some sticker shock: The price gap between new homes and resales is much wider in Las Vegas than the national average.

The median sales price for new homes in Clark County in June was $339,603, 48 percent higher than the median sales price of previously owned homes, according to Home Builders Research.

Its reported prices cover all types of homes, such as single-family dwellings and condos.

Nationally, the median sales price for new homes in June was $310,800, 18 percent higher than the median price of resales that month, according to data from the U.S. Census Bureau and the National Association of Realtors.

LAS VEGAS SUN

Real estate market in Las Vegas rising from the grave

Monday, May 2, 2016 | 2 a.m.

Left for dead during the recession, the Las Vegas real estate market has come back to life over the past few years.

Buyers are picking up new and used properties. Homeowners are getting above water. Developers are building apartment complexes. Employment and wages have climbed.

But it could take several more years before Las Vegas — ground zero for last decade's real estate boom and bust — fully recovers from the worst recession in decades, which all but wiped out the local economy.

So what's the state of the housing market? Here's a barometer based on some recent reports, including how Las Vegas compares to the nation and how the market has changed in the past decade:

Foreclosures and underwater homeowners

When the economy crashed, Las Vegas' housing market was among the hardest-hit nationally, choked by foreclosures and underwater borrowers.

Residents missed mortgage payments amid sweeping job cuts and lost their homes to lenders, emptying subdivisions valleywide. Home values also plunged, leaving the majority of borrowers underwater, meaning their debt outweighed their home's value.

Those problems have eased considerably the past few years. For instance, creditors filed default notices against roughly 1,800 homes in the Las Vegas area in the first quarter, down from about 2,200 in the same period last year and nearly 17,800 in first-quarter 2009, according to RealtyTrac.

But foreclosures also have slowed nationally, and lenders still target a bigger share of homes locally than they do in most big cities. Overall, the valley had the sixth-highest foreclosure rate in the first quarter among metro areas with at least 200,000 people, RealtyTrac reported.

Meanwhile, 21 percent of Las Vegas-area homeowners with mortgages were underwater in late 2015, according to home-listing service Zillow. That's down from a peak of 71 percent in early 2012 but still highest among large metro areas and well above the U.S. rate of 13 percent.

Home values

Las Vegas home values have climbed in recent years, but they have more room to grow than in any large metro area to reach peak levels again.

The median home value in the Las Vegas area in February was $201,900, up 9 percent from a year earlier. Nationally, the median was $184,600, up 4.3 percent, according to Zillow.

Locally, home values remain 34 percent below their peak, but across the U.S., values are 6 percent below the peak, Zillow recently reported.

Las Vegas' gap was largest among the 35 metro areas listed in the report, highlighting Southern Nevada's rapid home-value growth last decade and devastating crash.

Several cities have recouped their post-bubble losses and reached new highs. According to Zillow, home values hit new peaks in 26 markets during the past year or so — but not in Las Vegas.

"In some markets, these new highs are a return to normalcy," Zillow chief economist Svenja Gudell recently said. "The fact that other markets are still off by double digits may not mean those markets are far from being recovered. It just highlights how extraordinarily inflated home values had been during the housing bubble."

Homebuilding

Builders couldn't sell houses fast enough in Las Vegas during the years before the bubble burst, as loose lending practices by financial institutions left the market awash in easy money. But when the economy tanked, builders shut down, projects went bankrupt and buyers vanished.

Sales volume is climbing again, although it's nowhere near what builders achieved last decade or in the 1990s, before the market inflated rapidly.

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ı the same period last year, according to Home Builders

ıes in the Las Vegas area in 1995. That soared to almost 39,000

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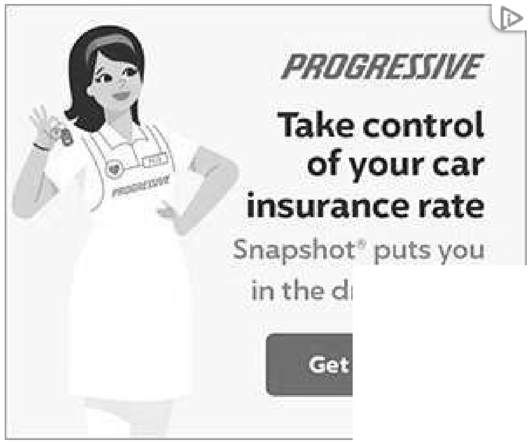

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The return of irrational exuberance to Las Vegas: The growing worries of another Las Vegas housing bubble.

Posted by **mybudget360** in **Las Vegas**, **real estate**

0 Comments

It is rather clear that large institutional investors are diving into investment real estate once again.Â This time these investors are supplanting individuals but are targeting very familiar markets in Arizona, Nevada, and Florida.Â One of those markets is Las Vegas.Â Las Vegas had one of the most spectacular real estate bubbles that we have seen in this generation.Â The housing bubble was not evenly distributed.Â You had places across the nation that barely saw the signs of a housing bubble and then you had places like Las Vegas.Â The glamour and lights in the Southwest Desert. Â Â You had home values rising close to 140 percent from 2000 to their peak in 2007 like some sort of real estate Icarus.Â The bust was equally spectacular.Â Today you are seeing the same kind of fervor in the market but this time it is being driven by hungry **institutional investors**.Â There are clear signs that Las Vegas real estate is in some form of bubble albeit different from the last one.

The rise in prices

This chart gives a good perspective as to what has occurred with Las Vegas real since the 1980s:

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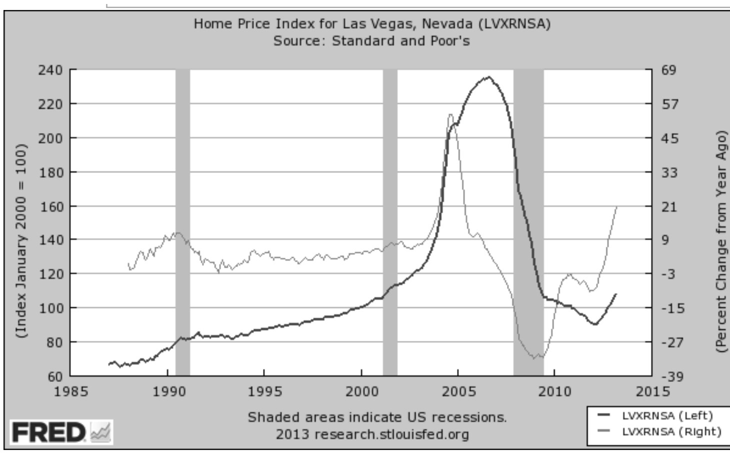

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The red line tracks the annual percent change in prices and you can see that according to the Case Shiller Index home prices are moving up at an annual rate of 21 percent.Â The market in Las Vegas is being driven largely by institutional investors using the **Fedâ€™s ultra low interest rate** environment to speculate on residential real estate.Â Unfortunately it looks like this move is crowding out the average home buyer in those markets.

It is hard to track institutional buying since they purchase under various names and organizations but from some of the data we have we can see that the trend is very clear:

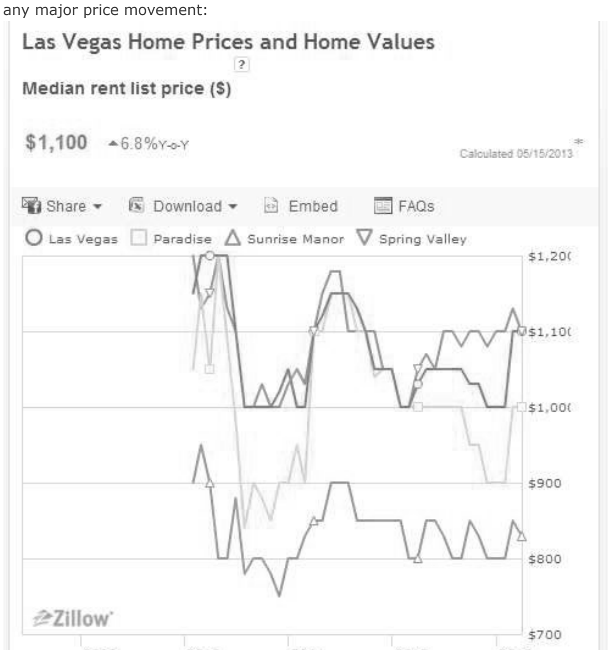
Many will buy homes in bulk here.Â This massive demand from investors is causing prices to move up:

Las Vegas-Paradise, NV

Number of sales	Apr-12	Mar-13	Apr-13	YOY % Change
Resale houses	3,233	2,998	3,309	2.4%
Resale condos	807	803	848	5.1%
New homes	510	684	712	39.6%
All homes	4,550	4,485	4,869	7.0%

Median sale price	Apr-12	Mar-13	Apr-13	YOY % Change
Resale houses	$122,000	$155,199	$160,000	31.1%
Resale condos	$60,000	$79,995	$84,948	41.6%
New homes	$197,320	$220,000	$234,981	19.1%
All homes	$119,000	$155,000	$160,000	34.5%

The median sale price in **Las Vegas** is now up by 34.5 percent over the last year.Â What is interesting is that although the economy is recovering albeit slowly, there is little justification as to why home prices should be moving up this quickly based on underlying fundamentals.Â Many of these buyers are purchasing homes as rentals.Â Yet the rental market is not seeing any major price movement:



For the last three years rents have been stable or falling in many of the Las Vegas areas.Â One of the reasons could be the glut of rental houses hitting the market but also, rents need to be paid by those in the local economy and wages are not exactly rising in this area.Â This isnâ€™t lost on people:

> “More traditional buyers and sellers are sitting out of the market and investors are bidding up prices for foreclosed homes and [homes] at the lower end of the market,” Quinn Eddins at RadarLogic tells Business Insider.

How big is investors demand?

> â€œ(**DataQuick**) **Cash buyers purchased 56.6 percent of the Las Vegas-area homes that sold in April — the highest level since a record 56.7 percent of sales were to cash buyers in February 2011**. Last month’s figure was up from a cash-buyer share of 54.5 percent of total sales the month before and up from 53.6 percent a year earlier. Cash purchases are where there is no sign of a corresponding
> purchase
> April —
> median

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Cash buyers ended up buying 56.6 percent of all homes that sold in April.Â This isnâ€™t your regular family using the Fedâ€™s low interest rate market to get into a home via a traditional mortgage.Â These are large banks with access to easy capital buying homes in bulk with suitcases full of cash and either trying to flip them to other investors or trying to use them as rentals.

The **Las Vegas market is exhibiting all typical signs of a bubble** again.Â First, rental prices are weak relative to the price jumps we are seeing.Â Second, you are now seeing investors selling homes to one another in a game of musical chairs.

Should we be surprised?Â The Fed dealt with this housing crisis like it did to the economic crisis of the early 2000s that resulted in the first housing bubble.Â This time it is different but all bubbles do not look alike.

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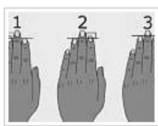

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These homes are still worth less than they were in 2007

Published: Sept. 22, 2017 at 11:05 a.m. ET

By Jacob Passy

The national median home value masks the struggles in many other markets

While expensive homes have regained the value lost during the recession in cities like Detroit, lower-priced homes have not experienced the same recovery.
BILL PUGLIANO/GETTY IMAGES

ZG +1.70%

Median home prices may be reaching new highs in some parts of the country, but those figures are hiding the struggles facing owners of the least-valuable homes.

The share of homes nationwide now worth more than they were prior to the Great Recession rose to 52.6% in August, according to data released Thursday by real-estate website Zillow **ZG,** +1.70%. And in some markets, including Denver, Dallas and Nashville, more than 97% of all properties have met or surpassed their pre-recession peak values.

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However, 47% of homes in this tier have reached or exceeded their previous highs. And the imbalance between these bottom-third homes and more expensive properties can be fairly stark.

In Detroit, just 10.6% of homes in the bottom-third of the market have returned to their peak values, while roughly two-thirds of the most expensive tier has recovered what was lost in the recession, the most recent study released Thursday found. Similarly, only 8.6% of homes in the bottom-third in terms of value have rallied, versus 53.8% of the top-third.

And there are markets where few homes have reached their previous highs. Less than 1% of Las Vegas homes are now worth the same as their pre-recession peaks. Other markets where less than 10% of homes have made a rebound include Orlando, Hartford, Conn., Phoenix and Miami.

But for the bottom-third of the market, based on price, the recovery has not been so robust,owing in large part to how hard-hit the lowest-priced homes were during the housing crisis. “Demand for the limited supply of entry-level homes is pushing up their values, but these homes also lost more value when the bubble burst,” said Svenja Gudell, Zillow’s chief economist.

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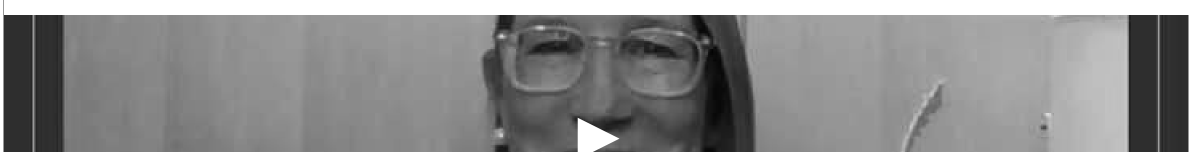

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“Even as headline numbers show an overall recovery, there are still thousands of Americans struggling to bounce back from the housing bust,” he said.

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While factors such as location and the number of foreclosures in an area could continue to depress prices for the bottom third of these markets, which are starter homes for many people, relief may be in sight.

In August, the median national home value was $201,900, up 6.9% from the year before. The median home value nationwide first surpassed its 2007 peak in April when it hit $198,000.

Don't miss: Soaring house prices have created this many 'million-dollar neighborhoods'

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The supply of starter homes has dropped 17% year-over-year, twice as fast as all homes, according to data from Realtor.com, and a lack of supply will likely lead to higher prices if demand remains as high as it currently is. As of the end of July, just 450,000 homes listed at a price below $200,000 were on the market nationwide — 120,000 fewer properties than in 2015.

Additionally, Realtor.com found that demand for smaller homes has risen 46% between 2016 and 2017 to a record high. Soon these trends could cause prices to start rising more dramatically for the bottom-tier of many housing markets because the supply of starter homes is not keeping up with demand.

Smaller homes now spend 46 days on the market on average, compared with 71 days for larger homes. (Realtor.com is operated by News Corp subsidiary Move Inc., and MarketWatch is a unit of Dow Jones, which is also a subsidiary of News Corp.)

Jacob Passy

Jacob Passy is a personal-finance reporter for MarketWatch and is based in New York.

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* * * * *

180 LAND COMPANY, FORE STARS, LTD., SEVENTY ACRES, Plaintiffs,	)	CASE NO. A-18-780184-C
vs.	)	DEPT. NO. III
CITY OF LAS VEGAS, Defendant.	)	**Transcript of Proceedings**

BEFORE THE HONORABLE MONICA TRUJILLO, DISTRICT COURT JUDGE

EVIDENTIARY HEARING

THURSDAY, MAY 27, 2021

APPEARANCES:

SEE APPEARANCES ON PAGE 2

RECORDED BY: REBECA GOMEZ, DISTRICT COURT
TRANSCRIBED BY: KRISTEN LUNKWITZ

Proceedings recorded by audio-visual recording; transcript produced by transcription service.

APPEARANCES:

For the Plaintiffs: JAMES LEAVITT, ESQ.
AUTUMN WATERS, ESQ.
KERMITT WATERS, ESQ.
ELIZABETH GHANEM, ESQ.

For the City: ANDREW SCHWARTZ, ESQ.
LAUREN TARPEY, ESQ.
GEORGE F. OGILVIE, III, ESQ.
CHRISTOPHER J. MOLINA, ESQ.
PHILIP R. BYRNES, ESQ.
REBECCA WOLFSON, ESQ.

go there. He had ample evidence as to that -- that there was no final decision and it's not futile. And I'll get into that in a minute.

But if they've got -- they've got to kill the PROS designation. They've got to persuade you that it doesn't exist or that it's inapplicable because, if they don't, you know, they lose. They bought a golf course, a worthless golf course that couldn't be used for anything else and now they want the City to buy -- bail them out for 300 and some million dollars.

So, Judge Williams did not decide that there's an ordinance. I went through all those ordinances with you. He didn't decide those ordinances don't exist. He did not decide that they don't have the effect they have. He did not decide that for purposes of takings, a zoning ordinance prevails over a general plan designation. He didn't. He didn't decide any of that stuff, nor could he. That would be ridiculous that there are fact -- you know, I've used -- that, well, he said in this case cows can't fly. Cows can't fly. But in regulatory takings, yeah, cows can fly. I mean, it's an absurd argument and they're going to make it. They're going to tell you that everything that Judge Williams said that I just read to you is wrong.

The issue here is that their relationship between zoning and the PROS and the importance of the PROS is if --

it’s an issue that’s relevant to both claims. In the Petition for Judicial Review, it supports that the City Council had substantial evidence to do what they did. In the takings context, it supports the fact that they bought property, they paid a price that took into account what they could do with it, and they can’t get the taxpayers to pay them umpteen millions of dollars if the City just says: Hey, we’re going to maintain the status quo. We’re not going to change this. This has been in effect for 23 years. This was the open space for this community and we’re not going to change that. We don’t have to change it. We have discretion. So, the PROS designation is relevant to both claims. So, I urge you to reject that argument.

Now I’d like to talk about the ripeness issue. Excuse me.

[Pause in proceedings - colloquy between City’s counsel]

MR. SCHWARTZ: Your Honor, I’d like to go through these exhibits that the developer presented to you. I want to talk about a little about procedure for this -- these -- the Motion to Determine Property Interests.

Your Honor, this is -- this -- it’s a complete misrepresentation for -- thank you. For counsel to say that you need a separate proceeding to decide what the property interest is. It’s logical. Sure, if you have got development, and site development plan is approved. So, these are approvals. The City issued the approvals. They can't take them back. Those are approvals. Judge Crockett voided them. The Supreme Court reinstated them. I read to the Court from the Order of Reversal. The Supreme Court is saying: You're approved. Good. Go. You got your permits.

City sends letters to the developer: You've got your permits. You got a two-year extension. Start construction. Nothing. Instead, the developer, says: No, we don't have a permit. I don't want to build. I -- you know, because I don't have a permit. You clawed it back.

MR. LEAVITT: Your Honor, I have to object. The developer never says that. I don't know where this is coming from --

THE COURT: Okay. Why don't we just even move on from the 17 acres. This is all on the 17 acres. Let's move on. I know what happened on there. I've read this.

MR. SCHWARTZ: No. Well, Your Honor, when I say the developer, I mean the developer's counsel.

MR. LEAVITT: I didn't say that.

MR. SCHWARTZ: Why is it important? Because Judge Herndon relied heavily on this 17-acre approval to find that the -- applying to develop the 65-acre property would not be futile. So, it's a key issue in this case and the City say: No, no development is going to be allowed on the 65-acre property and then your claim would be ripe. Not necessarily a taking and it couldn't be a taking because the City is just not changing the PROS designation doesn't change anything. The property is worth the same before they bought the property as -- the same before the City's alleged regulation as after. It's worth 4.5 million or 45 million. The City doesn't change the status quo. It's worth the same thing. The use is the same. You can't have a taking.

But we don't get there. Judge Herndon didn't get there because the claim wasn't ripe. So, that's why I think it's really important to understand that why does the developer have to say: Hey, I don't have a permit for my 17-acre property? You know, they need the argument, Your Honor, that the City -- while the 17-acre appeal was pending, they say the City revoked or nullified our 17-acre approval because they refused to extend the permit during the period when it was on appeal. And Judge Herndon said: That's frivolous. While they -- Judge Crockett's decision was on appeal, the permit was void. There was nothing to extend.

So, when the Supreme Court reinstated the permits, the City agreed. You've got your permits, we're extending. And, so, that's why it's really important to understand what happened with the 17-acre property. And why? Why are they making that bizarre argument? I'll explain it again. Because then their whole case goes away because they've already made six times their investment. They don't get their $386 million.

You know, for this case, 65-acres, they want $101 million. They spent $4.5 million the entire Badlands. The damages, according to their own evidence, 101 million. They say: When we bought the property, it was zoned R-PD7. We had a constitutional right to build on that property, whatever we want to build. They really -- they're never really clear about that, but we had a constitutional right to build something on the property. Well, they paid $4.5 million for that.

So, it -- and, you know, if the City comes along and says, okay, you can't -- you know, you're not going to -- you don't have a constitutional right, you can't build residential on this property because of the PROS designation, all of a sudden just the 65-acre property is valued at 101 million. The whole case is ridiculous, Your Honor. Four point five for the whole Badlands where they say: Hey, we had this legal right. And the City says: No, you don't. And the property value goes up to 101 million. Okay.

So, I want to explain once more why all of what

CERTIFICATION

I certify that the foregoing is a correct transcript from the audio-visual recording of the proceedings in the above-entitled matter.

AFFIRMATION

I affirm that this transcript does not contain the social security or tax identification number of any person or entity.

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Exhibit 22

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FORE STARS, LTD, SEVENTY ACRES, LLC, a Nevada limited liability company, DOE INDIVIDUALS I through X, DOE CORPORATIONS I through X, DOE LIMITED LIABILITY COMPANIES I through X, Plaintiffs, vs. CITY OF LAS VEGAS, political subdivision of the State of Nevada, THE EIGHTH JUDICIAL DISTRICT COURT, County of Clark, State of Nevada, DEPARTMENT (the HONORABLE JIM CROCKETT, DISTRICT COURT JUDGE, IN HIS OFFICIAL CAPACITY), 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#: A-18-773268-C DEPT. XXIX

BEFORE THE HONORABLE DAVID M. JONES, DISTRICT COURT JUDGE

FRIDAY, AUGUST 13, 2021

RECORDER'S TRANSCRIPT OF HEARING

PLAINTIFF LANDOWNERS' MOTION TO DETERMINE "PROPERTY INTEREST" AND CITY'S MOTION FOR SUMMARY JUDGMENT

APPEARANCES:

For the Plaintiffs:	KERMITT L. WATERS, ESQ. JAMES J. LEAVITT, ESQ. ELIZABETH GHANEM, ESQ. MICHAEL A. SCHNEIDER, ESQ (via BlueJeans)
For the Defendant: (City of Las Vegas)	GEORGE F., OGILVIE, III, ESQ. ANDREW W. SCHWARTZ, ESQ. PHILIP R. BYRNES, ESQ. REBECCA L. WOLFSON, ESQ. J. CHRISTOPHER MOLINA, ESQ.

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And that's explained in the declaration of Christopher Molina, which is Tab 31. We don't attach all of the records that we received from the developer or from the seller of the Badlands for that declaration just for expediency, but that's a fact. They pay $4 and a half million for the property.

Now they're asking for $386 million in damages for this place. They paid $4 and a half million for the Badlands. The City approved 435 houses on part of the property.

What this -- these cases are, they're weaponizing the courts to try to shake down the taxpayers. I mean, that's pretty harsh language, but that's exactly what's going on here.

Paid $4 and a half million. They want $386 million in damages. That's about a million -- they paid 4 and a half million. That's 18,000 an acre.

That's what you pay for a golf course property that's designated PR-OS in the General Plan, which doesn't permit residential development.

They want 386 million. It's based on a 1,000,005 per acre. It's in our papers. This case is absurd. So what? Why are they making this argument?

Because if they admit that they had the right to build 435 luxury housing units on a 17-Acre property, and as Judge Herndon found, they've already increased their -- the value of their investment based on the developer's own evidence, own evidence.

They've already increased the developer's -- the value of just the 17-Acre property alone to north of $26 million.

So they've already made six times their money with just the 17-Acres. They've got 233 acres left, but they want more money.

So since the City said you can go forward with your 435-unit project, not only have they not done a thing to develop that, but they've made the argument that the City nullified the approvals and they don't even have them.

It's pretty clear they don't want to build anything on the property. They just want money and a lot of it. That's an 8,500 percent profit. So that's why they're making the crazy argument that they don't have a permit to build the 435 units.

And then, you back up -- and that's why we're here. That's why the Court should throw this case out. The City could not possibly have taken a property interest. It granted them everything they asked for.

So I'm going to proceed to explain why what Mr. Leavitt said about this property right is demonstrably false. Again, we think irrelevant. We don't think the Court needs to reach it.

This is the easiest case you can ever conceive of for a taking because it's, again, the only case -- no one's ever brought a case where they got their approval and they want more money. They're claiming a take. It's absurd.

Okay, Your Honor, I also have some Powerpoint slides. You know, this case is absolutely sound. Regulatory takings requires a wipe

MR. SCHWARTZ: Yes, our Tab 38 is our proposed findings of fact, conclusions of law.

THE COURT: And I saw it.

MR. SCHWARTZ: But it is on our Motion for Summary Judgment and this motion. We will resubmit an order that just addresses this motion.

THE COURT: And that's fine.

MR. LEAVITT: Thank you, Your Honor.

THE COURT: Great. Thank you. Thank you, everyone. Please stay safe.

MR. SCHWARTZ: Thank you, Your Honor.

MR. LEAVITT: Thank you, Your Honor. You, too.

THE COURT: Have a great weekend.

UNIDENTIFIED SPEAKER: You as well.

THE COURT: I think know what I'm going to spend mine on.

MR. LEAVITT: Have a good one, Judge.

[Proceedings concluded at 1:34 p.m.]

* * * * * * *

ATTEST: I do hereby certify that I have truly and correctly transcribed the audio/video proceedings in the above-entitled case to the best of my ability.

Chris Hwang
Transcriber

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180 LAND COMPANY, LLC, FORE STARS, LTD., SEVENTY ACRES, Plaintiffs, vs. CITY OF LAS VEGAS, Defendant.	CASE NO. A-18-780184-C DEPT. NO. III **Transcript of Proceedings**

BEFORE THE HONORABLE MONICA TRUJILLO, DISTRICT COURT JUDGE

CONTINUATION OF EVIDENTIARY HEARING

FRIDAY, JULY 2, 2021

APPEARANCES:

For the Plaintiffs: JAMES J. LEAVITT, ESQ.
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For the Defendant: GEORGE F. OGILVIE, III, ESQ.
ANDREW W. SCHWARTZ, ESQ.
J. CHRISTOPHER MOLINA, ESQ.
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RECORDED BY: REBECA GOMEZ, DISTRICT COURT
TRANSCRIBED BY: KRISTEN LUNKWITZ

Proceedings recorded by audio-visual recording; transcript produced by transcription service.

your time to build for two years because of the time this case was before the Supreme Court. Nothing.

The developer -- instead, the developers made it crystal clear, they do not want to build anything on the 17-acre property by making this just nutty argument that the City has nullified that approval or clawed back, in the face of a letter from the City telling them you're good, your permit’s good to go. That’s a -- you couldn’t make that up. That is the craziest thing. And the reason is because the developer is then admitting that they haven’t been harmed. In fact, their investment has been -- has been enhanced substantially by what the City did with that application.

So, we have only half, one half of the applications that the developer filed under the UVC disapproved. The other one was approved. The MDA wasn’t really an application. And the 133-acre application wasn’t denied on the merits. So, they can't meet the futility test.

Now, I want to go now, Your Honor, to turn to the merits of if the Court does not accept the fact that the categorical taking claims subject to the final decision ripeness requirement. Or, if the Court finds that the plaintiff’s right. If the Court finds the claim is ripe it gets even harder for the developer here.

they would get something much more valuable, because of hope for legal changes, than what they had.

You know, the Court goes on to reinforce those points.

So, the developer here paid $4.5 million for a golf course, an ongoing operation, an ongoing business, that was subject to a restriction that it couldn't be developed for residential. That's why it paid $4.5 million or $18,000 per acre.

Even if you believe the developer, and I will address that point, even if you believe that the developer paid $45 million for the mobile home park -- I mean, excuse me, for the Badlands. And there was absolutely no evidence, none to support that. But, even if you believe the developer paid $45 million, by their own evidence, because they had a constitutional right, according to them, to build housing on the property, the property was worth more than $1.5 million per acre.

So, the developer knew that the property -- and the 1.5 million is assuming it can be developed with residential. So, the developer knew that it was -- you needed to change the general plan designation, that it was discretionary with the City, and it paid a price that reflected that.

I want to refer the Court to Tab 41. And, Tab 41, is the membership interest and -- Membership Interest Purchase and Sale Agreement from March of 2015, where we've excerpted the pages where it says the developer paid seven and a half million dollars for the Badlands. This is for the -- for an ongoing golf course, for the land and all the personal property that went into a golf course. So, they actually paid less than seven and a half million for the land.

The next tab is Exhibit 42. And this is a declaration of Mr. Molina, who is here representing the City. And Mr. Molina -- by the way, the City asked for the documents that supported this claim that the developer paid $45 million for the property and it took a year and a half to get there.

In fact, we got the Purchase and Sale Agreement and the developer never produced it because they were trying to hide it because they claimed they paid 45 million when this says seven and a half million. We finally got a copy of that from a third party and the developer would tell you: Well, it's because we needed to enter into a protective order and the City refused to enter into a protective order. Of course, these documents aren't protected, they're not confidential, they don't say they're confidential. They're an arm's length transaction between two private parties. So, that was an unreasonable request.

Nevertheless, the City brought a Motion to Compel. And we finally learned that there are no documents to support this.

On the other hand, Mr. Molina painstakingly went through the documents that the developer finally produced, pursuant to the City's Motion to Compel, and carefully documented that $3 million of that seven and a half million dollar purchase price was for a different interest, to purchase office space for the developer.

MR. LEAVITT: Your Honor, can I --

MR. SCHWARTZ: So, that puts the developer's purchase price at 4.5 million. And, Your Honor, this is argument.

MR. LEAVITT: I just want to put my objection on the record. And Mr. Schwartz can continue. My objection is that this is an affidavit by an attorney in the case, who had no personal knowledge of this transaction that occurred over a 20-year period, number one. Number two, the documents speak for themselves. And the Court can look at the documents and look at the affidavit by Mr. Lowie, which explained the transaction, and can make the decision by herself without them testifying through an attorney as to an ultimate issue in the case. That's my objection.

THE COURT: All right. Mr. Schwartz?

MR. SCHWARTZ: Okay. So, then, we get to the problem. I -- you know? Not a scrap of paper and you paid $45 million for property?

Mr. Lowie had an opportunity in his declaration to explain it. Well, where's the -- what consideration did you pay? How much did you -- where are the documents that show this transaction? It's a fantasy.

And this is -- and this Court, the standard on summary judgment is preponderance of the evidence. There's no evidence that the developer paid $45 million for the property. Not a preponderance -- there's no evidence, other than this bald claim for the developer. And we put before the Court the Purchase and Sale Agreement that says they paid 7.5 million and explained why, with evidence, documents. And we put together the explanation as to why it was four and a half million.

Your Honor, I only say this because I want to show not only has the developer not been wiped out, but with the approval of the 17-acre property, their investment has been multiplied many times. Whether it's four and a half million or 45 million, if they paid 45 million, the rezoning of the 17-acre property, the lifting of the PR-OS designation itself, increased the value of just the 17-acre property by $26 million. By their own evidence.

[Pause in proceedings]

MR. SCHWARTZ: Your Honor, if you could look at damages is 101 million. That's Mr. Leavitt's document. That's where that came from.

Next page, it says that the property is worth 1.5 to $5 million per acre. You multiply that by 65, you get 101 million.

Tab 48, they made the same claim for the 35-acre property. It's worth 1.5 to 5 million per acre if it can be developed with residential. Therefore, they want $54 million worth of damages. 250 times that amount, $386 million worth of damages. The 30 -- in total damages, 400 -- that's near four and a half million. Even if it's an investment of 45 million, it's outrageous.

Again, this is not really -- this doesn't really affect the legal analysis, Your Honor, because whatever they paid for the property, the City didn't change the law. Like *Lucas*. Remember *Lucas*? After Lucas bought the property, the City changed the law. That's what the takings doctrine is designed to affect, where you wipe out the value. By not lifting the PR-OS designation -- again, the City was never asked to, so it's not ripe. But, even if it were ripe, by not lifting the PR-OS designation, keeping it in historic use, the city didn't change the value of the property. The *Guggenheim* case is directly on point.

And, Your Honor, I -- we filed a Motion for

Maybe they paid 45 million. You know? The -- there's no evidence of 45 million. And there's strong evidence that they only paid four and a half million.

Why did they pay so little for a property where they had a constitutional right to develop it? It's worth 101 million, if they're given their rights. Because they knew, they knew that the PR-OS designation would prevent that and it was up to the City to change it. But this was the open space, the recreation for the Peccole Ranch Masterplan, and that it was going to be an uphill battle to get the City to do it.

They succeeded with the 17-acre property. They say that the City argues they rolled a dice and they lost. Too bad. No. It's the opposite, Your Honor. They rolled the dice and they won. They made a windfall on their investment.

The -- counsel argues that the MDA included the 17 acres. Yes. The Master Development Agreement included the 17 acres that have already been approved for development. They weren't seeking to, you know, withdraw their approvals, to surrender their approvals on the 17-acre property. The point of the MDA was to develop the whole Badlands and to get the City to agree that it wouldn't change any of the regulations on the rest of the property because the City had already approved the 17-acre

CERTIFICATION

I certify that the foregoing is a correct transcript from the audio-visual recording of the proceedings in the above-entitled matter.

AFFIRMATION

I affirm that this transcript does not contain the social security or tax identification number of any person or entity.

Kristen Lunkwitz
KRISTEN LUNKWITZ
INDEPENDENT TRANSCRIBER