



Self-Contained Appraisal Report

Proposed Plaza Las Vegas

Las Vegas, Nevada

Prepared by:

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November 12, 2008

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Re: Proposed Plaza Las Vegas
Las Vegas, Nevada
HVS Reference: 2008040137

Dear Mr. Ben-Dov and Mr. Hyman:

Pursuant to your request, we herewith submit our self-contained appraisal report pertaining to the above-captioned property. We have inspected the site and proposed facilities and analyzed the gaming, hotel, retail, and condominium market conditions in the Las Vegas market area. Our report was prepared in accordance with, and is subject to, the Standards of the Appraisal Institute (MAI), requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), as provided by the Appraisal Foundation, and the International Financial Reporting Standards (IFRS).

We hereby certify that we have no undisclosed interest in the property, and our employment and compensation are not contingent upon our findings and valuation. The self-contained appraisal report is made part hereof and must remain attached in order for the value opinions set forth to be considered valid.

We have prepared this appraisal report for use by EL AD IDB Las Vegas, LLC, Discount Investment Company (DIC), IDB Holdings, El Ad US Holding Inc., Property and Building Company LTD, and IDB Development Corporation, LTD.

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It is understood that this report will be attached to an Israeli public filing of the public entities mentioned above. Our report or any of the data, contents, observations, and conclusions (i.e., "contents") therein cannot be used or quoted in any marketing material, prospectus, or any other document that may be offered to individuals, entities, and/or organizations (i.e., third parties) considering a purchase of the real estate that is the subject, or ancillary subject, of this assignment. Any such use of the contents of this self-contained report by said third parties will be at their sole risk; said third-party users understand and acknowledge that there exists no client or fiduciary relationship between them and M&R Valuation, Inc., doing business as HVS Gaming Services and HVS Consulting & Valuation. Furthermore, EL AD IDB Las Vegas LLC and the other intended users shall indemnify and hold M&R Valuations, Inc. and its owners and employees harmless from claims, demands, liabilities, judgments, liens, encumbrances, costs and expenses, including attorney's fees, arising out of, related to, or in connection with this assignment which might be brought by their shareholders and/or these third parties.



This study is subject to the comments made throughout this report and to all assumptions and limiting conditions set forth herein.

Very truly yours,
HVS Consulting & Valuation
Division of M&R Valuation Services, Inc.

A handwritten signature in black ink, appearing to read "Shannon S. Okada".

Shannon S. Okada
Vice President / Associate Director Gaming

A handwritten signature in black ink, appearing to read "Gregory Otten" with a small "leg" written to the right.

Gregory Otten
Project Manager

A handwritten signature in black ink, appearing to read "David Fuller".

David Fuller, MAI
Managing Director

A handwritten signature in black ink, appearing to read "Suzanne R. Mellen".

Suzanne R. Mellen, CRE, MAI, FRICS
Managing Director

SSO/GO/DF/SRM/leg



Table of Contents

Section	Title
1	Summary of Salient Data and Conclusions
2	Nature of the Assignment
3	Description of the Real Estate
4	Market Area Analysis
5	Gaming Supply and Demand Analysis
6	Gaming Revenue Forecast
7	Hotel Supply and Demand Analysis
8	Hotel Occupancy and Average Rate Forecast
9	Retail Supply Analysis
10	Retail Demand, Sales Projections, and Achievable Rents
11	Condominium Supply and Demand Analysis
12	Projection of Condominium Sale Proceeds
13	Highest and Best Use
14	Approaches to Value
15	Income Capitalization Approach – Casino-Resort
16	Income Capitalization Approach – Retail
17	Cost Approach
18	Residual Land Valuation Conclusion
19	Sales Comparison Approach
20	Reconciliation of Value Indications
21	Statement of Assumptions and Limiting Conditions
22	Certification



Addenda

Proposal for Appraisal Services
Legal Description
Synopsis of Ground Lease

Qualifications

Shannon S. Okada
Gregory Otten
David Fuller, MAI
Suzanne R. Mellen, CRE, MAI, FRICS



1. Summary of Salient Data and Conclusions

Subject Property:	Proposed Plaza Las Vegas
Location:	3128 South Las Vegas Boulevard Las Vegas, Nevada 89109
Date of Inspection:	October 16, 2008
Interests Appraised:	Fee simple and leasehold
Effective Date of the Appraisal:	October 16, 2008

Land:

Area:	±34.54acres/±1,548,122 square feet
Zoning:	H-1
Assessor's Parcel Numbers:	162-16-101-009 and 162-16-101-011 (fee simple) 162-09-403-004 (leasehold)
Flood Zone:	X

Proposed Improvements – Phase I (Podium and Towers 2, 3, and 4)

Anticipated Completion:	2013
Property Type:	Casino-Resort
Hotel Guestrooms:	±3,000
Casino:	
Gaming Area:	±115,000 square feet
Gaming Devices:	2,037
Table Games:	126
Food and Beverage Facilities:	15 food and beverage outlets 7 bars and lounges
Function & Meeting Space:	±244,825 square feet
Retail:	±249,037 rentable square feet
Condominium	±314,000 square feet
Parking:	±10,043 parking spaces
Spa:	±40,000 square feet
Theater:	±1,500 seats
Other Facilities:	Pool deck and appropriate back-of-the-house facilities.



Proposed Improvements – Phase II (Towers 1, 5, and 6)

Anticipated Completion:	Tower 1 – 2015 Tower 5 – 2017 Tower 6 - 2019
Retail:	±350,000 rentable square feet (located in Tower 5)
Condominium	Tower 1 – ±933,984 saleable square feet Tower 5 - ±741,200 saleable square feet Tower 6 - ±741,200 saleable square feet

PHASE I AS COMPLETED VALUE IN USE ASSUMPTIONS (JANUARY 1, 2013)

Casino-Resort Component:

Mortgage Equity Approach:

Mortgage Interest Rate:	7.50%
Amortization Period:	30 years
Debt Service Constant:	0.083906
Loan-to-Value Ratio:	65%
Stabilized Inflation Rate:	3.0%
Equity Yield Rate:	18.0%
Terminal Capitalization Rate:	10.0%
Selling Expenses:	1.0%
Holding Period:	10 years
Calculated Discount Rate:	11.9%
EBITDA Multiplier (Before FF&E Reserve):	10.5

Discounted Cash Flow Approach:

Discount Rate:	12.0%
Terminal Capitalization Rate:	10.0%

EBITDA Multiplier: 10.5%

Retail Component:

Discounted Cash Flow Approach

Discount Rate:	8.5%
Terminal Capitalization Rate:	6.5%



Residential Condominium Component

Discounted Cash Flow Discount Rate: 15.0% (plus 10.0% developer's profit)

PHASE I AS STABILIZED VALUE IN USE ASSUMPTIONS (JANUARY 1, 2016)

Casino-Resort Component:

Capitalization Rate: 9.0%

Retail Component:

Capitalization Rate: 6.0%

PHASE II VALUE ASSUMPTIONS

Retail Component (January 1, 2015)

Discounted Cash Flow Approach:

Discount Rate: 8.5%

Terminal Capitalization Rate: 6.5%

Residential Condominium Component (January 1, 2017)

Discounted Cash Flow Discount Rate: 15.0% (plus 10% developer's profit)

Prospective As Completed Value in Use Summary - Phase I and Phase II

	Casino-Resort Component	Retail Component	Residential Component	Total
Phase I Improvements - as of January 1, 2013	\$3,500,000,000	587,000,000	\$453,000,000	\$4,540,000,000
Phase II Improvements - as of January 1, 2015	-	-	\$2,309,000,000	\$2,309,000,000
Phase II Improvements - as of January 1, 2017	-	915,000,000	-	\$915,000,000



Prospective As Completed and Prospective As Stabilized Value in Use Summary - Phase I

	Casino-Resort Component	Retail Component	Residential Component	Total
As Completed Value: Phase I Improvements - as of January 1, 2013	\$3,500,000,000	587,000,000	\$453,000,000	\$4,540,000,000
As Stabilized Value: Phase I Improvements - as of January 1, 2016	\$4,100,000,000	650,000,000	-	\$4,750,000,000



RESIDUAL AS IS VALUE ASSUMPTIONS

Base Case:

Discount Rates (Base Case)

	Base Case With Financing Costs Deducted	Base Case Without Financing Costs Deducted
Phase I Hotel and Casino Components	10.0 %	12.0 %
Phase I Retail Component	6.5 %	8.5 %
Phase I Residential Component	15.0 %	17.0 %
Phase II Retail Component	8.0 %	10.0 %
Phase II Residential Component	20.0 %	22.0 %
Phase I Development Cost	6.0 %	6.0 %
Phase II Development Cost	20.0 %	22.0 %

As Is Value In Use Residual Land Values - Base Case (September 30, 2008)

	Value in Use Residual Land Value
Base Case As Is Value in Use (With Financing Costs)	\$1,440,000,000
Base Case As Is Value in Use (Without Financing Costs)	\$1,470,000,000



Sensitivity Cases:

Discount Rates (Sensitivity Case)

	Sensitivity Case No. 1 With Financing Costs Deducted	Sensitivity Case No. 1 Without Financing Costs Deducted	Sensitivity Case No. 2 With Financing Costs Deducted	Sensitivity Case No. 2 Without Financing Costs Deducted
Phase I Hotel and Casino Components	11.0 %	13.0 %	12.0 %	14.0 %
Phase I Retail Component	7.5 %	9.5 %	8.5 %	10.5 %
Phase I Residential Component	16.0 %	18.0 %	17.0 %	19.0 %
Phase II Retail Component	9.0 %	11.0 %	10.0 %	12.0 %
Phase II Residential Component	22.5 %	25.0 %	25.0 %	27.0 %
Phase I Development Cost	7.0 %	7.0 %	8.0 %	8.0 %
Phase II Development Cost	22.5 %	25.0 %	25.0 %	27.0 %

As Is Value in Use Residual Land Values - Sensitivity Case No. 1 (September 30, 2008)

	Value in Use Residual Value
Sensitivity Case No. 1 As Is Value in Use (With Financing Costs)	\$1,320,000,000
Sensitivity Case No. 1 As Is Value in Use (Without Financing Costs)	\$1,360,000,000

As Is Value in Use Residual Land Values - Sensitivity Case No. 2 (September 30, 2008)

	Value in Use Residual Value
Sensitivity Case No. 2 As Is Value in Use (With Financing Costs)	\$1,220,000,000
Sensitivity Case No. 2 As Is Value in Use (Without Financing Costs)	\$1,270,000,000



Developmental Risks:

The value in use and residual land value for the subject property set forth herein are totally dependent upon the ability of the property to generate net income through operations and the sale of residential condominium units. The subject property faces considerable risks to its generation of revenue and net income; this appraisal assumes that the substantial risks, including those delineated below, will not negatively impact the earning potential or values of the property.

- The risk of further decline in local and national economic conditions. As of the date of this appraisal the United States and many of the countries that generate demand to Las Vegas are in an economic recession. Visitation to Las Vegas and the amount spent per visitor are in decline, resulting in deteriorating revenue and net income levels for Las Vegas casino-hotels. While this is perceived as a cyclical downturn, and Las Vegas has historically rebounded from such downturns relatively quickly, the duration and magnitude of the downturn are uncertain at this time. Thus, the subject development's future performance may be affected if market conditions do not rebound as quickly and strongly as they have in the past.
- The risk of obtaining financing for the development of the proposed improvements within the next twelve months, to insure construction by 2010 and opening by 2013. The United States is currently experiencing a financial crisis that has curtailed lending on major development projects. The investment banking firms that were responsible for financing the recently constructed casino-hotels in Las Vegas are in a state of transition, and it is uncertain what the future source of debt financing for large-scale casino-hotel projects will be. If financing cannot be secured at favorable rates, the start of construction and opening of the property as proposed may be delayed or rendered infeasible.
- Development risk. These types of projects are vulnerable to potential cost overruns, resulting from increases in labor and construction materials, infrastructure costs, financing costs, development changes, etc. Construction costs have risen significantly in recent years due to the high demand for construction resources. While it is anticipated that construction costs will decline over the near to mid-term due to the significant reduction in development activity, there are still risks associated with constructing a mixed-use development of the complexity and magnitude of the subject property. However, we understand that the subject project will be constructed on the basis of a guaranteed fixed price, mitigating some of these risks. Other development risks are the potential delayed completion of the subject property due to natural disasters, remedial soil and environmental conditions, or strikes.
- Execution risk. The overall design and ambience created at a casino hotel have an impact on the asset's ability to generate income, particularly at the high end of the market, where the subject property will be positioned. It is challenging to design and construct a mixed-use project that is well received by the targeted market. In addition, creating a management team that will deliver a level of service commensurate with the high quality of the improvements is equally



challenging. Our projections assume that the owner/developer will have top management talent to assemble a skilled management team. Any changes in the key personnel currently employed by the subject property developers may negatively impact the ability of the property to achieve projected financial objectives.

- Market demand risk. The performance of the subject property is highly dependent upon visitation to Las Vegas, and the amount of expenditures per visitor. At the current time the Las Vegas market is experiencing a decline in visitation as well as the expenditure per visitor due to current national and international economic conditions. While it is anticipated that the market will have rebounded from this cyclical downturn by the time the subject property opens, there is still uncertainty regarding the date and velocity of the recovery. In the future, the availability of commercial flights and other infrastructure may not progress at a sufficient pace to accommodate the increased visitation to Las Vegas that will be necessary to absorb the new supply.
- Market supply risk. Significant increases in guestroom inventory, gaming supply, retail outlets, and residential condominiums are planned for the Las Vegas market. Increased competition can have a material effect on the performance of the subject property's proposed casinos and related operations. In addition, the sales price and pace of the subject property's residential condominiums may be impacted by increases in supply. Significant increases in competition from other gaming markets, both internationally and in the United States, may also have a negative impact upon the projected performance of the subject property.



2. Nature of the Assignment

Subject of the Appraisal

The subject of the appraisal is the fee simple and leasehold interests in a ± 34.54 -acre/ $\pm 1,548,122$ -square-foot site located in the unincorporated towns of Winchester and Paradise, Clark County, Nevada to be improved with the proposed Plaza Las Vegas ("subject property"). The proposed Plaza Las Vegas' improvements include a podium and six hotel towers to be constructed in two phases. The hotel's civic address is 3128 South Las Vegas Boulevard, Las Vegas, Nevada 89109.

According to the subject property's developers, the first phase ("Phase I") improvements is expected to be completed by January 1, 2013 and will consist of a podium and three towers (Towers 2, 3, and 4) with $\pm 3,000$ hotel guestrooms and suites, $\pm 115,000$ square feet of gaming space, 15 food and beverage outlets, seven bars and lounges, $\pm 244,825$ square feet of meeting and function space, $\pm 249,037$ rentable square feet of retail, $\pm 314,000$ of saleable residential condominium square feet, a $\pm 40,000$ -square-foot spa, $\pm 10,043$ parking spaces, $\pm 1,500$ -seat theater, a pool deck, and appropriate back-of-the-house facilities.

The second phase ("Phase II") improvements will consist of three towers (Towers 1, 5, and 6) that are planned to be completed by January 1, 2015, January 1, 2017, and January 1, 2019, respectively. It is anticipated that Tower 1 will contain $\pm 933,984$ of saleable residential condominium square feet, Tower 5 will contain $\pm 741,200$ of saleable residential condominium square feet and $\pm 350,000$ rentable retail square feet, and Tower 6 will contain $\pm 741,200$ of saleable residential condominium square feet. Total floor area ratio, based on the estimated 16 million square feet for which the site has reportedly been entitled, is approximately 10.6.



Rendering of Proposed Plaza Las Vegas (Source: ELAD IDB Las Vegas LLC)



**Property
Rights Appraised**

The property rights appraised are the fee simple interest in assessor's parcel numbers 162-16-101-009 and 162-16-101-011 (± 18.38 acres) and leasehold interest in assessor's parcel number 162-09-403-004 (± 16.16 acres). The fee simple interest is defined as "absolute ownership unencumbered by any other interest or estate subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."¹ The leasehold interest is defined as "the right to use and occupy real estate for a stated term and under certain conditions; conveyed by a lease."²

**Ownership
Assumptions**

The fee simple interest in the subject property is currently owned by EL AD IDB Las Vegas LLC, which is a wholly owned by partnership between EL AD Properties Las Vegas LLC and IDB Group USA Investments Inc., having been purchased from Ruffin Gaming LLC in June 2007. Ownership of the leased fee on the leased portion of the subject site is currently held by Tishmar LLC

¹ Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 4th ed. Chicago: Author, 2002. p. 113.

² Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 4th ed. Chicago: Author, 2002. p. 161.



and Tish's Castle Inc. EL AD IDB Las Vegas LLC has provided a copy of the lease, dated April 16, 1998, between Tish's Castle Inc. and Ruffin Gaming LLC, which provides for a ninety-nine (99) year lease beginning August 1, 1998 and expiring July 31, 2097 at annual rent of \$3,000,000 initially with periodic step-ups to \$5,500,000 annually in the seventy-first year to the end of the term. An assignment of the ground lease was entered into on August 10, 2007 between Ruffin Las Vegas, LLC and EL AD IDB Las Vegas LLC There have not been any other ownership transfers in the subject property in the past three years.

According to representatives of EL AD IDB Las Vegas LLC, the International Financial Reporting Standards Book Value of the subject property is \$1.45 billion as of September 30, 2008.

Objective of the Appraisal

Research, analysis, and appraisal were performed in accordance with the standards stipulated by the Uniform Standards of Professional Appraisal Practice (USPAP), noting conformance with the International Valuation Standards of the International Financial Reporting Standards (IFRS). Among the requirements of USPAP Standards Rule 1-2 is the identification of the type and definition of value.

The objective of the appraisal is to develop an opinion of the subject property's "value in use," defined by the International Accounting Standards Board as "the present value of the future cash flows expected to be derived from an asset or cash-generating unit"³. The International Accounting Standards Board in International Accounting Standard 36 of the International Financial Reporting Standards has indicated that the following elements should be reflected in the calculation of an asset's "value in use":

- (a) an estimate of the future cash flows the entity expects to derive from the asset;
- (b) expectations about possible variations in the amount or timing of those future cash flows;
- (c) the time value of money, represented by the current market risk-free rate of interest;
- (d) the price for bearing the uncertainty inherent in the asset; and

³ International Accounting Standard 36 of the International Financial Reporting Standards, *Impairment of Assets* (IAS 36), para. 6.



- (e) other factors, such as illiquidity, that market participants would reflect in pricing the future cash flows the entity expects to derive from the asset.⁴

International Accounting Standard 36 also clarifies that the second, fourth, and fifth of these elements can be reflected either as adjustments to the future cash flows or adjustments to the discount rate. Additionally, paragraph 42 of International Accounting Standard 36 provides that "[w]hen the carrying amount of an asset does not yet include all the cash outflows to be incurred before it is ready for use or sale, the estimate of future cash outflows includes an estimate of any further cash flow that is expected to be incurred before the asset is ready for use or sale. For example, this is the case for a building under construction or for a development project that is not yet completed."⁵

The appraisers must also adhere to the Uniform Standards of Professional Appraisal Practice (USPAP). USPAP requires the appraiser to define the opinion of value being developed. The appraisers have interpreted the IFRS "value in use" to be comparable to the term "investment value," as defined by the Appraisal Institute's *Dictionary of Real Estate Appraisal* as "the specific value of an investment to a particular investor or class of investors based on individual investment requirements; distinguished from market value, which is impersonal and detached."⁶ Accordingly, the nature and quality of the proposed improvements, the existing management team, and the use of the Plaza brand, as well as any other factors that influence the value of subject property specifically to the current developers are all evaluated and considered in deriving the values in use set forth. This differs significantly from the derivation of "market value," where implicit is the consummation of a sale as of a specified date and the passing of title from seller to buyer in an arm's length transaction. The definitions of "value in use" and "investment value" are not totally identical, in that IFRS requires that projected cash flows be discounted at a market rate of return, and should not take into consideration any of the specific financing of the owning entity.

In developing an opinion of the subject property as of the current date, the appraisers have undertaken a land residual analysis based on the owner's

⁴ International Accounting Standard 36 of the International Financial Reporting Standards, *Impairment of Assets* (IAS 36), para. 30.

⁵ International Accounting Standard 36 of the International Financial Reporting Standards, *Impairment of Assets* (IAS 36), para. 42.

⁶ Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 4th ed. Chicago: Author, 2002, p. 152.



development plans. In performing the land residual analysis the appraiser develops opinions of the prospective value in use of the various components of the project (casino hotel, retail, and residential condominium) and discounts these future values, together with the cost to develop the project, at market rates of return to the current date. Thus, the appraisers have also prepared prospective opinions of value in use of the following: Phase I improvements upon completion (casino-resort, retail, and residential condominiums) and Phase II components (residential and retail) upon stabilization. The appraisers have also been requested to develop an opinion of value of the Phase I components as of the date of stabilization. This concept applies only to the casino hotel and retail components, as the residential condominiums are not an ongoing operation; they will diminish in value as they are sold off.

"Prospective" opinion of value is defined by the Appraisal Institute as, "A forecast of the value expected at a specified future date."⁷ The prospective opinion of value in use is an opinion of value in use expected to be effective as of the date of value and is premised on market conditions forecast to exist as of that date.

"As is" value represents the value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the valuation date.

Management and Branding Assumptions

EL AD owns the famous Plaza hotel in New York City and the rights to the Plaza name and logo. In a recent court decision in Tamares Las Vegas Properties LLC vs. EL AD Group, et al., EL AD's right to use the Plaza name for the proposed replica of the New York was upheld, defeating Tamares' attempt to block the use of the name. The company plans on expanding the Plaza brand through the development or conversion of other hotels throughout the world.

In line with current ownership's plan to develop the Plaza brand, the proposed Plaza Las Vegas will be designed to capture the look and feel of the existing Plaza in Manhattan, New York, including re-imaged and recreated historic architecture, rooms, and food and beverage outlets that are of the highest quality sufficient to compete with the upper-level properties that are currently operating in the Las Vegas market. The developers plan to offer

⁷Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 4th ed. Chicago: Author, 2002, p. 224.



service levels that are equal to or exceed those offered by the other luxury casino hotels in Las Vegas.

A critical component in the successful development and operation of a casino hotel is the management team and leadership that will be responsible for the execution of the project. Established casino companies have talented and experienced teams heading up their casino hotel development and operations. In the case of the subject property, EL AD IDB Las Vegas LLC is led by President Miki Nafatali (who is also CEO and President of EL AD Group) and is creating a new development and management team that is headed up by Chief Operating Officer Daniel M. Wade. Mr. Wade is a gaming and hospitality visionary and former vice chairman of the Board of MGM Mirage. In his 36-year career in the gaming industry, Mr. Wade has led management teams through the conceptual, design, development, and operational phases of top-earning hotels and gaming resorts world-wide and is one of the few executives in the world to hold key employee gaming licenses in Nevada, Australia, China, New Jersey, and Michigan simultaneously. It is assumed that the management team that is created for the development and operation of the subject property will be able to successfully execute the planned project at a level equal or superior to the top casino hotels in Las Vegas, most notably the Wynn, Bellagio, Venetian, Mandalay Bay, Mirage, and Caesars. The quality of a casino-resort's on-site management has a direct effect on a property's economic viability and value. This appraisal assumes assembly of an upper management team with operations and marketing experience and talent to operate the proposed Plaza Las Vegas with sufficient competency to compete with world-class gaming properties/companies currently operating in the Las Vegas Strip market.

Management fees are not a typical operating expense for major casino-hotels because they are generally owner operated and management expenses are generally reflected in administrative and general expenses. Because the retention of a third-party management company is not the norm in the gaming industry, it is assumed that the subject property will be managed by the ownership's own team and no management fees were deducted as operating expenses in the forecasts of income and expenses for the subject property.

Use of the Appraisal

We have prepared this appraisal report for use by EL AD IDB Las Vegas, LLC, Discount Investment Company (DIC), IDB Holdings, El Ad US Holding Inc.,



Property and Building Company LTD, and IDB Development Corporation, LTD in their financial reporting.

It is understood that this report will be attached to an Israeli public filing of the public entities mentioned above. Our report or any of the data, contents, observations, and conclusions (i.e., "contents") therein cannot be used or quoted in any marketing material, prospectus, or any other document that may be offered to individuals, entities, and/or organizations (i.e., third parties) considering a purchase of the real estate that is the subject, or ancillary subject, of this assignment. Any such use of the contents of this self-contained report by said third parties will be at their sole risk; said third-party users understand and acknowledge that there exists no client or fiduciary relationship between them and M&R Valuation, Inc., doing business as HVS Gaming Services and HVS Consulting & Valuation. Furthermore, EL AD IDB Las Vegas LLC and the other intended users shall indemnify and hold M&R Valuations, Inc. and its owners and employees harmless from claims, demands, liabilities, judgments, liens, encumbrances, costs and expenses, including attorney's fees, arising out of, related to, or in connection with this assignment which might be brought by their shareholders and/or these third parties.

Any opinions and conclusions expressed during this assignment are rendered by the staff of M&R Valuation Services, Inc. acting solely as employees and not as individuals. Any responsibility of HVS Gaming Services, HVS Consulting & Valuation, or M&R Valuation Services, Inc. is limited to the client, and use of our product by third parties shall be solely at the risk of the client and/or third parties.

Scope of the Appraisal

All information was collected and analyzed by staff of HVS Consulting and Valuation. Information and documentation including development plans, site surveys, entitlement documentation, geotechnical evaluation report, development cost budget, and pro forma income and expense statements, were provided by EL AD IDB Las Vegas LLC. The subject site was inspected on October 16, 2008. We have spoken with buyers, sellers, brokers, and developers. Market-specific gaming and lodging statistics were obtained from the Nevada Gaming Control Board and the Las Vegas Convention and Visitors Authority. The opinions of value in use stated herein were based on this investigation and analysis and are contained in this self-contained report.



Method of Study

The methodology used to develop this appraisal is based on the market research and valuation techniques set forth in the textbooks authored by HVS Consulting and Valuation for the American Institute of Real Estate Appraisers and the Appraisal Institute, entitled *The Valuation of Hotels and Motels*,⁸ *Hotels, Motels and Restaurants: Valuations and Market Studies*,⁹ *The Computerized Income Approach to Hotel/Motel Market Studies and Valuations*,¹⁰ *Hotels and Motels: A Guide to Market Analysis, Investment Analysis, Valuations*¹¹, and *Hotels and Motels—Valuations and Market Studies*.¹²

1. The subject site was inspected to determine the suitability of the land for the proposed development. The physical orientation of the subject site with respect to topography, view corridors, access to highways, and proximity to local demand generators was analyzed. Additionally, the supportive nature of surrounding land uses as they relate to the subject property was reviewed.
2. Architectural plans or preliminary conceptual drawings for the proposed improvements were reviewed.
3. The Las Vegas gaming industry was reviewed and analyzed with emphasis placed on the following areas: current and future market supply, growth trends, operating parameters, and factors impacting future demand. A detailed supply and demand analysis of the Las Vegas gaming submarket in which the proposed property will most likely compete was prepared.
4. The market orientation of comparable casino hotel facilities was evaluated to determine their competitive position with respect to the proposed subject property. Those properties displaying similar market attributes were physically inspected. The competitive factors that were reviewed include location, type, and quality of facilities; physical condition; management expertise; and gaming inventory levels and mix.

⁸Rushmore, Stephen. *The Valuation of Hotels and Motels*. Chicago: American Institute of Real Estate Appraisers, 1978.

⁹Rushmore, Stephen. *Hotels, Motels and Restaurants: Valuations and Market Studies*. Chicago: American Institute of Real Estate Appraisers, 1983.

¹⁰Rushmore, Stephen. *The Computerized Income Approach to Hotel/Motel Market Studies and Valuations*. Chicago: American Institute of Real Estate Appraisers, 1990.

¹¹Rushmore, Stephen. *Hotels and Motels: A Guide to Market Analysis, Investment Analysis, and Valuations*. Chicago: Appraisal Institute, 1992.

¹²Rushmore, Stephen and Baum, Erich. *Hotels and Motels—Valuations and Market Studies*. Chicago: Appraisal Institute, 2001.



5. The demand for gaming in the market area was examined, primarily through secondary and tertiary market research sources.
6. Through interviews and fieldwork, the estimated number of potentially competitive projects under construction, proposed, or rumored was determined.
7. A similar analysis was performed in our research of the retail market. The supply of and demand for retail space was investigated. Existing competitive retail facilities were inspected and retail space, both proposed and under construction, were identified, to assess current and future supply trends.
8. The existing supply of residential and hotel condominium units in the Las Vegas market was researched to ascertain the type of products currently being developed, converted, and sold. Those properties displaying similar market characteristics to those of the proposed subject property received a physical inspection.
9. The potential for future condominium development was assessed to determine the prognosis of the market over the short- and long-term. Potentially competitive projects under construction, proposed, or rumored were ascertained.
10. Patterns reflecting growth, stability, or decline and the impact upon the demand for gaming, lodging, retail, and condominium facilities were analyzed through a review of statistical data relating to general economic and demographic trends, interviews, and fieldwork.
11. Sales of comparably zoned land were researched to provide an indication of the subject's land via the sales comparison approach. The entitlement of each site as of the time of sale was investigated, to the extent possible.
12. Market-wide gaming supply levels were quantified by table games and gaming devices to determine the proposed subject property's fair share. Additions to supply were analyzed to determine estimated opening dates, number of tables games, number of gaming devices, and ancillary facilities.
13. A market-wide analysis of win-per-unit levels was undertaken to ascertain capacity utilization levels by gaming devices and banking table games. A forecast of market-wide gaming win was projected based on the prevalent demand trends and the proposed changes in supply.



14. The potential market penetration of the proposed subject property was analyzed and factors such as location, market mix, competitiveness, management, and physical plant were addressed. A win-per-unit forecast of gaming revenues was presented based on the proposed subject property's projected penetration and utilization levels. This analysis was prepared for each year to derive a 10-year forecast of gaming win.
15. A lodging supply and demand analysis for the proposed subject property was conducted to determine its potential market orientation and competitive penetration based on the data and information gathered during the fieldwork phase, along with our extensive library of actual hotel operating statements, financing statistics, area hotel trends, and investor requirements. Probable future trends in the subject's occupancy, average rate, and overall rooms revenues were quantified and documented.
16. Using aggregate income and expense statements published by the State Gaming Control Board, and available actual income and expense statements from comparable casino-hotel facilities, expense estimates corresponding to the level of activity and quality of operations indicated by the gaming win, occupancy level, and average rate projected for the subject property were estimated.
17. A forecast of income and expense representing future expectations of net income available for debt service was made for a series of build-up years and a stabilized year. Our projected income statements conform with the Uniform System of Accounts for Hotels and include a detailed line-by-line account of all revenue and expense sources.
18. The current market for casino-hotel transfers, mortgage rates, and hostelry equity investment requirements was researched. Using these market indicators as a base and adjusting for potential investment benefits and risks displayed for the subject property, appropriate capitalization and discount rates were formulated.
19. Following the recommended procedures set forth in the textbook, *Hotels and Motels—Valuations and Market Studies*,¹³ which we authored for the Appraisal Institute, an estimate of "value in use" was developed via the income capitalization approach.

¹³Stephen Rushmore and Erich Baum. *Hotels and Motels—Valuations and Market Studies*. Chicago: Appraisal Institute, 2001.



20. Gross revenue from several comparable retail elements in Las Vegas was examined in order to derive market-based gross revenue on a per-square-foot basis for the subject property.
21. An analysis of the value of retail component was based on the discounted cash flow methodology using anticipated net operating income based on a percentage rent to the subject property less operating and fixed expenses.
22. In valuing the sell-out of the residential condominiums, the subject's unit sales prices were estimated by comparing the property's location, proposed unit mix, amenities offered, quality of accommodations and facilities, brand, unit views and location, etc., with the attributes of competitive existing condominium developments. The prices of the comparable residential condominium units were adjusted based upon the relative quality of each attribute to reflect the anticipated pricing of the subject's units.
23. Based upon the proposed unit mix and anticipated pace of development, the sales history of comparable projects, and anticipated future condominium supply and demand trends, we estimated the pace of unit sales. Gross unit sales revenue was calculated based upon the number of units and the estimated unit prices.
24. Sales and administrative costs were estimated to derive a forecast of net unit sales revenue. The value in use of the condominium units was calculated as the present value of the condominium net sales revenue, discounted at an appropriate rate.
25. The development cost of the project was estimated based upon cost estimates provided by EL AD IDB Las Vegas LLC. An estimate of land value in use was derived through a land residual analysis.
26. Sales of comparable land were researched and analyzed to provide an indication of the site's value as currently entitled via the sales comparison approach.

Exposure Period

The definition of "value in use" speaks of the value to the entity owning the asset being appraised, assuming continued ownership by the entity. Thus, a sale to a third party is not assumed, as is the case with the development of an opinion of market value.

Pertinent Dates

The effective date of the value in use conclusions is November 12, 2008. The "prospective" date of value in use upon completion of Phase I is January 1,



2013, the “prospective” date of the value in use upon stabilization of Phase I is January 1, 2016, and the “as is” land value in use is September 30, 2008. All projections are expressed in inflated dollars, and the value estimates represent 2013, 2016, and 2008 dollars, respectively. Research and primary fieldwork were performed between October 13, 2008 and October 31, 2008. We have considered only information available through these dates. Casino-hotel development in Las Vegas is dynamic. Proposed gaming projects and redevelopment of existing older casinos are constantly being announced; changes in plans or cancellation of planned projects is also common. For the purposes of this analysis, only potential competitive projects announced prior to completion of our fieldwork were incorporated into the analysis.

The subject property was inspected by Shannon S. Okada, Gregory Otten, and David Fuller on October 16, 2008 and by Suzanne R. Mellen, CRE, MAI, FRICS on November 11, 2008.



3. Description of the Real Estate

LAND

The site of the proposed Plaza Las Vegas is located in the unincorporated towns of Winchester and Paradise, Clark County, and the state of Nevada. The street address of the site is 3128 South Las Vegas Boulevard, which is located on that portion of Las Vegas Boulevard commonly referred to as the "Las Vegas Strip."¹ The subject site comprises three assessor's parcels measuring a total of ± 34.54 acres/ $\pm 1,548,122$ square feet; assessor's parcel number 162-09-403-004, ± 16.16 acres, is being leased and assessor's parcel numbers 162-16-101-009 and 162-16-101-011, ± 18.38 acres, are held in fee simple.

Subject Site

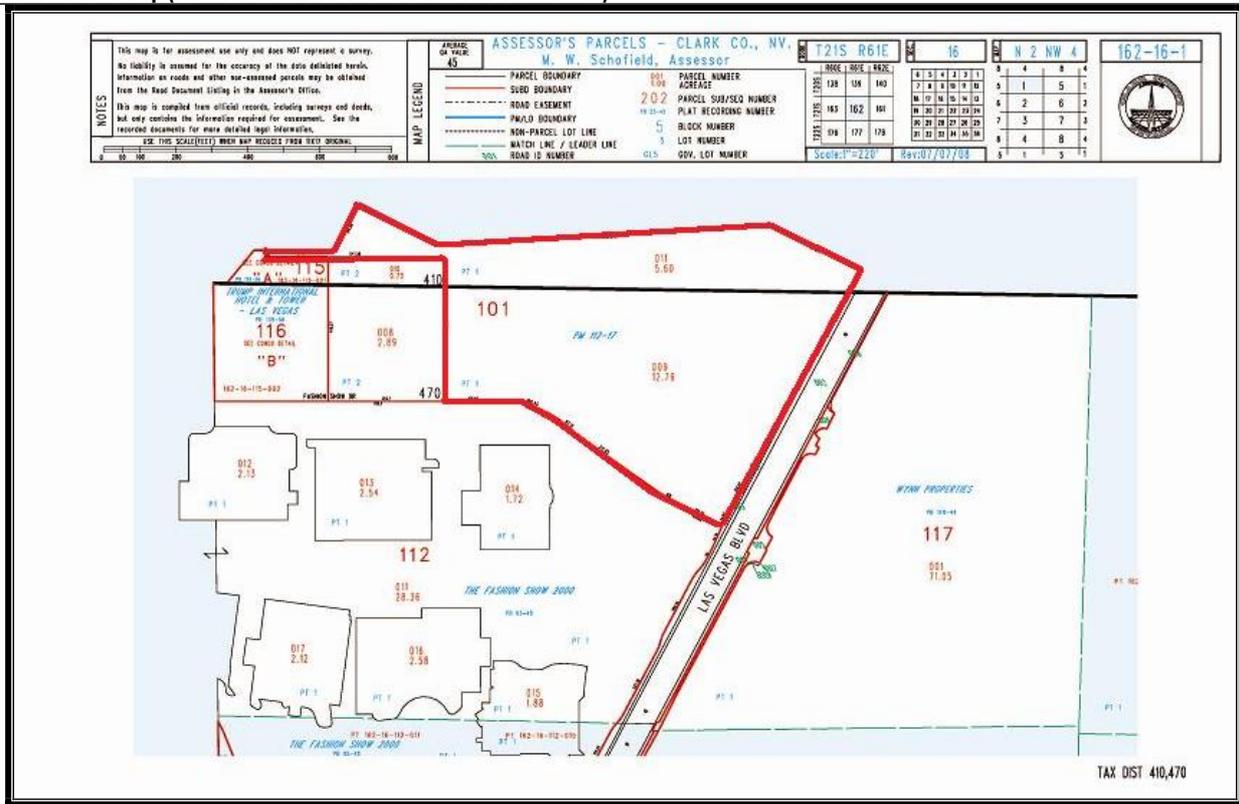


¹ The "Las Vegas Strip" is that portion of Las Vegas Boulevard from Sahara Avenue to the north to Russell Road to the south and has been designated an "All-American Road" by the U.S. Department of Transportation. To receive an All-American Road designation, a road must possess multiple intrinsic qualities that are nationally significant and have one-of-a-kind features that do not exist elsewhere. The road must also provide an exceptional traveling experience so recognized by travelers that they would make a drive along the highway a primary reason for their trip.



The parcels that compose the subject property are set forth in the following Assessor's Parcel Maps.

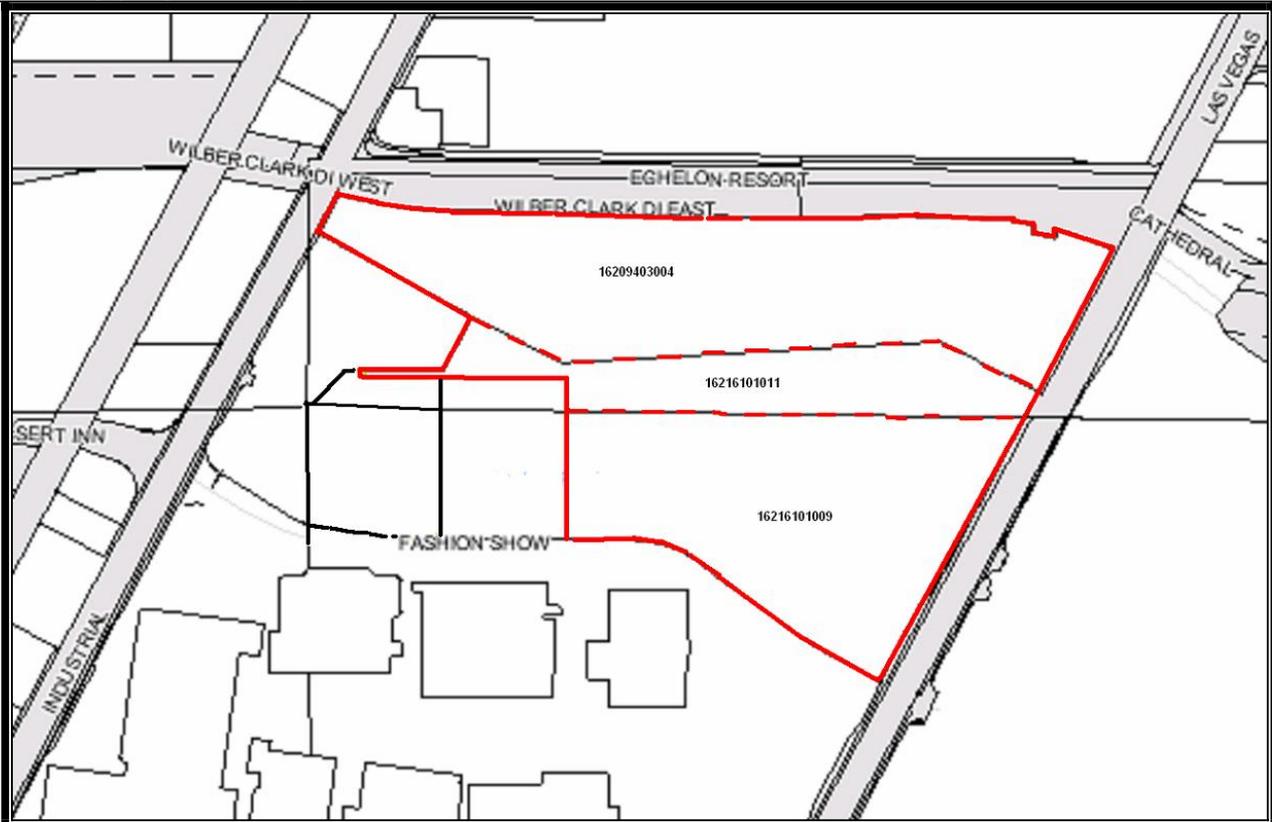
Assessor's Parcel Map (Parcel Nos. 162-16-101-009 and 162-16-101-011)





As fully assembled, the subject site is irregular in shape as indicated in the following map.

Parcel Map (Fully Assembled)



The site's topography is mostly flat and at grade with surrounding roadways. The subject site offers approximately 1,284 feet of frontage along South Las Vegas Boulevard as assembled. The site for the proposed Plaza Las Vegas is located in the immediate area of the properties that generally target the highest end of the Las Vegas Strip visitation and gaming markets. The site's boundaries are set forth in the following table.



Subject Site’s Boundaries

Direction	Boundary
East	South Las Vegas Boulevard
North	Desert Inn Road
South	Fashion Show Drive
West	Industrial Road/Trump International Hotel & Tower/office building

The proposed Plaza Las Vegas will be accessible via sidewalk bridges connected to the Wynn Las Vegas, the Fashion Show shopping venue, and the Echelon project. According to developer's representatives, agreements have been entered into with ownership for these respective properties for these bridges to be constructed in conjunction with the development of the subject property, which will be mutually beneficial in creating a pedestrian-friendly environment.

View of Wynn Las Vegas from Eastern Edge Site to the East



The Wynn Las Vegas, generally considered the highest-end casino-resort currently in operation on the Las Vegas Strip, and the under-construction Encore at Wynn Las Vegas are located across Las Vegas Boulevard from the subject site to the East.



View of Echelon (Partially Constructed) from Southern Edge of Subject Site to the North



The site of Boyd Gaming’s Echelon project, currently in abeyance, is located north across Desert Inn Road from the subject site. Echelon is expected to be a multifaceted, world-class resort complex, on a 63-acre site across Desert Inn Road from the subject site to the north. Although construction of Echelon has currently been put on hold, approximately \$600 million has reportedly been invested in the project to date and it is anticipated that development will proceed sometime in the future.



View from Eastern Edge of the Site to the West



The Trump International Hotel & Tower, Industrial Road, and an office building are located to the west of the subject site.



View of Fashion Show Mall from Southern Edge of Site to the South



The subject site is also located across Fashion Show Drive to the north of Fashion Show Mall, one of the nation's largest shopping centers and a premier retail mall that offers seven flagship department stores, including Saks Fifth Avenue, Dillard's, Neiman Marcus, Macy's, Nevada's only Nordstrom, and Bloomingdale's Home, along with over 250 shops and restaurants.

Legal Description

The subject property's legal description, as provided by EL AD IBD Las Vegas LLC, is presented as an addendum to this report. The appraisers are not experts in interpreting legal descriptions; therefore, we suggest obtaining verification of the subject property's legal description from a qualified expert.

Site Utility

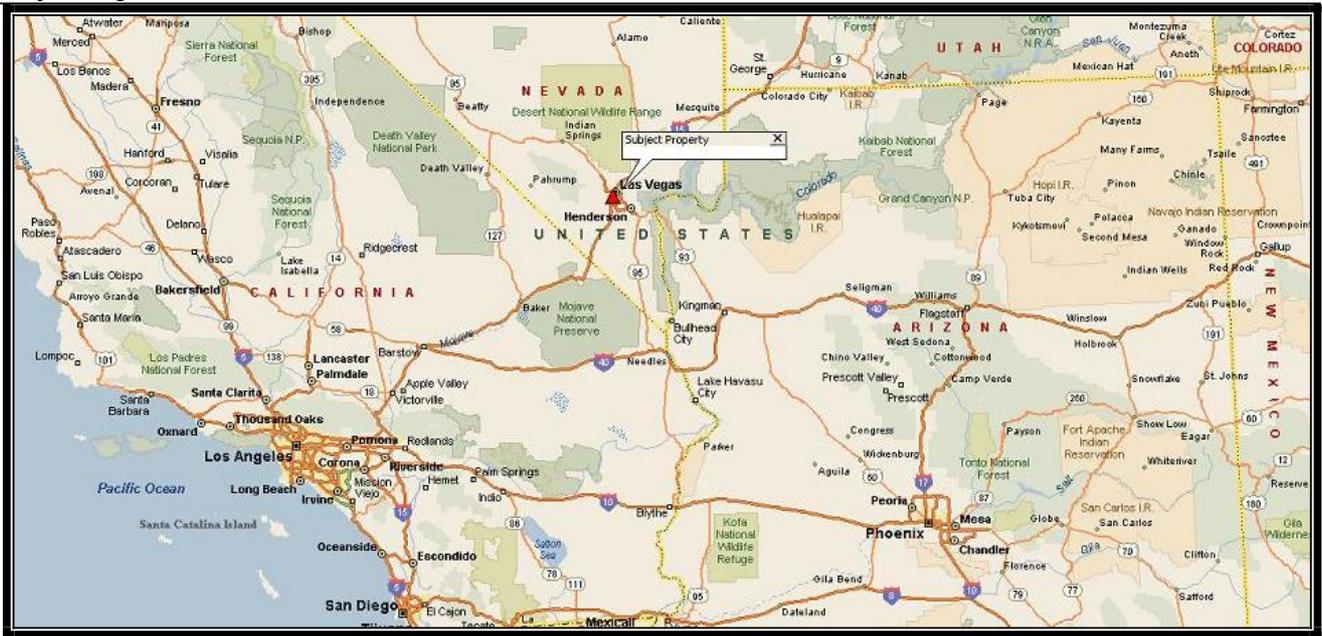
The subject site is currently vacant. According to developer's representatives, special use permits have been issued that include entitlement to construct approximately 16 million buildable square feet in a podium and six towers and allows application by the developers for a non-restricted gaming license that will permit gaming throughout the subject site. Additionally, the developers have reported that the entire site has been approved at 640 feet above ground level by the Federal Aviation Administration. Total floor area ratio, based on the estimated 16 million square feet for which the site has reportedly been entitled, is approximately 10.6.



Regional Access

It is important to analyze the subject site in regards to ease of access with respect to regional and local transportation routes and demand generators.

Map of Regional Access Routes



Vehicular access to the Las Vegas area is primarily provided via Interstate 15 (I-15) and two U.S. highways: U.S. Highway 95 and U.S. Highway 93. Interstate 15 serves as the major connector between Las Vegas and its largest feeder market, Los Angeles. Interstate 15 is a north-south route that originates in San Diego, California and continues through Los Angeles to Las Vegas before proceeding north to the Canadian border. U.S. Highway 95, also a north-south route, connects Las Vegas with a variety of small towns in eastern California and northern Nevada. U.S. Highway 93 serves as the major highway connecting Las Vegas with Arizona and, in particular, the metropolitan Phoenix area. Overall, regional highway access to the Las Vegas area is favorable.

The subject property is well-served by McCarran International Airport, which is located approximately two and one-half miles from the subject property on Paradise Road to the south.

**Local Access and Visibility**

Primary access to the subject property's main entrance will be via South Las Vegas Boulevard. Motorists on I-15 will exit onto Spring Mountain Road and turn left onto South Las Vegas Boulevard. The subject property is located on the left side of South Las Vegas Boulevard when travelling in a northerly direction. Desert Inn Road, a major east-west Las Vegas Valley roadway, is expected to feature an off-ramp for motorists travelling in an easterly direction directly onto the subject site. Similar to other large casino-hotel properties located in the Las Vegas Strip area, it is anticipated that the subject property will be clearly visible within the local neighborhood with appropriate signage and anticipated height.

As previously discussed, the proposed Plaza Las Vegas will also be accessible via pedestrian bridges connected to the Wynn Las Vegas, the Fashion Show shopping venue, and the Echelon project.

Utilities

It is anticipated that the subject site will be served by all the necessary utilities. According to developers' representatives, arrangements have been made with Nevada Power and Boyd Gaming to allow the proposed development to benefit from the power substation being constructed on the Echelon site and the necessary water rights for the subject development have been secured.

Site Characteristics

The following table details other salient highlights of the subject site's characteristics.



Site Characteristics

Easements and Encroachments	There are no known easements or encroachments encumbering the property that would significantly affect its utility or marketability; however, easements have been granted in favor of Clark County.
Soil and Subsoil Conditions	A geotechnical evaluation dated April 18, 2008 was provided to the appraisers, which did not indicate any extraordinary conditions. The appraisers are not qualified to evaluate soil conditions other than by a visual inspection of the surface. No extraordinary conditions were apparent.
Nuisances and Hazards	The appraisers have not been informed of any site-specific nuisances or hazards, and there were no visible signs of toxic ground contaminants at the time of our inspection. Because the appraisers are not experts in this field, we do not warrant the absence of hazardous waste, and we urge the reader to obtain an independent analysis of these factors.
Flood Zone	<p>Panel Number: 32003C2556E Date: September 27, 2002 Zone and Definition: "X"</p> <p>Flood Zone X is the flood insurance rate zone that corresponds to areas with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30-year mortgage. Because detailed analyses are not performed for such areas; no depths or base flood elevations are shown within these zones.</p>
Seismicity	The property is not located within an identified seismic zone.

Zoning

According to the Clark County zoning regulations and map, the subject property is zoned as:

H-1 Limited Resort and Apartment District

H-1 zoning district permits the development of hotels, tanning salons, and ancillary uses. Special use permits are required for other developments in H-1 zoning, including resort-hotels, condominiums, multiple-family dwelling groups, time-share units, banquet facilities, colleges or universities, hospitals, and retail sales and services.

The majority of the subject site lies within the Las Vegas Boulevard Gaming Corridor (within 1,500 feet of the centerline of Las Vegas Boulevard) a defined area that has been specifically designated for the development and operation



of casino hotels. According to developer's representatives, special use entitlements have been granted for the proposed development, including expansion of the gaming enterprise district², which will allow application by the developers for a non-restricted gaming license that will permit gaming throughout the subject site.

For purposes of our analysis, we assume that all necessary permits and approvals have been, or will be, secured (including appropriate liquor and gaming licenses), and that the subject property is, and will be, in compliance with local zoning ordinances, building codes, and all other applicable regulations. We do not warrant the subject property's conformance with local zoning regulations and recommend an independent verification of our zoning review.

Access to Local Demand Generators

The subject site is situated on the Las Vegas Strip and is proximate to the area's attractions and generators of lodging demand. Las Vegas is famous throughout the world as the desert oasis for gambling and world-class entertainment. Some of the largest trade shows, meetings, conferences, and conventions are held in the area and attract millions of visitors each year. In addition, a variety of outdoor activities are nearby, including skydiving, river rafting, helicopter tours of Hoover Dam and the Grand Canyon, hummer tours, hiking, mountain biking, kayaking, sailing, jet skiing, water skiing, ATVs, and sightseeing. The desert terrain outside of Clark County's primary urban areas is home to Lake Mead, Red Rock Canyon, and the Valley of Fire, all of which feature a variety of historic and geological phenomenon found nowhere else on earth. In contrast, 11,918-foot Mt. Charleston rises above the desert floor, offering a cooler alternative for local skiers, snowboarders, climbers, and sightseers. The following table outlines some of these major demand generators and their respective distances from the subject site.

² "Gaming enterprise district" is defined by Nevada Revised Statutes Sec. 463.0158 as an area that has been approved by a county, city or town as suitable for operating an establishment that has been issued a non-restricted license.



Local Demand Generators

Demand Generator	Approximate Mileage From Subject Property
Las Vegas Strip	Adjacent
Las Vegas Convention Center	1.0 west
McCarran International Airport	2.5 southeast
Downtown Las Vegas	3.0 northeast
Lake Mead	30.0 southeast
Hoover Dam	33.0 southeast
Mount Charleston	35.0 northwest
Death Valley	90.0 west

Neighborhood

The neighborhood surrounding a casino lodging facility often has an impact on a casino-hotel's status, image, class, style of operation, and sometimes its ability to attract and properly serve a particular market segment. This section of the report investigates the subject property's neighborhood and evaluates any pertinent locational factors that could affect the subject property's gaming revenue, occupancy, average rate, and overall profitability.

The subject property is located on South Las Vegas Boulevard. The subject property's neighborhood can be generally defined as the Las Vegas Boulevard corridor, bounded to the north by Sahara Avenue, to the south by Russell Road, to the west by I-15, and by Paradise Road to the east. The neighborhood is characterized by large casino-hotels, and ancillary development in the surrounding area consists of tourism-related development, gaming venues, and retail facilities. Overall, the area features some of the highest-quality hotel and casino properties in the world, such as the Wynn Las Vegas, Venetian and Palazzo, Mirage, TI, Caesar's Palace, and the Bellagio, and, historically, has been one of the most favorable areas for development. As will be discussed in further detail in the "Market Area Analysis" section of this report, recent new development along the Las Vegas Strip includes the opening of the Las Vegas Sands' Palazzo, the construction of Wynn Las Vegas' Encore project, the expansion of Caesar's Palace, and the development of MGM Mirage's CityCenter, a 66-acre, mixed-use project.

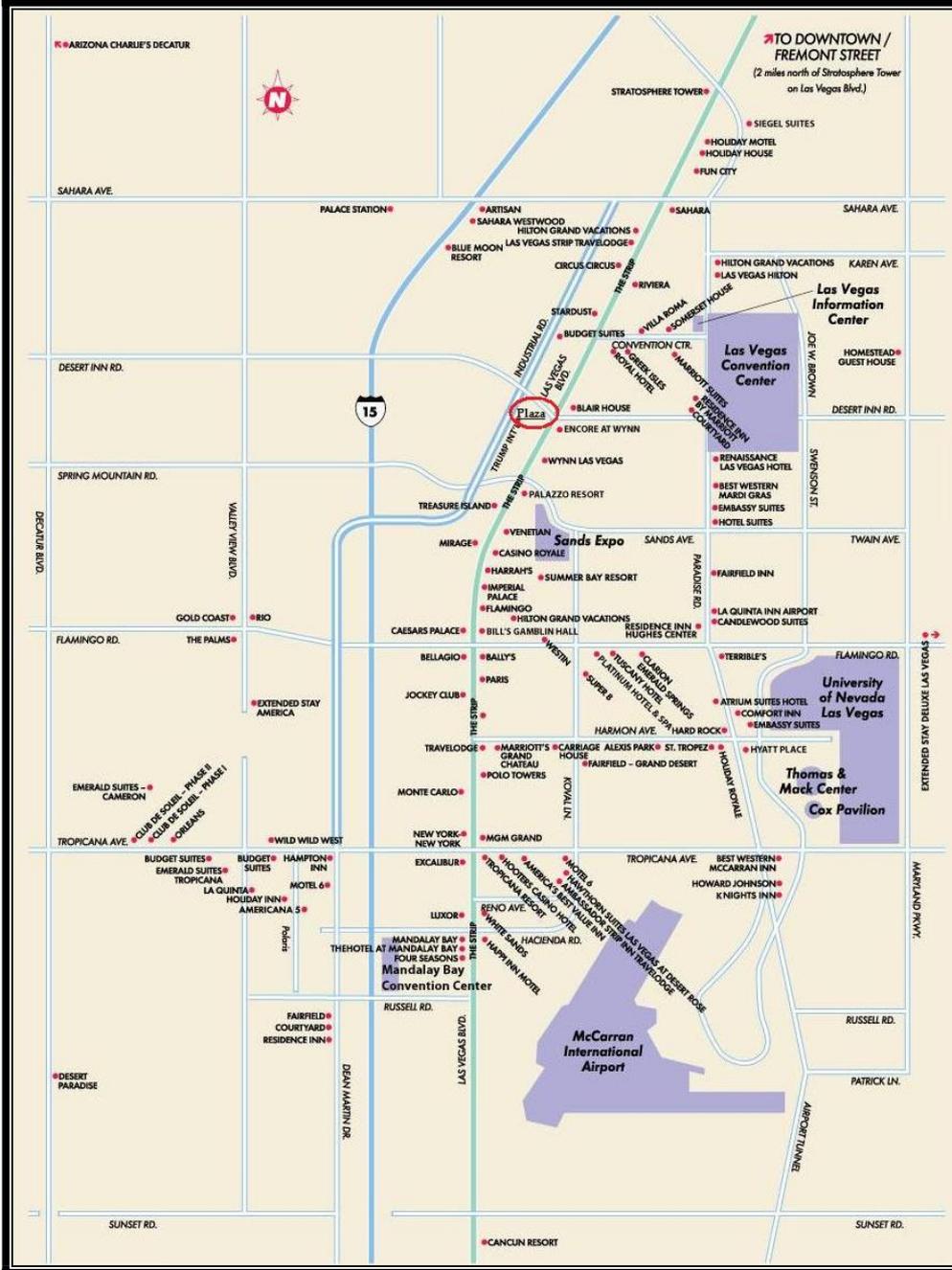
The site for the proposed Plaza Las Vegas is located in the immediate area of the properties that target the highest end of the visitation and gaming markets. The subject site is located directly across South Las Vegas Boulevard from Wynn Las Vegas and Encore at Wynn Las Vegas to the west, generally



considered to be the highest-positioned casino-resort on the Las Vegas Strip, and across Fashion Show Drive to the north of Fashion Show Mall, one of the nation's largest shopping centers and a premier retail mall that offers seven flagship department stores, including Saks Fifth Avenue, Dillard's, Neiman Marcus, Macy's, Nevada's only Nordstrom, and Bloomingdale's Home, along with over 250 extraordinary shops and restaurants. Additionally, Boyd Gaming had begun development of Echelon Place, a multifaceted, world-class resort complex, on a 63-acre site across Desert Inn Road from the subject site to the north. Although construction of Echelon has currently been put on hold, approximately \$600 million has reportedly been invested in the project to date and it is anticipated that development will proceed sometime in the future.



Map of the Las Vegas Strip Corridor (Source: LVCVA)





Overall, the subject neighborhood encompasses several key leisure demand generators and also offers a setting that can be perceived as very accessible. The supportive nature of the development in the immediate area is considered appropriate for, and conducive to, the operation of a casino-hotel.

Land Conclusion

We have analyzed the issues of size, topography, access, visibility, and the availability of utilities examined and evaluated, and note the following advantages.

Advantages:

- Excellent accessibility from I-15 and Las Vegas Boulevard;
- Excellent visibility from the surrounding area;
- Premier location on the Las Vegas Strip, proximate to other casino-hotels, tourist attractions, the Las Vegas Convention Center, and McCarran Airport;
- The large size (± 34.54 acres) of the assembled site with 1,284 feet of frontage along South Las Vegas Boulevard; and
- Fully entitled site for development with ability for application for non-restricted gaming throughout the site.

We conclude that the subject site is physically appropriate for improvement with a casino-hotel facility.

PROPERTY OVERVIEW

Based on preliminary designs and development plans provided by EL AD IDB Las Vegas LLC representatives, the proposed Plaza Las Vegas is expected to be a world-class, full-service casino-resort with residential condominium units. Phase I of the proposed Plaza Las Vegas is expected to include a podium and three towers, which will be improved with $\pm 3,000$ rooms, $\pm 314,000$ square feet of condominiums, $\pm 115,000$ square feet of gaming area, 15 food and beverage outlets, seven bars/lounges, $\pm 244,825$ square feet of function and meeting space, a full-service spa, an outdoor pool deck, a 1,500-seat showroom, $\pm 10,043$ parking spaces, and appropriate back-of-the-house facilities.



The second phase of the proposed Plaza Las Vegas development is expected to consist of three towers, which will feature a total of $\pm 2,416,384$ square feet of residential condominiums and $\pm 350,000$ square feet of retail space.

Rendering of Exterior View of Subject Property



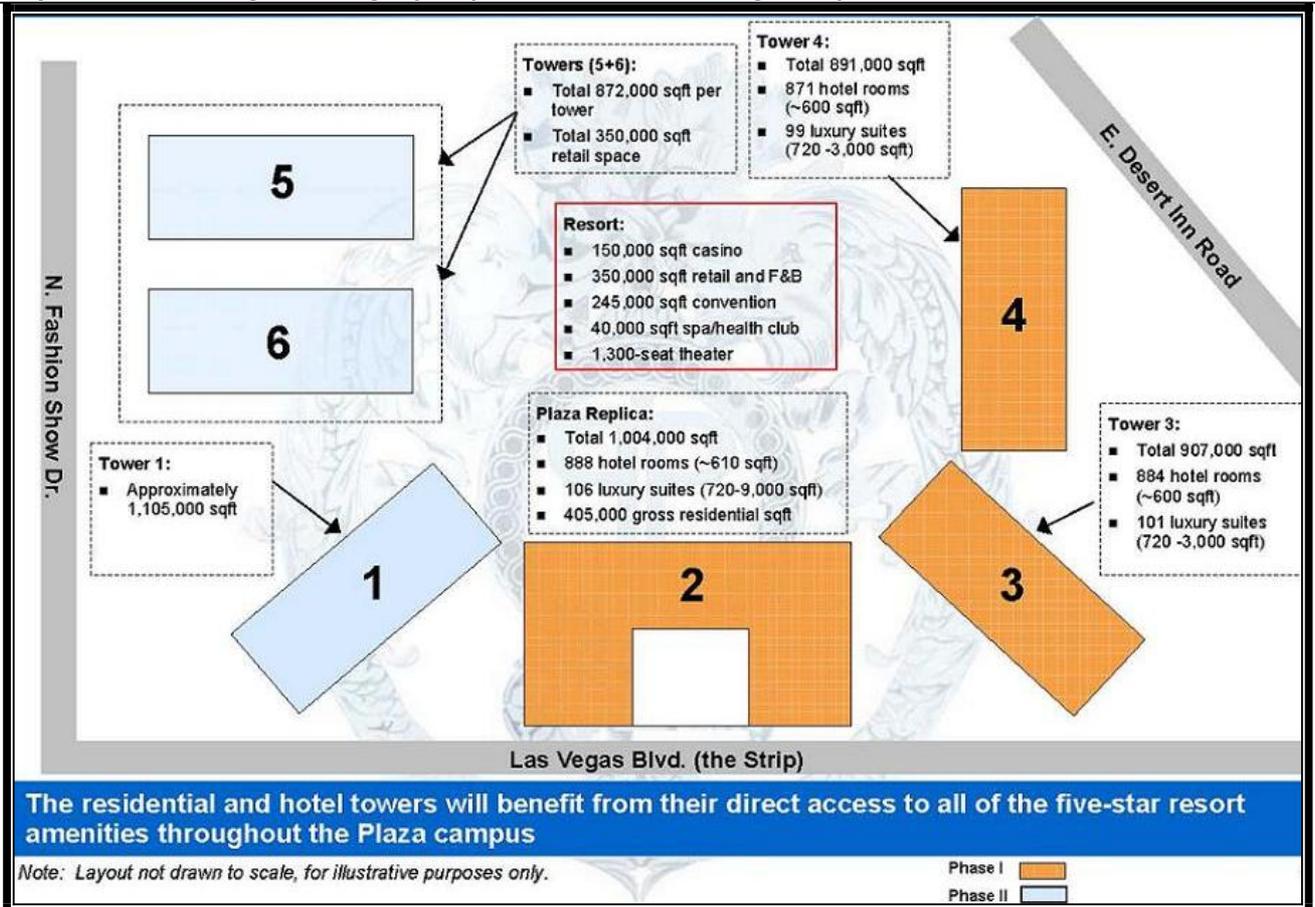
Timing of of Development

The podium and three towers of Phase I (Towers 2, 3, and 4) of the proposed Plaza Las Vegas are anticipated to be completed by January 1, 2013. The three towers of Phase II (Towers 1, 5, and 6) are expected to be completed by January 1 of 2015, 2017, and 2019, respectively.

The potential building layout for the proposed Plaza Las Vegas is set forth below solely for illustrative purposes.



Proposed Plaza Las Vegas Building Layout (Source: EL AD IDB Las Vegas LLC)



It is noted that that the improvements that are ultimately constructed may be adapted as market conditions, such as supply and demand, change; however, for purposes of this appraisal, it is assumed that the improvements as currently proposed and described herein are constructed and any departures from the proposed improvements and/or timing of construction and opening may alter the opinions derived in this report.

Design and Configuration

It is anticipated that the proposed Plaza Las Vegas will be constructed as a scaled-up version of the original Plaza Hotel located in New York City. The proposed Plaza Las Vegas is designed to capture the look and feel of its predecessor in New York. Historic architecture and famed rooms will be recreated for a new audience, including Tower 2, which will be designed to

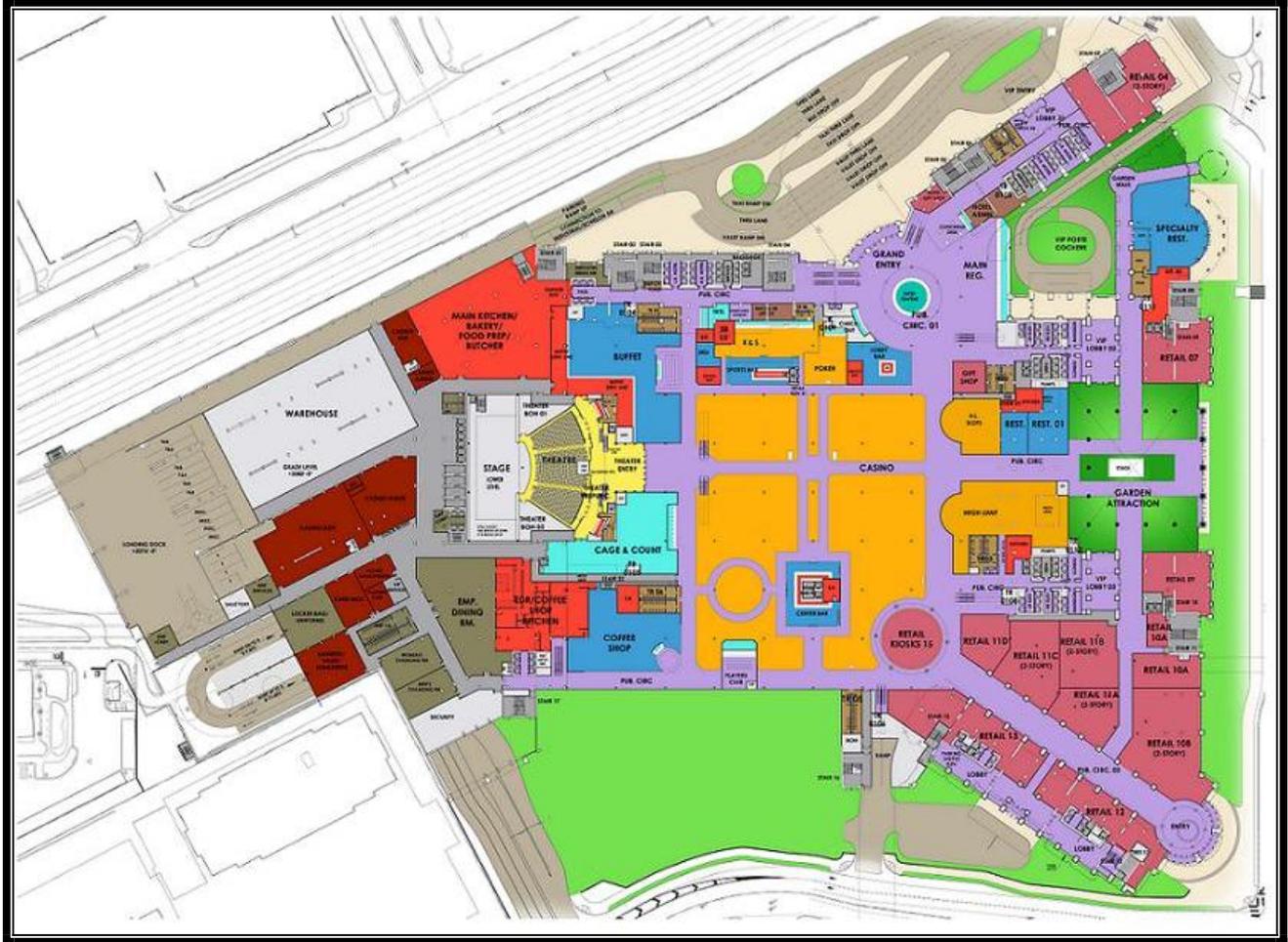


replicate the historic Plaza Hotel and will be U-shaped. Additionally, outdoor pools, fountains, and gardens will be featured on a pool deck that will be fashioned after Central Park in New York.

The preliminary designs for the subject property's grade level, second, third, and pool deck layout from Steelman Partners are set forth in the following maps.

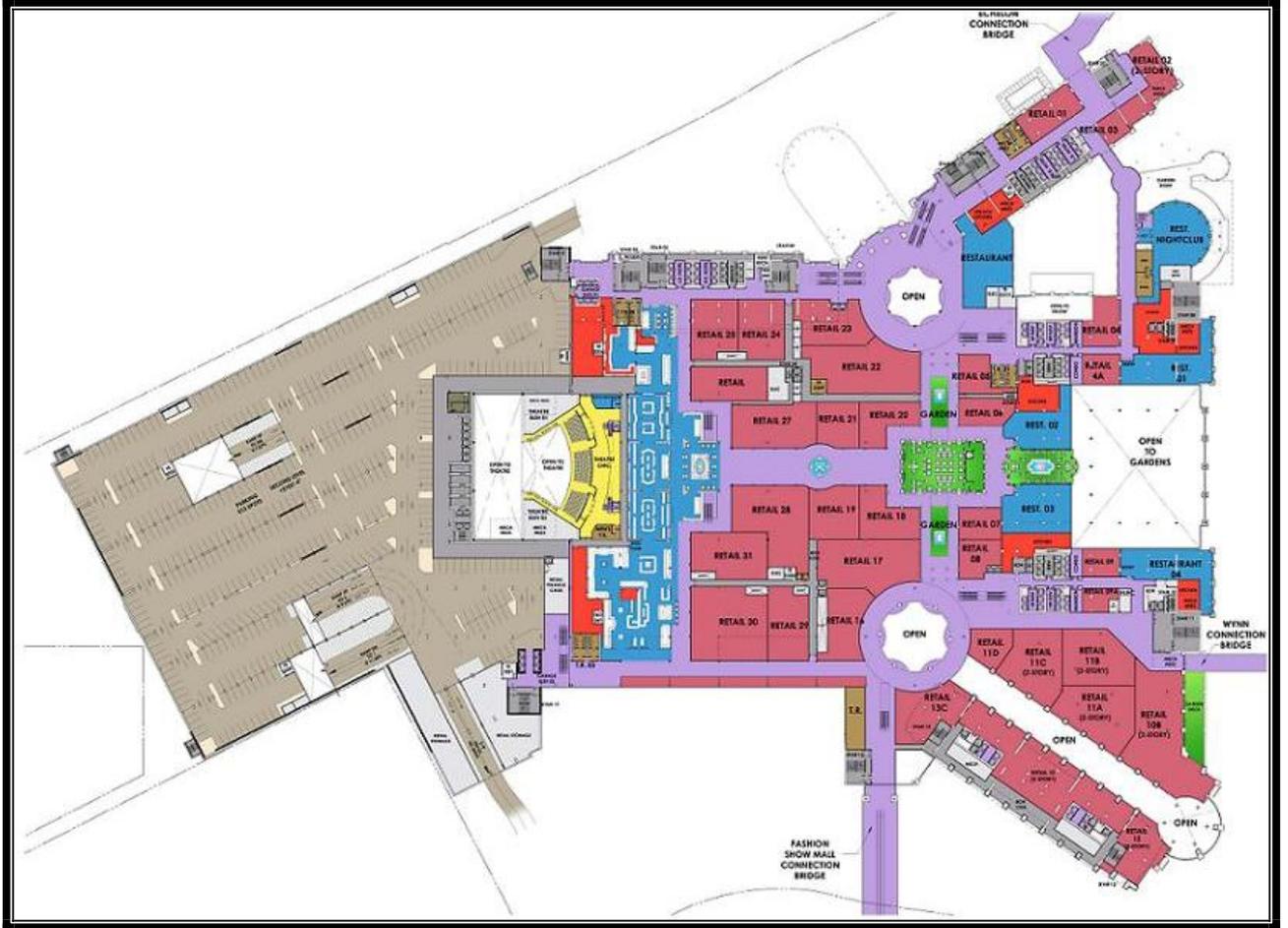


Subject Property Layout - Grade Level (Source: Steelman Partners)



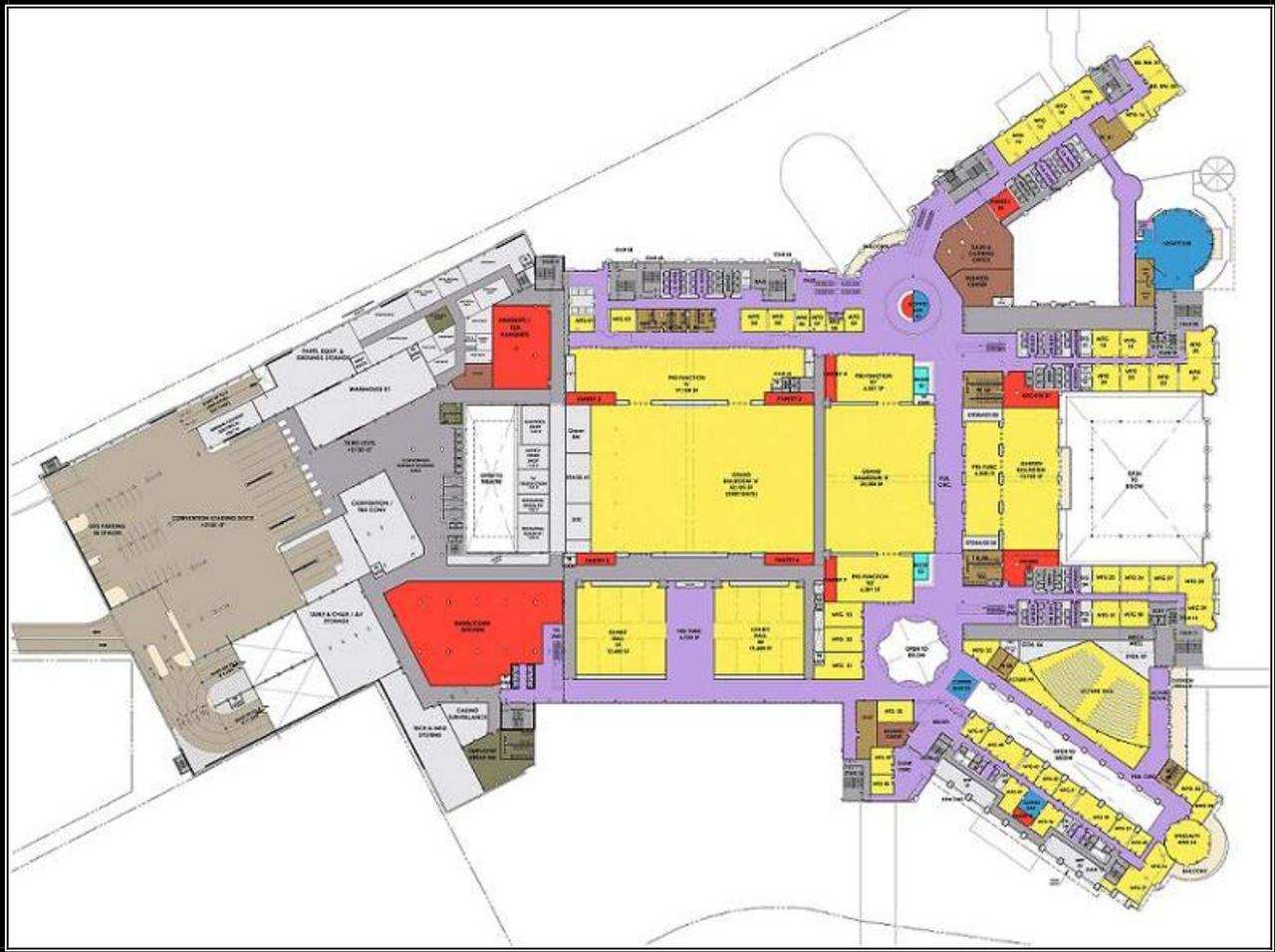


Subject Property Layout - Second Level (Source: Steelman Partners)



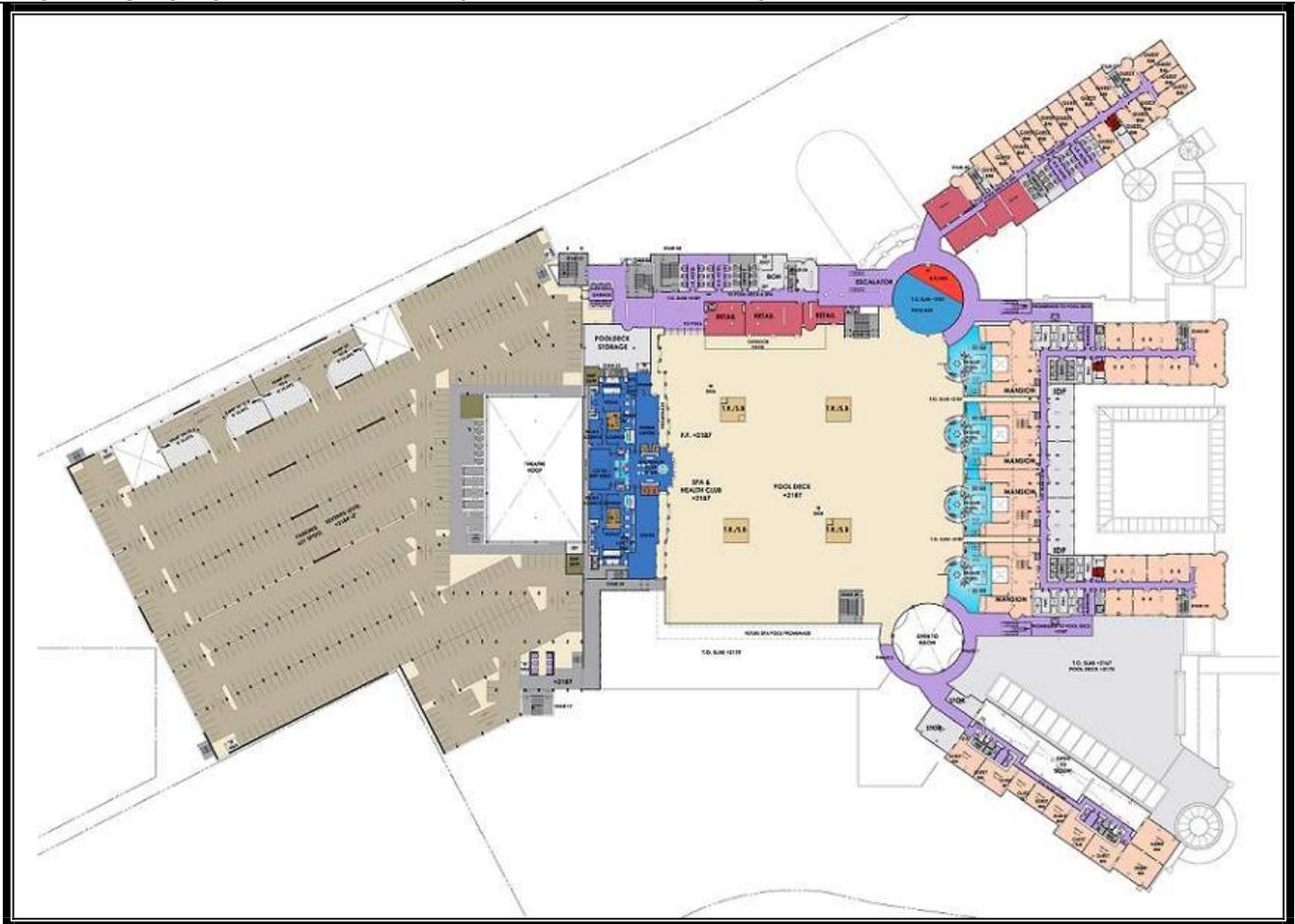


Subject Property Layout - Third Level (Source: Steelman Partners)





Subject Property Layout - Pool Deck Level (Source: Steelman Partners)



Summary of the Facilities

Based on our inspection of property designs, review of preliminary conceptual drawings, and information provided by management representatives of the subject property, the following tables summarize the Phase I and Phase II facilities that are expected at the proposed Plaza Las Vegas and considered in this analysis.



Facilities Summary - Phase I (Anticipated Completion - Date January 1, 2013)

Gaming Facilities

Square Feet:	±	115,000
Gaming Devices:	±	2,037
Table Games	±	126
Racebook/Sportsbook		

Guestrooms
Number of Rooms

Tower 2

Hotel Rooms	±	888
Suites		106

Tower 3

Hotel Rooms		884
Suites		101

Tower 4

Hotel Rooms		871
Suites		99

Total Guestrooms	±	2,949 *
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Facilities
Description

Condominiums	±	314,000 SF
Retail	±	249,037 SF
Food and Beverage	±	102,627 SF
Convention Center	±	244,825 SF
Theater	±	1,500 Seats
Spa	±	40,000 SF
Pool Deck	±	167,611 SF
Parking	±	10,043 Spaces

*Pursuant to instructions from our client, for purposes of analysis it is assumed that 3,000 hotel guestrooms will be constructed.



Facilities Summary - Phase II

Condominium	Square Feet	Completion Date
<u>Tower 1</u>		
Net Sellable Square Feet	± 933,984	January 1, 2015
<u>Tower 5</u>		
Net Sellable Square Feet	741,200	January 1, 2017
<u>Tower 6</u>		
Net Sellable Square Feet	741,200	January 1, 2019
Total Sellable Condo Square Feet	± 2,416,384	
Retail	Square Feet	Completion Date
	± 350,000	January 1, 2015
Total Retail Square Feet	± 350,000	

Main Entrance and Lobby

The proposed Plaza Las Vegas' main porte cochere will be located on the northeastern portion of the property.

Main Porte Cochere (Source: Steelman Partners)



The main registration desk will be located to the left upon entry. Furnishing and finish levels for these areas are expected to be of high quality, commensurate with the design and décor of the scaled-up version of the historic Plaza Hotel.

**Rendering of Registration Area (Source: Steelman Partners)**

There will be a distinct lobby and entryways for VIPs. Additionally, connection bridges from the Wynn Las Vegas, the Fashion Show mall, and Echelon will be constructed to facilitate entry onto the property.

Gaming Facilities

The subject property's $\pm 115,000$ square feet of gaming area will be located on the main floor of the property. It is anticipated that the property will feature $\pm 2,037$ slots, ± 126 table games, and a sports/racebook.

Rendering of Main Casino Floor (Source: Steelman Partners)

The design and layout of the gaming floor are expected to be spacious, similar to those of other Las Vegas Strip properties that target high-end patrons. The



subject property’s proposed casino facilities are summarized in the following table.

Summary of Casino Facilities		
Gaming Facilities		
Square Feet:	±	115,000
Gaming Devices:	±	2,037
Table Games	±	126
Racebook/Sportsbook		

The subject property’s table games are expected to include traditional games customarily offered in Las Vegas casinos, including Blackjack, Craps, Baccarat, Roulette, and Pai Gow, and slot units are expected to be contemporary. There will also be a high limit gaming area.

Rendering of High Limit Gaming Area (Source: Steelman Partners)

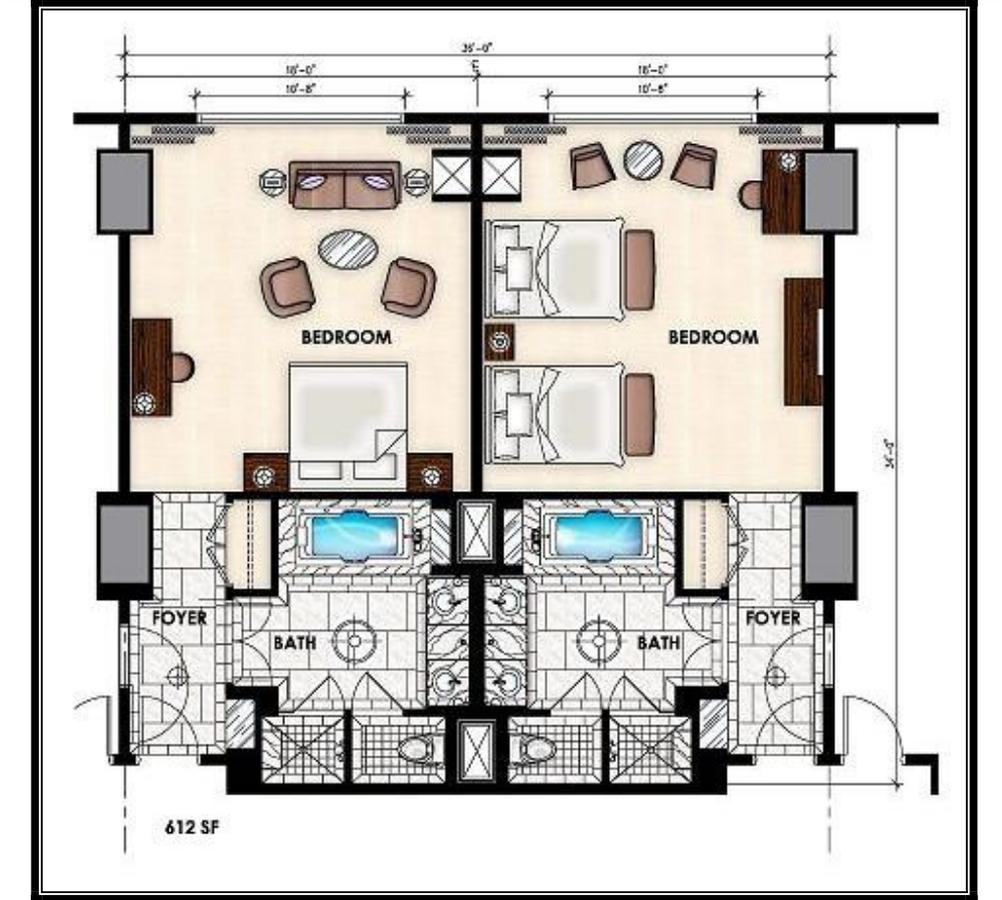


Hotel Guestrooms

The subject property's 3,000 hotel guestrooms have been designed to be double-loaded off interior corridors in the hotel towers. They are expected to range in size from approximately 600 square feet to luxury suites 9,000 square feet in size.



Standard Guestroom Layout (Source: Steelman Partners)



The highest-end guestroom products, Mansions, are expected to be located in the historic Plaza building (Tower 2) and will overlook the pool deck.



Mansion Layout (Source: Steelman Partners)



Food and Beverage Facilities

For purposes of this appraisal, it is assumed that the subject property will offer 15 food and beverage outlets. Consistent with the intention of capitalizing on the Plaza theme, several food and beverage outlets will be fashioned after the world-renowned Palm Court, Oak Room & Bar, and Edwardian Room.



Rendering of the Palm Court Restaurant (Source: Steelman Partners)



Seven in-house bars/lounges are currently planned for the property.

Rendering of Casino Bar (Source: Steelman Partners)



Meeting and Function Space

The subject property's planned $\pm 244,825$ square feet of function and meeting space will include a Plaza Grand Ballroom. It is anticipated that the expanded banquet and convention facilities will be supported by state-of-the-art audio-visual capabilities and equipment.

Recreational and Entertainment Amenities

The subject property's recreational amenities are expected to include a full-service spa and salon, a fitness center, and a $\pm 167,000$ -square-foot pool deck with pools, fountains, and gardens fashioned after New York's Central Park.



Rendering Pool Deck (Source: Steelman Partners)



The subject property will also offer a 1,500-seat theater that is expected to feature a show and/or headliner and will be located adjacent to the gaming floor.

Additionally, a private sky club that will be located on the upper level of Tower 3 will be available for the property's most distinguished patrons.

Rendering of Private Sky Club (Source: Steelman Partners)





Residential Condominiums

In addition to the ±3,000 hotel rooms, the proposed Plaza Las Vegas will construct and sell residential condominiums. Construction of ±314,000 square feet of these units is expected to be part of Phase I in 2013, ±933,984 square feet will be included in Tower 1 of Phase II in 2015, ±741,200 square feet in Tower 5 of Phase II in 2017, and ±741,200 square feet in Tower 6 of Phase II in 2019. The quality and improvement level of the residential condominiums are expected to be commensurate with those of the Plaza Hotel. Additional information pertaining to the unit mix, size, and other relevant details is provided in the condominium analysis and discussion sections of this report.

Retail Space

The proposed subject property will feature ±249,037 square feet of retail space in Phase I of the development. As part of Phase II, ±350,000 additional square feet of retail space will be added in conjunction with the construction of Tower 5. Additional information pertaining to the retail space is discussed in the “Retail Supply Analysis” section of this report.

Rendering of Retail Outlets (Source: Steelman Partners)



Parking

The proposed subject property will be able to accommodate ±10,043 cars in a basement parking area and a parking structure located on the west of the property.

Back-of-the-House

It is anticipated that the proposed subject property will be served by the necessary back-of-the-house space, including multiple kitchens and preparation areas that service the property’s food and beverage facilities, function and meeting space, and room service, appropriate shipping and



receiving docks, mechanical and electrical equipment areas, employee dining area, executive offices, housekeeping, storage areas, and security/surveillance areas. According to the developers' representatives, layouts and back-of-the-house designs will be contemporary, functional, and state-of-the-art.

Development Cost and Reserve for Replacement

The total development budget for the subject property as currently proposed have been estimated by the subject property's developers and are set forth in the following table.

Summary of Development Cost (Without Developer's Profit) ('000,000s)

	9/30/2008	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Subtotal	TOTAL
Project Cost (as of September 30, 2008)	\$1,355													\$1,355
Phase I														
Hard costs				\$305	\$813	\$914							\$2,032	
Soft cost reserve		\$20	\$6										26	
FF&E and OS&E						274							274	
Pre-opening costs			3	5	6	56							70	
Design			38	11	10	3							62	
Other soft costs			14	19	24	28							85	
Financing closing costs					35								35	
Interest costs reserves		11	4										15	
Additional interest			45	48	91	208							391	
Subtotal														\$2,990
Phase II														
Building 1 construction costs							\$225	\$230					455	
Building 5 construction costs									\$261	\$267			528	
Building 6 construction costs											\$196	\$200	396	
Subtotal														\$1,379
Annual Cost	\$1,355	\$31	\$110	\$387	\$979	\$1,483	\$225	\$230	\$261	\$267	\$196	\$200		
TOTAL DEVELOPMENT COST (w/o Developer's Profit)														\$5,724



As indicated, as of September 30, 2008, approximately \$1.355 billion, including \$1.240 billion for the purchase of the fee simple and leasehold interests in the subject sites, has been expended. A total of \$5.724 billion has been budgeted for the construction and development of the proposed subject property. As previously indicated, the improvements that are ultimately constructed may be adapted as market conditions, such as supply and demand, change. In the event that the actual cost differs from the amount stated, the opinions of value for the subject property may change. It is assumed that the capital improvements will be completed in a workmanlike and timely manner.

In addition, a reserve for replacement fund totaling 2.0% of gross revenue projection of income and expenses annually has been deducted for each forecast year in recognition of the ongoing cost of maintaining the facilities and for the periodic replacement of furniture, fixtures, and equipment. This deduction is in line with current market reserve levels and is necessary in order for the subject property to be maintained in a competitive condition over its remaining economic life.

Improvements Conclusion

Overall, it is expected that the proposed Plaza Las Vegas will offer a casino, hotel, condominiums, function and meeting space, retail, and ancillary facilities that will be competitive with the highest level casino-resort and residential properties in the Las Vegas Strip market. The property's efficient and appealing design will provide a unique and high-quality experience for casino patrons, hotel guests, and residents.

ASSESSED VALUE AND TAXES

Property (or ad valorem) tax is one of the primary revenue sources of municipalities. A system of assessments is established based on the concept that the tax burden should be distributed in proportion to the value of all properties within a taxing jurisdiction. Theoretically, the assessed value placed on each parcel bears a definite relationship to market value, so properties with equal market values will have similar assessments, and properties with higher and lower values will have proportionately larger and smaller assessments. Property taxes in Clark County are based on the assessed value of the business personal property and the real property.

Clark County assesses real and business personal property. According to the Clark County Assessor, taxable value is the value of property as determined using methods prescribed by Nevada Revised Statutes and the Department of Taxation regulations. Generally speaking, taxable value of real property is the appraised value of the land and the current replacement cost of improvements, less statutory depreciation. The appropriate method under



current law is that of replacement cost. Using this method, the Clark County Assessor calculates the amount and cost of materials and labor it would take to replace the subject property. A depreciation factor of 1.5% per year is applied to the effective age of the property, up to a maximum of 50 years. Land values are derived from market sales or other recognized appraisal methods and are added to improvement values. Property values are updated every year. The assessed value ratio is reported to be approximately 35% of appraised value. Business personal property (i.e., furniture, fixtures, and equipment) is valued at the property level and reported to the Clark County Assessor's Office. Property taxes are determined by applying the municipality's tax rate to the assessed value.

Tax Rate Trends

Tax rates are based on the city and county budgets, which change annually. Real and personal property are taxed at the same rate. The following table shows changes in the tax rate per \$1,000 of assessed value since 2003/04.

Historical Tax Rates

Year	Tax Rate per \$1000 of Assessment	Percent Change from Previous Year
2003/04	\$29.34	—
2004/05	29.47	0.4 %
2005/06	29.30	(0.6)
2006/07	29.29	(0.0)
2007/08	29.26	(0.1)
2008/09	29.26	0.0
Average Annual Comp. Change		(0.1) %

Source: Clark County Assessor's Office

It is important to note that a property tax cap enacted by the Nevada State Legislature in 2005 limits tax increases for commercial property to 8.0% per year. However, abatement is not applicable to any increase in the assessed valuation of the property from the immediately preceding fiscal year as a result of any improvement to or change in the actual or authorized use of the property. Therefore, the state-imposed tax cap property tax forecast has not been taken into account for the subject property in the first projection year.

Assessment History

The following table details the subject property's recent assessment history.



Subject Property's Assessment History

Year	Parcel No.	Real Property				Personal Property	
		Land	Improvements	Real Property Total	Percent Change	Assessment	Percent Change
2007/08	162-16-101-009	\$48,662,277	\$0	\$48,662,277	---	\$0	---
	162-16-101-011	21,323,056	0	21,323,056	---	0	---
	162-09-403-004	N/A	N/A	N/A	---	N/A	---
2008/09	162-16-101-009	\$64,933,735	\$330,780	\$65,264,515	34.1 %	\$0	---
	162-16-101-011	28,430,741	0	28,430,741	33.3	0	---
	162-09-403-004	81,404,516	51,279	81,455,795	---	0	---

Source: Clark County Assessor's Office

Due to the anticipated improvements that will be made to the subject site, the subject property's assessment history has limited value in projecting future tax expenses.

Because the objective of assessed value is to maintain a specific value relationship among all properties in a taxing jurisdiction, the assessments of comparable hotels can be considered in evaluating the reasonableness of the projected assessed value for the subject property as improved. The current assessed values for the primary Wynn Las Vegas and Bellagio parcels and assessments per room are set forth in the following table

Comparable Tax Assessments (2008/09)

Property	Guestrooms	Total Assessment			Assessment per Room			
		Land	Improvements	Personal	Land	Improvements	Personal	Total
Wynn Las Vegas	2,716	\$282,722,586	\$458,180,611	\$56,494,723	\$104,095	\$168,697	\$20,801	\$293,593
Bellagio	3,933	323,407,585	432,561,866	57,464,635	82,229	109,983	14,611	206,823
Plaza	0	174,768,992	382,059	0	N/A	N/A	N/A	N/A

Source: Clark County Assessor's Office

Property Tax Forecast

In addition to the historical and current assessments and the tax rate information set forth above, our estimate of property taxes for the subject property in the first projection year (2013) takes into consideration the historical percentage of total revenues paid by on the Las Vegas Strip casino-hotels with over \$72 million in gaming revenues; 1.1% of total revenues in the



2006/07 and 2007/08 fiscal years. In consideration of the foregoing, it is projected that the subject property's tax expenses will be roundly \$20,503,000, or 1.3% of hotel-resort revenue and retail sales, in the first projection year as set forth in the following.

Calculation of Projected Taxes as a Percentage of Total Revenues

Casino-Resort Revenue	Retail Sales	Total Revenue	Projected Taxes	% of Total Revenue
\$1,206,047,000	\$395,314,267	\$1,601,361,267	\$20,502,799	1.3 %

As indicated in the following table, the projected first year's tax expense results in an implied assessed value per room of roundly \$233,570, which is within the Wynn Las Vegas and Bellagio's current assessed values per room set forth above.

Implied Assessed Value Per Room

Projected First Year's Tax	Millage	Implied Clark County Assessed Value	Implied Clark County Assessed Value Per Room
\$20,502,799	/ \$29.26 =	\$700,710,834	\$233,570

After the first projection year, the subject property's tax forecast has been forecast to increase in tandem with inflation. It is assumed that the condominiums will be separately assessed, with property taxes paid by the individual condominium owners.



4. Market Area Analysis

Market Area Definition

The subject property is located in the city of Las Vegas, Clark County, and the state of Nevada. Las Vegas and the Las Vegas Strip are located in Clark County and are considered part of the subject property's market area. The economic driver of Las Vegas and southern Nevada is primarily tourism and related service sectors. In addition to tourism, Las Vegas' economic base continues to diversify into areas such as manufacturing, distribution, wholesale trade, and construction. While the services sector contributes the largest share of total employment, higher-value-added jobs have been created in the manufacturing and distribution sectors. Nevada's favorable tax structure for individuals and corporations provides the impetus for corporate in-migration. While these sectors have emerged within Las Vegas, the area's driving force is, and will continue to be, gaming-related tourism.

The economic and demographic profile of the defined market area is typically relevant in gauging the strength of the market's lodging demand. The subject property's market area can be defined by its Metropolitan Statistical Area (MSA): the Las Vegas-Paradise, Nevada MSA. The MSA is the most standard definition used in comparative studies of metropolitan areas. The federal government defines an MSA as a large population nucleus, which together with adjacent counties, has a higher degree of social integration. The Las Vegas-Paradise, Nevada MSA consists of Clark County.



Map of Market Area



Economic and Demographic Review

Based on fieldwork conducted in the area and our in-house sources, we have evaluated various economic and demographic statistics to determine trends in lodging demand. A primary source of economic and demographic statistics used in this analysis is the *Complete Economic and Demographic Data Source* published by Woods & Poole Economics, Inc., a well-regarded forecasting service based in Washington, D.C. Using a database containing more than 900 variables for each county in the nation, Woods & Poole employs a sophisticated regional model to forecast economic and demographic trends. Historical statistics are based on census data and information published by the Bureau of Economic Analysis. Projections are formulated by Woods & Poole (W&P).

The following demographic and economic review sets forth population, per capita income, the W&P Wealth Index, and retail sales for the Las Vegas-



Paradise, Nevada MSA, the state of Nevada, and the United States as a whole from 1990 through (projected) 2010. Although not directly correlated with hotel room night demand, population and retail sales serve as a general measure of a market's health. Per capita income reflects the economic well-being of the populace. All dollar amounts have been adjusted for inflation by Woods & Poole, and thus growth or decline represents real change in constant dollars. These data are summarized in the following table.

Economic and Demographic Data Summary

	1990	2000	2007	2010	Average Annual Compounded Change		
					1990-00	2000-07	2007-10
Resident Population (Thousands)							
Las Vegas-Paradise, NV MSA	756.2	1,393.2	1,832.3	2,006.5	6.3 %	4.0 %	3.1 %
State of Nevada	1,220.7	2,018.2	2,561.5	2,770.4	5.2	3.5	2.6
United States	249,622.8	282,193.5	303,041.1	311,844.0	1.2	1.0	1.0
Per Capita Personal Income*							
Las Vegas-Paradise, NV MSA	\$22,983.0	\$27,690.0	\$28,569.0	\$29,476.0	1.9	0.4	1.0
State of Nevada	23,645.0	28,473.0	29,353.0	30,235.0	1.9	0.4	1.0
United States	22,634.0	27,919.0	29,130.0	30,133.0	2.1	0.6	1.1
W&P Wealth Index							
Las Vegas-Paradise, NV MSA	101.5	102.9	102.1	101.8	0.1	(0.1)	(0.1)
State of Nevada	105.5	106.4	105.6	105.1	0.1	(0.1)	(0.1)
United States	100.0	100.0	100.0	100.0	0.0	0.0	0.0
Total Retail Sales (Millions)*							
Las Vegas-Paradise, NV MSA	\$7,376.4	\$16,703.7	\$23,782.9	\$26,797.2	8.5	5.2	4.1
State of Nevada	11,807.3	23,667.1	32,531.1	36,213.4	7.2	4.6	3.6
United States	2,079,504.0	2,867,300.2	3,339,578.1	3,538,596.1	3.3	2.2	1.9

* Inflation Adjusted

Source: Woods & Poole Economics, Inc.

The population of Clark County, which is made up of the Las Vegas-Paradise, Nevada MSA, has historically grown at stronger rates than those of the state and the nation; this trend is projected to continue over the foreseeable future. Growth in population is forecast to continue at a strong, albeit slower, pace over the remainder of the decade.

The statistics reflect the historically rapid growth of the market area. Projections of the county and state's per capital personal income and their wealth indexes, which take into consideration cost of living, suggest a



population that is less affluent than those of the state and more affluent than that of the nation.

Work Force Characteristics

The characteristics of an area's work force provide an indication of the type and amount of transient visitation likely to be generated by local businesses. Employment categories such as finance, insurance, and real estate (FIRE); wholesale trade; and services produce a considerable number of visitors who are not particularly rate sensitive. The government sector often generates transient room nights, but per diem reimbursement allowances frequently limit the accommodations selection to budget and mid-priced lodging facilities. Contributions from manufacturing; construction; and transportation, communications, and public utilities (TCPU) employers can also be important, depending upon the company type. The following table sets forth the Clark County work force distribution by business sector in 1990, 2000, and 2007, as well as a forecast for 2010.

Historical and Projected Employment – Clark County ('000s)

Industry	1990	Percent of Total	2000	Percent of Total	2007	Percent of Total	2010	Percent of Total	Average Annual Compounded Change		
									1990-2000	2000-2007	2007-2010
Farm	0.4	0.1 %	0.4	0.0 %	0.4	0.0 %	0.4	0.0 %	(1.1) %	(0.3) %	0.5 %
Agriculture Services, Other	3.9	0.9	9.1	1.0	12.7	1.2	13.9	1.1	8.8	5.0	2.9
Mining	0.8	0.2	1.4	0.2	1.2	0.1	1.3	0.1	5.7	(2.4)	2.5
Construction	40.5	8.8	74.8	8.7	95.0	8.7	106.0	8.7	6.3	3.5	3.7
Manufacturing	11.7	2.5	22.5	2.6	27.1	2.5	28.5	2.3	6.8	2.7	1.7
Trans., Comm. & Public Utils.	21.1	4.6	43.6	5.0	49.2	4.5	55.4	4.6	7.5	1.7	4.1
Total Trade	86.9	18.9	166.3	19.3	213.2	19.5	235.3	19.4	6.7	3.6	3.3
Wholesale Trade	14.4	3.1	24.8	2.9	31.1	2.8	35.2	2.9	5.6	3.3	4.2
Retail Trade	72.5	15.8	141.5	16.4	182.1	16.6	200.1	16.5	6.9	3.7	3.2
Finance, Insurance, & Real Estate Services	32.5	7.1	85.7	9.9	121.2	11.1	138.4	11.4	10.2	5.1	4.5
Total Government	210.8	45.9	380.6	44.1	468.2	42.8	516.5	42.5	6.1	3.0	3.3
Federal Civilian Govt.	50.8	11.1	79.1	9.2	106.5	9.7	118.4	9.7	4.5	4.3	3.6
Federal Military Govt.	6.9	1.5	9.3	1.1	11.3	1.0	12.0	1.0	3.0	2.8	2.0
State & Local Govt.	10.8	2.4	9.4	1.1	11.5	1.1	11.4	0.9	(1.5)	3.0	(0.2)
TOTAL	33.0	7.2	60.5	7.0	83.7	7.6	94.9	7.8	6.2	4.8	4.3
TOTAL	459.4	100.0 %	863.5	100.0 %	1,094.6	100.0 %	1,214.1	100.0 %	5.2 %	3.4 %	3.5 %

Source: Woods & Poole Economics, Inc.

Clark County evidenced very robust employment growth between 1990 and 2007. Woods & Poole Economics, Inc. reports that during the periods reviewed, the most rapid employment growth in the county occurred in the FIRE, agriculture, and TCPU sectors. In 2007, the services sector dominated,



Major Business and Industry

representing roundly 42.8% of overall employment. This trend is projected to continue through 2010. The recent downturn in the national economy and visitation to Las Vegas may serve to moderate future growth rates.

The following table lists the major private- and public-sector employers in Clark County, thereby providing additional context for understanding the nature of the regional economy.

Major Employers in Clark County

Rank	Firm/Entity	Approximate Number of Employees
1	Bellagio Hotel	10,200
2	Wynn Las Vegas	10,000
3	U.S. Air Force	9,185
4	MGM Grand Las Vegas	9,000
5	Mirage Casino/Hotel	7,200
6	U.S. Department of Energy	6,000
7	Venetian Resort Hotel Casino	6,000
8	Caesar's Palace	5,500
9	Caesar's World Inc.	5,500
10	Flamingo Las Vegas	5,000
11	Harrah's Las Vegas	5,000
12	Knipp Bros Inc.	5,000
13	Las Vegas Metropolitan Police	5,000
14	Las Vegas Sands Corp.	5,000
15	Mandalay Bay Resort	5,000
16	Planet Hollywood	5,000
17	Senior Dimensions	5,000
18	O'Sheas Casino	4,500
19	Circus Circus Hotel-Casino	4,000
20	Excalibur Hotel	4,000
21	New York New York	4,000
22	Paris Las Vegas	4,000
23	Treasure Island Hotel & Casino	4,000
24	Bally's Las Vegas	3,800
25	Plaza Hotel & Casino	3,600

Source: America's Career InfoNet (2008)

As illustrated in the preceding table, employment in the subject property's market is largely dominated by the tourism industry. According to America's



Career InfoNet, the county's major private-sector employers are represented by casino-hotels, while the U.S. Air Force represents the largest public-sector employer in the area.

Unemployment Statistics

The following table presents historical average unemployment rates for Clark County, the state, and the nation, from 1996 to 2007 and the year-to-date period through August 2008.

Unemployment Statistics

Year	Clark County	State of Nevada	U.S.
1996	5.1 %	5.2 %	5.4 %
1997	4.4	4.5	4.9
1998	4.3	4.4	4.5
1999	4.2	4.3	4.2
2000	4.6	4.5	4.0
2001	5.5	5.3	4.7
2002	5.9	5.7	5.8
2003	5.4	5.3	6.0
2004	4.6	4.5	5.5
2005	4.2	4.2	5.1
2006	4.1	4.2	4.6
2007	4.8	4.8	4.6
Year-to date August:			
2007	4.6 %	4.7 %	5.2 %
2008	6.1	6.2	6.2

Source: U.S. Bureau of Labor Statistics

The data illustrate that unemployment levels for the county remained at or just below the other comparative categories from 1996 through 1999. From 2000 to 2002, unemployment for Clark County rose above the state and national levels. The increase in unemployment in the county and state during this period was largely due to the slowdown in the economy and the events of September 11. In 2003, unemployment levels in the county and the state recorded a downward turn from the previous year, which continued through 2006. In 2007, unemployment levels increased for the county and state compared to last year, most likely due to the credit crunch and the slowdown in real estate and construction. In the year-to-date period through August 2008, unemployment has increased significantly in Clark County, as well in the state and nation, compared to the same period in 2007. Major casino-



resort operators, including MGM-Mirage and Harrah's Entertainment, have reduced, or will be reducing, their labor force this year due to the declines in visitation and spending experienced in the market, which result from the downturn in the economy.

Office Space Statistics

Trends in occupied office space are typically among the most reliable indicators of lodging demand, because firms that occupy office space often exhibit a strong propensity to attract commercial visitors. Thus, trends that cause changes in vacancy rates or in the amount of occupied office space may have a proportional impact on commercial lodging demand, and a less direct effect on meeting demand. The following tables detail office space statistics for the Las Vegas Market for third-quarter 2007 and third-quarter 2008.

Office Space Statistics – Third Quarter 2007

Submarket	Net Rentable Area (SF)	Occupied Area (SF)	Vacant (SF)	Vacancy Rate
Airport	3,537,385	3,133,286	404,099	11.4 %
Central East	4,698,431	4,183,244	515,187	11.0
Central West	4,315,097	3,709,941	605,156	14.0
Downtown	1,767,262	1,637,161	130,101	7.4
North Las Vegas	1,179,566	994,122	185,444	15.7
Northwest	1,806,390	1,591,191	215,199	11.9
Southeast	4,745,977	4,002,025	743,952	15.7
Southwest	2,454,663	2,147,839	306,824	12.5
West	5,117,793	4,557,551	560,242	11.0
Totals/Averages	29,622,564	25,956,360	3,666,204	12.4 %

Source: CB Richard Ellis, Third Quarter 2007 Market View



Office Space Statistics – Third Quarter 2008

Submarket	Net Rentable Area (SF)	Occupied Area (SF)	Vacant (SF)	Vacancy Rate
Airport	3,780,834	3,295,051	485,783	12.9 %
Central East	4,630,386	3,904,804	725,582	15.7
Central West	4,410,927	3,809,187	601,740	13.6
Downtown	1,794,568	1,586,935	207,633	11.6
North Las Vegas	1,259,108	1,051,834	207,274	16.5
Northwest	1,873,496	1,425,891	447,605	23.9
Southeast	5,124,503	4,194,655	929,848	18.2
Southwest	3,534,879	2,671,540	863,339	24.4
West	5,337,389	4,725,284	612,105	11.5
Totals/Averages	31,746,090	26,665,181	5,080,909	16.0 %

Source: CB Richard Ellis, Third Quarter 2008 Market View

Overall, more office space was occupied in the third quarter of 2008 compared to the third quarter of 2007; however, this positive economic trend is tempered by the greater available space that came online, resulting in an increase in vacancy from 12.4% to 16.0%. According to CB Richard Ellis, the Las Vegas office market overall continues to respond to the softening local and national economic situation. Completion of office space is at approximately 40% of its level a year ago and additional projects are expected to be delayed due to the lack of available credit and the slowing economy. An elevated vacancy rate does provide more choices for tenants and reductions in rent, higher tenant improvement allowances, and other incentives to retain and attract tenants are expected.

Airport Traffic

Airport passenger counts are important indicators of lodging and gaming demand for the Las Vegas market. Trends showing changes in passenger counts also reflect local business activity and the overall economic health of the area. The Las Vegas area is served by McCarran International Airport, which is located approximately two and one-half miles southeast of the proposed Plaza Las Vegas. The following table illustrates important operating statistics for this facility.



Airport Statistics

Year	McCarran International Airport		
	Passenger Traffic	Percent Change*	Percent Change**
1996	30,459,965	—	—
1997	30,315,094	(0.5) %	(0.5) %
1998	30,227,287	(0.3)	(0.4)
1999	33,715,129	11.5	3.4
2000	36,865,893	9.3	4.9
2001	35,180,960	(4.6)	2.9
2002	35,009,011	(0.5)	2.3
2003	36,265,932	3.6	2.5
2004	41,441,531	14.3	3.9
2005	44,267,362	6.8	4.2
2006	46,304,376	4.6	4.3
2007	47,728,414	3.1	4.2
Year-to-Date through August:			
2007	32,279,897	—	—
2008	30,739,674	(4.8) %	—

*Average annual compounded change from the previous year

**Average annual compounded change from 1996

Source: McCarran International Airport

McCarran International Airport completed the busiest year in its 59-year history with nearly 47.7 million arriving and departing passengers reported in 2007. The total marked a 3.1% increase from 2006, which was previously McCarran's busiest year with nearly 46.3 million passengers. Year-to-date data through August 2008, however, reflect a decline of 4.8% in passenger traffic compared to the same period in 2007 due to the reduction in visitation resulting from the national economic downturn. The recent decline parallels the decline in passenger traffic after September 11.

Two major capital improvement projects recently opened at McCarran International Airport; 12 additional security check lanes used by Transportation Security Administration officers to screen outbound travelers and a \$179 million northwest wing, a 128,000-square-foot, nine-gate addition that completes the airport's multiyear build-out of the D concourse. The new wing includes more restrooms as well as eight food, beverage, and retail concessions. Overall, the 800,000-square-foot D concourse now provides 44



aircraft gates and serves 16 different air carriers. Through 2013, \$3.5 billion will be spent on necessary improvements at McCarran International Airport, including the construction of Terminal 3, a 14-gate facility that will include additional parking, ticketing, baggage claim, and security checkpoint areas. The \$2.4 billion Terminal 3 project is slated to open in mid-2012.

McCarran International Airport's sustainable capacity is approximately 53.5 million. Although passengers in excess of this amount can be accommodated, construction and operation of the Ivanpah Valley Airport on land purchased by the Clark County Department of Aviation that is located between Jean and Primm, Nevada, approximately 30 miles south of Las Vegas, is being evaluated in order to accommodate the additional visitation that further development planned for the market will generate.

Convention Center

Las Vegas is consistently ranked among the nation's top convention and meeting destinations. Typically, a convention center serves as a gauge of visitation trends to a particular market. Convention centers also generate significant levels of demand for area hotels and serve as a focal point for community activity.

The Las Vegas area is served by the Las Vegas Convention Center. The Las Vegas Convention Center is a state-of-the-art facility, which underwent a \$45 million expansion and renovation in 1992. After the 1992 expansion and renovation, the convention center featured roundly 1.9 million square feet of meeting and exhibit space. The Las Vegas Convention Center also expanded in 1998, but convention center officials indicated that it was still too small to fulfill all of the demand for convention space. Oftentimes, functions held at the center had to spill over into temporary buildings located in the center's parking lot. To address this problem, the \$150 million South Hall expansion opened in January 2002. The South Hall is a two-story exhibition hall with 51 new meeting rooms and $\pm 80,000$ square feet of food and beverage facilities. The Las Vegas Convention Center is one of the largest convention centers in the world with roundly 3.2 million square feet of total building space.

The following table illustrates important operating statistics for the Las Vegas Convention Center.



Convention Statistics

Year	Number of Conventions	Percent Change	Number of Delegates	Percent Change
1992	47	—	819,259	—
1993	43	(8.5) %	996,675	21.7 %
1994	56	30.2	1,044,580	4.8
1995	56	(0.0)	1,057,500	1.2
1996	44	(21.4)	1,140,736	7.9
1997	50	13.6	1,229,424	7.8
1998	64	28.0	1,184,957	(3.6)
1999	50	(21.9)	1,307,711	10.4
2000	66	32.0	1,267,482	(3.1)
2001	63	(4.5)	1,295,262	2.2
2002	68	7.9	1,255,281	(3.1)
2003	71	4.4	1,177,072	(6.2)
2004	80	12.7	1,477,266	25.5
2005	76	(5.0)	1,632,631	10.5
2006	85	11.8	1,701,052	4.2
2007	67	(21.2)	1,553,034	(8.7)

Source: Las Vegas Convention & Visitors Authority

In 2007, the Las Vegas Convention Center hosted 21.2% fewer shows than in 2006. Representatives of the convention center have indicated that this decrease in the total number of conventions and the number of delegates in 2007 is due in part to the cyclical demand for functions in Las Vegas as opposed to other venues nationwide.

The Las Vegas Convention and Visitors Authority (LVCVA) is the official destination marketing organization of Las Vegas and was founded to strengthen the area's convention business, thereby eliminating a critical economic problem: the cyclical nature of the tourism industry. The LVCVA operates the Las Vegas Convention Center and Cashman Center and attracts visitors to the Las Vegas and Clark County area by promoting tourism, conventions, meetings, and special events. According to representatives of the Las Vegas Convention and Visitors Authority, while Las Vegas is well-known for hosting massive association citywide conventions, some with nearly 100,000 attendees, nearly 50% of all Las Vegas conventions are for fewer than 500 people.



The following table sets forth the number of convention delegates estimated by the Las Vegas Convention and Visitors Authority by month for 2006 through June 2008.

Las Vegas Convention Attendance

Month	Total 2006 Attendance	Total 2007 Attendance	Percent Change	Total 2008 Attendance	Percent Change
January	738,289	780,542	5.7 %	677,978	(13.1) %
February	809,658	771,985	(4.7)	893,982	15.8
March	653,502	682,824	4.5	637,755	(6.6)
April	545,856	518,065	(5.1)	538,316	3.9
May	424,922	506,165	19.1	509,482	0.7
June	497,902	429,804	(13.7)	438,044	1.9
July	392,338	262,560	(33.1)		
August	606,595	739,215	21.9		
September	398,836	397,349	(0.4)		
October	493,207	388,475	(21.2)		
November	585,047	602,605	3.0		
December	161,809	129,664	(19.9)		
Total	6,307,961	6,209,253	(1.6) %		

Source: Las Vegas Convention & Visitors Authority

As indicated in the foregoing table, the number of convention attendees declined slightly in 2007 from 2006 (1.6%); however, the total number of convention attendees in the first six months of 2008 increased slightly (0.2%) over the same period in 2007.

Tourism

Tourism is an important factor for Clark County area hotels. This demand is typically strongest during key weekends and during the summer vacation season. The following table depicts the number of visitors to Las Vegas from 1990 through August 2008.



Visitors Statistics

Year	Total Visitors	% Change
1990	20,954,420	---
1991	21,315,116	1.7 %
1992	21,886,865	2.7
1993	23,522,593	7.5
1994	28,214,362	19.9
1995	29,002,122	2.8
1996	29,636,361	2.2
1997	30,464,635	2.8
1998	30,605,128	0.5
1999	33,809,134	10.5
2000	35,849,691	27.1
2001	35,017,317	(2.3)
2002	35,071,504	0.2
2003	35,540,126	1.3
2004	37,388,781	5.2
2005	38,566,717	3.2
2006	38,914,889	0.9
2007	39,196,761	0.7
Year-to-date through August:		
2007	26,339,546	---
2008	25,944,453	(1.5)
Average Annual Compounded Change, 1990-2007:		
		3.8 %
Average Annual Compounded Change, 2001-2007:		
		1.9 %

Source: Las Vegas Convention & Visitors Authority

Las Vegas has been experiencing year-over-year increases in the total number of visitors since 2002, growing to roundly 39,200,000 visitors in 2007. Visitation to Las Vegas increased at an average annual compounded rate of change of 1.9% for the period from 2001 to 2007. The only annual decline in visitation in the 1990 to the 2007 period (2.3%) was a result of the terrorist attacks in 2001. However, year-to-date August 2008 data indicates that a decline in total visitation to Las Vegas will likely be experienced in 2008 as a result of the national economic downturn. As evidenced by the preceding data, Las Vegas has a long history of consistent growth. While visitation may decline in 2008 and into 2009, a rebound is expected once the national and world economies recover and additional new casino-hotel supply is developed as planned.



Major Developments

Major developments in the Las Vegas market include the opening of Las Vegas Sands' Palazzo in January 2008; construction of Wynn Las Vegas' Encore, CityCenter, the Fontainebleau Casino-Resort, and the Cosmopolitan; and the Hard Rock Hotel and Casino and Caesar's expansions, which all represent increases in transient lodging supply and function space as well as factors contributing to the evolution of the Las Vegas area market.

- The Las Vegas Sands' Palazzo opened in January 2008. The Palazzo is fully integrated with the Venetian and the Sands Expo and Convention Center and contains 3,066 suites in a 50-story tower, a spa facility, a theater, restaurants, and a 400,000-square-foot mall connected to the existing Grand Canal Shoppes. The addition of the Palazzo to the Venetian Las Vegas and Sands Expo results in the creation of the largest integrated casino-resort-convention complex in the world. Las Vegas Sands is constructing a \pm \$600 million, high-rise residential condominium tower with approximately one million saleable square feet that is situated between the Palazzo and the Venetian Las Vegas. The condominium tower is currently expected to open in spring 2010.
- Wynn Las Vegas is developing Encore on an approximately 20-acre site on the Strip, immediately adjacent to Wynn Las Vegas. Current plans for Encore include a 2,034 all-suite hotel tower fully integrated with the Wynn Las Vegas, as well as an approximately 72,000-square-foot casino, additional convention and meeting space, restaurants, a nightclub, swimming pools, a spa and salon, and retail outlets. The construction of Encore commenced on April 28, 2006, and the facility is expected to open by early 2009. The cost of the Encore development and capital improvements is estimated at approximately \$2.3 billion, approximately \$1.3 billion of which had been spent as of June 30, 2008. The budget has increased from the previously announced \$1.74 billion due to refinements in scope and market conditions for construction materials.
- CityCenter is a 66-acre, mixed-use development project on the Las Vegas Strip between the Bellagio and the Monte Carlo casino-resorts. The first phase of Project CityCenter reportedly will open late 2009. Plans include multiple high-rise buildings with a contemporary urban design, including a 4,000-room resort hotel, two 400-room non-gaming boutique hotels, one of which will be managed by Mandarin Oriental, approximately 425,000 square feet of retail shops, dining and entertainment venues, and approximately 2.3 million square feet of residential space in approximately 2,700 luxury condominium and condominium-hotel units



in multiple towers. The estimated net project budget for CityCenter is \$8.6 billion, after net residential proceeds of \$2.7 billion. The gross project budget consists of \$9.3 billion of construction costs (including capitalized interest), \$1.7 billion of land, \$0.2 billion of preopening expenses, and \$0.1 billion of intangible assets. CityCenter is owned equally by MGM-Mirage and by Infinity World Development Corp., a wholly owned subsidiary of Dubai World. MGM-Mirage and Infinity World Development Corp are managing the development of CityCenter and, upon completion of construction, will manage the operations of CityCenter for a fee.

- Construction of the \$2.9 billion Fontainebleau casino-resort has begun on a 24.5-acre site north of the Riviera on the Las Vegas Strip. The Fontainebleau reportedly will feature a 100,000-square-foot casino, 3,889 luxury hotel rooms and condominium-hotel units, food and beverage outlets, nightclubs, and 200,000 square feet of meeting and convention space. Crown Las Vegas holds 19.6% interest in Fontainebleau Casino-resort. The project is slated to be completed by early 2010.
- Construction of the ±\$3.5 billion, 3,000-room Cosmopolitan Resort & Casino has continued despite Deutsche Bank's foreclosure on the project that was begun by developer 3,700 Associates, LLC, headed by Ian Bruce Eichner. Reportedly, buyers have signed purchase contracts for more than 1,800, or more than 80 percent, of the property's nearly 2,200 condo-hotel units. The remaining 800 units were planned as hotel rooms. The original design called for a 70,000 square foot casino, over 300,000 square feet of retail, and a 1,800-seat theater.
- Morgans Hotel Group Co. and DLJ Merchant Banking Partners are expanding and renovating the Hard Rock Hotel & Casino in Las Vegas. The expansion project will include the addition of approximately 875 guestrooms, including an all-suite 15-story tower with upgraded amenities, approximately 60,000 square feet of meeting and convention space, and approximately 30,000 square feet of casino space. In addition, the project includes the expansion of the Hard Rock's pool, new food and beverage outlets, a new and larger live entertainment venue, 30,000 square feet of new retail space, and a new spa and health club. As part of the project, the Hard Rock's existing suites and common areas will be renovated. The project is expected to be completed by late 2009.
- The sixth hotel tower at Caesar's Palace was topped off in October 2008. The \$1 billion, 665-room Octavius Tower is scheduled to open next



summer. After the expansion, Caesars Palace will have more than 4,000 hotel rooms and 300,000 square feet of convention space.

- Despite the slowdown of the condominium market, the \$500 million, 1,282-unit Trump International Hotel and Tower, located on the western edge of the subject site, opened in March 2008. A second tower is also planned.
- Other gaming projects near completion in the MSA include Aliante Station, scheduled to open in November 2008 in North Las Vegas, and the M Resort, which is planned to open in March 2009 in Henderson.

Several projects have been postponed or delayed as a result of tightening credit requirements, softening interest in residential properties, and declining gaming and hotel demand, most notably Boyd Gaming's Echelon project.

- Echelon is planned to be a multifaceted, world-class resort complex located on a 63-acre site on the Las Vegas Strip just to the north of the subject site. The development is expected to be among the most significant projects in Las Vegas' ongoing evolution. The development is anticipated to be a significant leader in Las Vegas' key growth centers of casino gaming and luxury hospitality, including world-class dining and nightlife experiences, shopping, meetings and conventions, and entertainment. Hotels planned for the complex initially included the 3,300-room resort hotel, as well as Shangri-La, Delano, and Mondrian hotels, with a total guestroom inventory of approximately 5,000. Echelon's public areas were expected to contain a 140,000-square-foot casino, 25 restaurants and bars, and landscaped pool and garden areas. The Las Vegas ExpoCenter at Echelon Place was to include 650,000 square feet of exhibition and pre-function space and 175,000 square feet of meeting and conference space. Combined with the meeting space within Echelon Resort, the total meeting and exhibition space at Echelon Place was expected to exceed one million square feet, highlighted by over 200 meeting rooms.

On August 1, 2008, Boyd Gaming announced that, due to the difficult environment in the capital markets, as well as weak economic conditions, the Echelon project on the Las Vegas Strip had been delayed. Boyd Gaming reportedly has expended over \$600 million, not including land, on the Echelon project. No definitive timetable for resumption of construction has been announced. However, given the project's favorable



location and amount expended to date, it is anticipated that the project will resume once market conditions improve.

- On June 20, 2007, MGM-Mirage and Kerzner International Holdings Limited announced that the two companies will form a 50/50 joint venture to develop a \$4.25 billion integrated resort property on the corner of Las Vegas Boulevard and Sahara Avenue. The new resort reportedly would be designed for approximately 40 of land currently owned by MGM-Mirage. At the time of our research, the joint venture partners had announced that additional design and pre-construction activities were being deferred indefinitely.
- Stockbridge Real Estate Funds of San Francisco announced the remodeling plans for the Sahara, which will include a new high-rise hotel tower and the demolition of the property's older mid-rise tower. Los Angeles-based SBE Entertainment Group, the operating partner, and Stockbridge Real Estate Funds of San Francisco purchased the Sahara in 2007. The plans approved by Clark County include a new 520-foot hotel tower with 1,000 rooms, the renovation of the existing two high-rise hotel towers, and the removal of the 200-room mid-rise tower. Upon completion, the Sahara will have 2,506 hotel rooms. In addition, the Sahara will be reconfigured to contain 90,000 square feet of casino space, 56,900 square feet of retail space, 78,900 square feet of restaurant space, a 19,000-square-foot entertainment venue, 26,600 square feet of nightclub space, 32,600 square feet of meeting and convention space, and a 22,600-square-foot spa and fitness center. No timetable for the project has been announced.

The downturn in the economy has resulted in the cancellation of a number of previously announced projects.

- Publishing & Broadcasting Limited reached an agreement on May 31, 2007, with Austin-based developer Christopher Milam to invest money in a project involving a very tall condo-hotel resort and to run the resort's proposed casino, which was to be called Crown Las Vegas. The \$4.8 billion, 5,000-unit, 142-story project was proposed to be located on a parcel of the former Wet 'n Wild aquatic park just south of the Sahara Hotel and Casino. The project has officially been cancelled.
- The growth in development of Las Vegas high-rise condominium projects slowed beginning in 2006. Several marquee Las Vegas condo projects,



including the \$3 billion Las Ramblas luxury hotel and condominiums, were either canceled or put on hold, reportedly caused by lack of buyer interest and escalating land, construction, and labor costs. The planned casino, boutique hotel, and sprawling residential project, backed by actor George Clooney and partners, was to include 11 towers on 25 acres. Several other projects, including the Aqua Blue, Krystal Sands, and Icon Las Vegas projects, have been cancelled. According to Deutsche Bank, softening of demand as well as significantly higher construction costs have been identified as a significant factors. Speculators also have played a role in the high-rise slowdown.

While we have taken reasonable steps to investigate major projects in the Las Vegas market and their status, due to the nature of real estate development, it is impossible to determine with certainty every hotel, gaming, retail, and residential project that will be opened in the future, or what their marketing strategies and effect in the market will be. Our estimation is intended to reflect an appropriate, stabilized marketplace for the duration of the 10-year projection period.

Market Area Conclusion

Based on our research of this region, we are able to draw the following conclusions:

- Las Vegas has evolved into a world-class destination with significant depth and breadth.
- In general, the market population has shown considerable expansion over the course of the last two decades.
- Employment in the Las Vegas area is dominated by the services sector, which largely comprises tourism-related jobs.
- The market area is well served by McCarran International Airport, which reached record levels in traffic in recent years.
- Future development planned for Las Vegas bode well for the area's tourism and meeting and group market.
- The national and international economic downturn, coupled with the credit crunch, has resulted in the postponement and cancellation of a number of previously announced projects.

Overall, the Las Vegas market is expected to experience slowed economic growth in the short term as a result of the downturn in the national and worldwide economy. However, the Las Vegas market has historically



weathered periods of economic decline and downturns in visitation well. The market is expected to rebound when tourism demand from local, national, and international sources increase as a result of cyclical market forces and inducement caused by expansion of, and development of new, product offering is completed.



5. Gaming Supply and Demand Analysis

The initial step in analyzing supply and demand trends within a given gaming market is to quantify the existing level of gaming inventory, segmented by table games and gaming devices. To quantify gaming supply levels, a detailed review of all competitive gaming facilities is performed. Once the market's supply level and gaming mix are known, an analysis of the demand for gaming facilities is performed.

Unlike traditional economic models of supply and demand, the price variable associated with gaming is largely determined by the consumer. Gaming is an intangible product: the consumer is purchasing the "experience" and "excitement" casino gaming offers. The price that the consumer is willing to pay for this experience is known as the "win," and is quantified on a per-unit basis known as the "win per unit per day" (WPUPD). Research indicates that the WPUPD, or the price a market can bear for gaming activity, is highly correlated to the level of available gaming inventory. The actual WPUPD attained by a market, say \$250 per gaming device, provides an indication of the market-wide demand for gaming devices. As will be further discussed, these demand levels within a market can be estimated through an analysis of the actual WPUPD attained by the market. Historical fluctuations in the market-wide WPUPD at various levels of supply can provide insight into the future demand for gaming. Further impacting the demand for gaming facilities in the market are current and projected trends in economic and demographic factors such as population base, employment, disposable income levels, and visitation statistics. In addition, seasonal fluctuations must be taken into consideration when analyzing demand trends.

Once the various demand trends have been identified, a variety of analytical methodologies may be employed to forecast gaming revenue for an overall market or an individual property. The employment of a specific methodology must take into consideration the reliability and availability of the data to be utilized.



The following procedures are employed in our analysis of gaming supply and demand trends.

Analysis of Supply:

- Identify all local and regional gaming facilities;
- Determine whether additional gaming facilities will enter the market in the foreseeable future; and
- Quantify the number of existing and proposed gaming facilities by gaming units (i.e., table games and gaming devices) available in the market area.

Analysis of Demand:

- Review the area and neighborhood economic and demographic data to determine the market's overall health and ability to support existing and proposed levels of gaming supply;
- Examine the local and regional demand sources by market segment to determine potential market mix, demand levels, player gaming habits, and the populace's propensity to gamble; and
- Review historical trends in WPUPD levels to determine the potential for growth, stabilization, or saturation.

Existing Supply

The proposed Plaza Las Vegas is expected to compete primarily with properties on the Las Vegas Strip with gaming revenues in excess of \$72 million (hereinafter referred to as Las Vegas Strip \$72 Million and Over submarket). According to the Nevada Gaming Control Board, there are currently 23 casino-hotels in the Las Vegas Strip submarket with gaming revenues in excess of \$72 million. Although the Nevada Gaming Control Board does not specifically identify the 23 properties that compose the Las Vegas Strip \$72 Million and Over market, the submarket likely includes prominent casino-resorts such as the Bellagio, the Mirage, the MGM Grand, Caesars Palace, the Venetian/Palazzo, and the Wynn Las Vegas. The following table presents information regarding 23 prominent casino-hotel properties located on the Las Vegas Strip that we consider representative of the \$72 Million and Over submarket. These 23 casino-hotels contain roundly 40,633 gaming devices and 2,448 table games as of August 2008 (excluding keno, sportsbook, racebook, and poker tables).

Existing Gaming Supply – Prominent Las Vegas Strip Casino-Hotel Properties

Casino	Owner	Date Opened	Rooms	Casino Square Footage	Gaming Devices	Table Games	Meeting Space	Meeting Space Per Room	Food and Beverage Outlets
Proposed Plaza Las Vegas	EL AD IDB Las Vegas LLC	Anticipated 2013	3,000	115,000	2,037	126	244825	81.6	22
Bally's Las Vegas/Paris Las Vegas	Harrah's Entertainment	Jun-73/Sept-99	5,730	139,251	2,322	158	315,000	55.0	26
Bellagio	MGM-Mirage	Oct-98	3,933	159,760	2,420	165	200,000	50.9	23
Caesars Palace	Harrah's Entertainment	Jun-66	3,348	136,573	1,465	158	190,700	57.0	22
Circus Circus	MGM-Mirage	Jun-68	3,744	107,195	1,760	70	21,500	5.7	7
Excalibur	MGM-Mirage	Jun-90	4,008	89,074	1,730	67	12,226	3.1	6
Flamingo	Harrah's Entertainment	Jun-46	3,642	61,000	1,447	115	73,000	20.0	12
Harrah's Las Vegas	Harrah's Entertainment	Feb-72	2,725	90,041	1,614	106	25,000	9.2	11
Las Vegas Hilton	Colony Capital	Jun-69	3,437	78,422	1,310	66	200,000	58.2	21
Luxor	MGM-Mirage	Oct-93	4,204	100,000	1,520	88	20,000	4.8	13
Mandalay Bay Resort & Casino	MGM-Mirage	Mar-99	4,340	160,344	2,040	142	1,663,697	383.3	23
MGM Grand Hotel/Casino	MGM-Mirage	Dec-93	5,005	156,023	2,540	176	594,000	118.7	23
The Mirage	MGM-Mirage	Nov-89	3,044	95,900	2,050	109	171,959	56.5	18
Monte Carlo	MGM-Mirage	Jun-96	3,002	102,198	1,625	67	23,000	7.7	13
New York-New York	MGM-Mirage	Jan-97	2,033	64,269	1,525	63	21,500	10.6	15
Palace Station	Station Casinos	Jun-76	1,004	84,000	1,685	49	19,588	19.5	14
Palms Casino Resort	Malcoof Family	Nov-01	469	55,689	1,750	85	65,000	138.6	10
Planet Hollywood	Starwood, Robert Earl, and Bay Harbour Management	Aug-00	2,567	93,322	1,900	98	75,000	29.2	23
Rio All-Suite Hotel & Casino	Harrah's Entertainment	Jan-90	2,569	117,330	1,238	92	163,000	63.4	20
Riviera Hotel & Casino	Riviera Holding Company	Jun-55	2,100	103,800	916	35	160,000	76.2	5
Treasure Island at the Mirage	MGM-Mirage	Oct-93	2,900	55,680	1,672	70	18,000	6.2	14
Tropicana Resort and Casino	Columbia Sussex	Jun-57	1,874	62,011	990	38	46,688	24.9	7
Venetian/Palazzo	Las Vegas Sands	May-99/Jan-08	7,074	208,474	3,114	273	510,008	72.1	28
Wynn Las Vegas	Wynn Resorts	Apr-05	2,716	109,900	2,000	158	200,000	73.6	22
Totals (not including subject property)			75,468	2,430,256	40,633	2,448	4,788,866	63.5	

Source: Nevada Gaming Control Board, LVCVA, Casino City, HVS Consulting & Valuation



The overall competitive environment of the Las Vegas Strip is intense. As a result of this intensity, the individual gaming properties on the Las Vegas Strip each seek to induce and capture a specific niche of demand. Over the last 15 years, the Las Vegas Strip has evolved into a multifaceted gaming and entertainment destination with diverse gaming properties such as the Venetian, Bellagio, Mandalay Bay, Mirage, Caesars Palace, and Wynn Las Vegas with high-rated hotel rooms, international restaurants, and high minimum table bets, and properties such as Circus Circus, Riviera, and Excalibur, which successfully capture the lower-rated demand. It is anticipated that the proposed Plaza Las Vegas will be positioned to compete with properties that primarily compete for upper-end patrons.

The transformation of Las Vegas into a resort destination coincided with the opening of the Mirage and the Excalibur hotel and casinos in 1989. Subsequently, in 1992, the Forum Shops, an indoor mall connected to Caesar's Palace and adjacent to the Mirage, was opened. The opening of these facilities signified a change in strategy for operators competing in the Las Vegas market. The development of must-see properties, attractions, and amenities, including the Luxor, Treasure Island, and the MGM Grand Hotel, in 1993 was a clear indication that Las Vegas was transitioning from a solely gaming-based orientation. A third major wave of expansion began in 1998, which included the opening of the Bellagio, the Mandalay Bay, the Paris Las Vegas, Venetian, and the Aladdin. The opening of the Wynn Las Vegas (2005) and Las Vegas Sands Corp.'s Palazzo (2008), along with Encore at Wynn Las Vegas, Fontainebleau, and CityCenter represent another series of increases in supply and expansion. New gaming and hotel supply, entertainment, attractions, and other amenities have historically provided an impetus for increased gaming demand as well as a change in the overall revenue mixture from primarily gaming to a more balanced distribution between gaming, hotel, and entertainment.

Functional obsolescence and the lack of necessary capital expenditures have severely impacted the competitiveness of properties such as the Riviera and the Tropicana. The older properties located on the Las Vegas Strip must continuously renew their physical plant to compete with the newer properties. Those properties that suffer from severe functional obsolescence and deferred maintenance are sometimes imploded to make way for new projects. It should be noted, however, that most of the Las Vegas Strip properties have benefited from the overall increase in tourist visitation created by the development of mega-resorts.



Changes to Supply

Projects currently under development that are expected to add additional gaming supply to the Las Vegas Strip \$72 Million and Over submarket over the next several years in addition to the subject property are Encore, CityCenter, Fontainebleau, and Cosmopolitan. Proposed gaming projects and redevelopment of existing older casinos are constantly being announced; changes in plans or cancellation of planned projects is also common. As previously discussed, several projects have been postponed or delayed as a result of tightening credit requirements, softening interest in residential properties, and declining gaming and hotel demand, including Echelon, MGM/Kerzner's project at the southwest corner of S. Las Vegas Boulevard and Sahara, and the redevelopment of the Sahara, and, therefore, are considered to be speculative for purposes for this analysis.

The following table summarizes the increase in gaming supply anticipated over the next few years. It should be noted that, prior to halting construction in August 2008, Echelon was expected to open in late 2010; however, due to the suspension of development, we have incorporated added supply expected for Echelon in 2012. Estimates of the number of gaming devices and table games that will be featured at the Encore, CityCenter, Fontainebleau, Cosmopolitan, and Echelon developments are based on the ratios of gaming devices and table games to available gaming square footage for the \$72 Million and Over market currently.

Anticipated Changes in Supply

Casino	Owner	Anticipated Opening Date	Guestrooms	Estimated Square		
				Feet of Gaming Space	Gaming Devices	Table Games
Proposed Plaza Las Vegas	EL AD IDB Las Vegas LLC	2013	3,000	115,000	2,037	126
Encore	Wynn Resorts	2009	2,030	72,000	1,204 *	73 **
CityCenter	MGM Mirage	2009	4,800	165,000	2,759 *	166 **
Fontainebleau Resort	Fontainebleau/PBL	2010	3,889	100,000	1,672 *	101 **
Cosmopolitan	Deutsche Bank	2010	3,000	75,000	1,254 *	76 **
Echelon	Boyd Gaming Corp.	2012	5,000	140,000	2,341 *	141 **
MGM/Kerzner Project	MGM/Kerzner			Speculative		
Sahara	Stockbridge/SBE			Speculative		
Total			22,384	667,000	11,266	682

* Estimated based on 1.67 gaming devices per 100 square feet of gaming square footage.

** Estimated based on 0.10 table games per 100 square feet of gaming space.

Source: SEC, published reports, HVS Gaming Services



While we have taken reasonable steps to investigate proposed casino-hotel projects and their status, due to the nature of real estate development, it is impossible to determine with certainty every casino that will be opened in the future, or what their marketing strategies and effect in the market will be. While other casino-hotels projects may eventually come to fruition, they are in the very preliminary planning stages and are considered speculative at this time. As such, they have not been included in our analysis. For the purposes of this analysis, only potential competitive projects announced during our fieldwork were incorporated into the analysis. Depending on the outcome of current and future additions to supply, the value of the subject property may be positively or negatively affected.

Supply Conclusion

Summarizing the preceding discussion of existing and proposed gaming supply, we believe that the proposed subject property will compete to varying degrees with the existing casinos located within the Las Vegas Strip \$72 Million and Over market. Gaming device and table game inventory levels are projected to be 51,055 and 2,906, respectively, for the Las Vegas Strip \$72 Million and Over market in 2013. Note that the projects that we have identified as speculative are, for the most part, only postponed until market conditions and the ability to finance such projects improve. Thus, future supply may exceed what we have projected and will affect the performance of the market and the subject property. For purposes of this appraisal, we assume that demand will be adequate to absorb new additions to supply once market conditions improve and development resumes.

Demand Analysis

The proliferation of gaming throughout the United States and the tremendous expansion of gaming in southern Nevada have elevated gaming to a nationwide industry. The development of multiple markets across the nation has been spurred by state and local governments' desire to increase the tax base. As a result, aggregate gaming demand has been dispersed across the nation. Prior to the development of Native American reservation and riverboat gaming, the primary gaming markets were southern Nevada and Atlantic City, New Jersey; as such, aggregate gaming demand could be reasonably estimated via an analysis of these two markets. However, in today's prolific gaming environment, demand is now a function of available supply and the various economic and demographic characteristics impacting a given region. With each emerging market competing for and capturing a portion of overall gaming demand, a regional analysis is necessary to determine a market's existing demand level and growth potential, as well as its propensity to attract demand from other regional and national gaming markets.



The Las Vegas gaming market over the past three decades has been a supply-driven market—i.e., "build it and they will come," where the significant continuous additions to supply have been readily absorbed. Recent performance of the Las Vegas market, however, is providing the first indication that the market has potentially reached a saturation point. Forecasting gaming win based on the WPUPD and the growth in market-wide supply is a valid approach for markets like Las Vegas. The historical gaming win, number of visitors, and gaming win per visitor for Clark County for 1980 to August 2008 are shown in the following table and graph.

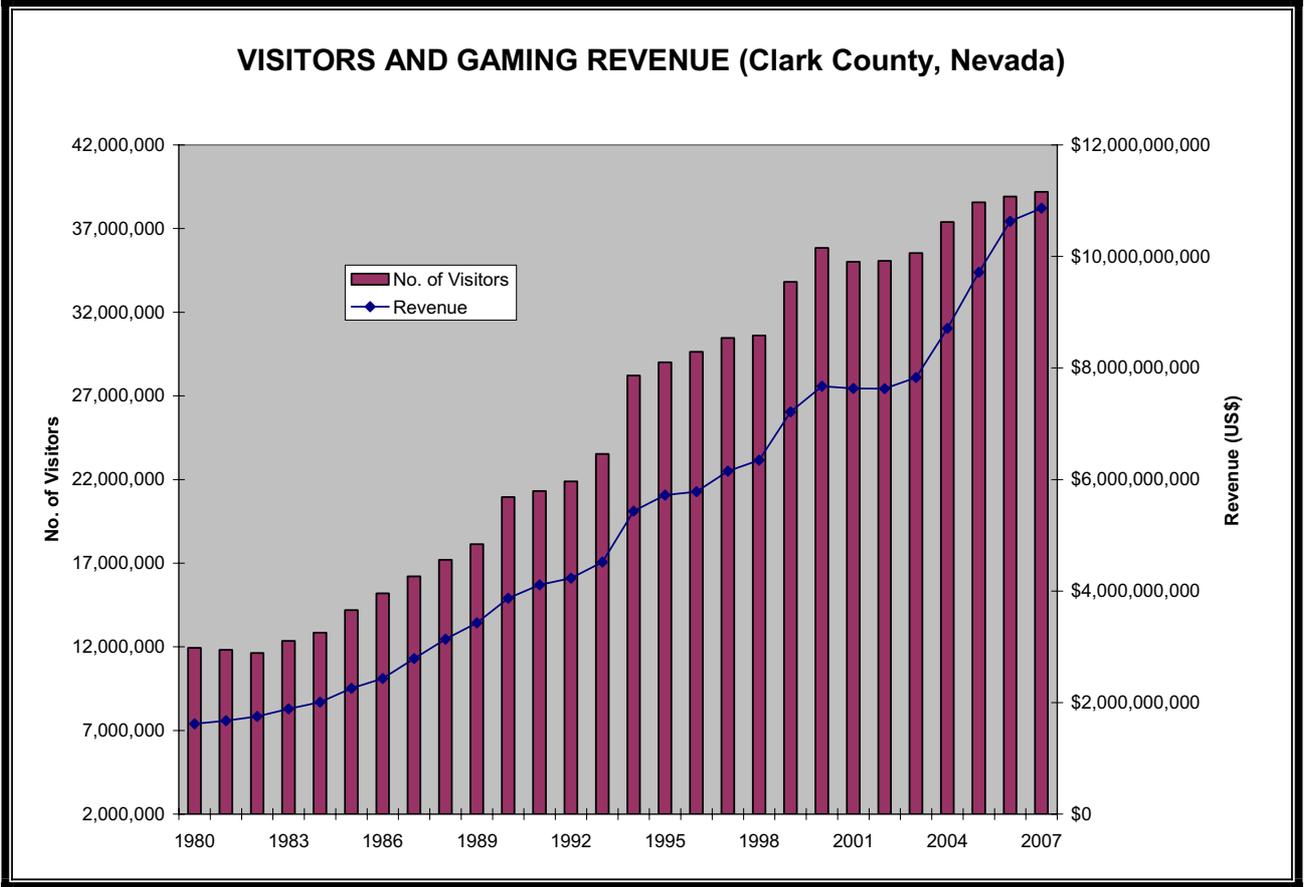

Total Revenue, Visitors, and Win Per Visitor (Clark County)

Year	Total Revenue (Win)		Total Visitors		Total Revenue (Win) per Visitor	
		% Change		% Change		% Change
1980	\$1,617,194,799	---	11,941,524	---	\$135	---
1981	1,676,148,606	3.6 %	11,820,788	(1.0) %	142	4.7 %
1982	1,751,421,394	4.5	11,633,728	(1.6)	151	6.2
1983	1,887,451,717	7.8	12,348,270	6.1	153	1.5
1984	2,008,155,460	6.4	12,843,433	4.0	156	2.3
1985	2,256,762,736	12.4	14,194,189	10.5	159	1.7
1986	2,431,237,168	7.7	15,196,284	7.1	160	0.6
1987	2,789,336,000	14.7	16,216,102	6.7	172	7.5
1988	3,136,901,000	12.5	17,199,808	6.1	182	6.0
1989	3,430,851,000	9.4	18,129,684	5.4	189	3.8
1990	3,871,097,504	12.8	20,954,420	15.6	185	(2.4)
1991	4,110,608,604	6.2	21,315,116	1.7	193	4.4
1992	4,230,751,572	2.9	21,886,865	2.7	193	0.2
1993	4,521,123,158	6.9	23,522,593	7.5	192	(0.6)
1994	5,431,474,872	20.1	28,214,362	19.9	193	0.2
1995	5,720,390,612	5.3	29,002,122	2.8	197	2.5
1996	5,783,610,126	1.1	29,636,361	2.2	195	(1.1)
1997	6,151,904,298	6.4	30,464,635	2.8	202	3.5
1998	6,347,696,977	3.2	30,605,128	0.5	207	2.7
1999	7,210,085,904	13.6	33,809,134	10.5	213	2.8
2000	7,673,134,286	6.4	35,849,691	6.0	214	0.4
2001	7,632,021,543	(0.5)	35,017,317	(2.3)	218	1.8
2002	7,630,272,759	(0.0)	35,071,504	0.2	218	(0.2)
2003	7,830,675,556	2.6	35,540,126	1.3	220	1.3
2004	8,711,243,614	11.2	37,388,781	5.2	233	5.7
2005	9,716,860,486	11.5	38,566,717	3.2	252	8.1
2006	10,630,387,000	9.4	38,914,889	0.9	273	8.4
2007	10,868,029,000	2.2	39,196,761	0.7	277	1.5
Average Annual Compounded Change. 1980 to 2007:						
		7.3 %		4.5 %		2.7 %
Average Annual Compounded Change. 1990 to 2007:						
		6.3		3.8		2.4
Year-to-date August:						
2007	7,216,759,000	---	26,339,540	---	274	---
2008	6,711,586,000	(7.0) %	25,944,453	(1.5) %	259	(5.6) %

Source: Nevada Gaming Control Board, Las Vegas Convention & Visitors Authority, HVS Consulting and Valuation



Visitors and Gaming Revenue (Clark County, Nevada)



The trend data from Clark County support the proposition that the market can expand rapidly under the right circumstances. There have been only two years since 1980 that the Las Vegas gaming market has contracted: 2001 and 2002. In 2001, the gaming market contracted by 0.5%, which was attributable to the economic recession and to the events of September 11. In 2002, the gaming market contracted by 0.02% as the nation and region recovered from the economic recession. Gaming revenues for the Clark County market in 2007 were more than twice those of 14 years ago, increasing from roundly \$4.5 billion in 1993 to over \$10.8 billion in 2007. The average annual compounded rates of change in gaming revenue, visitors, and revenue per visitors all increased at higher levels between 1980 and 2007 versus the 1990 to 2007 period, likely due to the maturity of the market as well as competitive forces.



However, year-to-date data through August 2008 reflect the impact that the current downturn in the economy is having on both visitation and gaming revenues for Las Vegas. Specifically, in the year-to-date period through August 2008, visitation to Clark County is down 1.5% and the visitors that are coming are not gambling as much, as indicated by the 7.0% decline in Clark County gaming win.

Economic and Demographic Review

As described previously in the "Market Area Analysis" section, the subject market appears well-suited to support a gaming inventory based on the adult population, the amount of discretionary income, and the strong tourism industry. With an estimated local population of 1.8 million people and 39.8 million tourists visiting the metropolitan Las Vegas area in 2007, the amount of existing and potential gaming activity is significant. Given its critical mass and billions of dollars in invested capital, Las Vegas will continue to be an eminent domestic and international gaming destination.

Demand Sources

The Las Vegas market has evolved into a multifaceted gaming and entertainment destination. As evidenced, new supply and "must-see" attractions have provided an impetus for new demand. In our opinion the Las Vegas market will continue to grow as new properties and expansions of older properties are absorbed by the market. The success of the proposed subject property is dependent on several factors, including, but not limited to, the long-term growth in overall visitation to the Las Vegas area and Las Vegas' continued status as the eminent gaming destination.

Demand for gaming can be classified into four primary sources: the leisure segment, local residents, tour and travel groups, and conventions. Each of these gaming demand segments has distinct characteristics that affect the market's potential WPUPD levels and subsequent gaming revenues; these characteristics include gaming frequency, duration of play, gaming budgets, game preferences, and preferred facilities. With the exception of local residents, the demand generally originates from outside the subject property's primary market.

Leisure Demand

Leisure visitation to the Las Vegas areas is enormous, with visitors taking advantage of the year-round favorable climate and multitude of attractions. The leisure segment utilizes both table games and gaming devices and has a higher propensity to play table games than the other demand segments. Gaming propensity and frequency within the leisure segment vary



significantly, from novices to "high rollers." Incentives for rated players include complimentary food and beverage service, bonus winnings, complimentary room nights, complimentary travel, and gift items. The gaming budgets of leisure patrons vary considerably, as do their average wagers.

According to the 2007 Las Vegas Convention and Visitors Authority's *Visitor Profile Study*, approximately 42% of visitors to Las Vegas were on vacation in 2007. Of those polled in 2006, 84% of visitors said they had gambled while in Las Vegas. The casino games most often played were the slot machines, at approximately 65%, with blackjack a distant second at 14%, followed by video poker at 6%.

Local Demand

In markets such as Las Vegas and Atlantic City, which possess a critical mass of gaming, lodging, and entertainment facilities, local demand plays a secondary role to demand from the tour and travel, leisure, and convention segments. In competitive markets, local patrons possess a high degree of loyalty, based on personal service and incentives. Gaming frequency among local patrons depends on a number of factors, including the convenience of the casinos, the average age of the populace, and disposable income levels. Typically, local residents can be expected to allot a higher percentage of discretionary income to gaming activities than other demand segments. However, due to higher frequency levels and longer play duration, local residents tend to make lower average wagers. Locals often possess superior gaming skills and seek tables and devices that offer the highest payouts and best odds. In certain markets, locals tend to be seasonal in an attempt to circumvent the crowds associated with peak demand periods of tourist and leisure visitation.

The total contribution to Las Vegas' gaming revenue by the local demand segment is significant. According to the 2006 *Clark County Residents Study* conducted by the Las Vegas Convention and Visitors Authority (the most current version available as of the date of this report), 67% of all Clark County residents gamble at least occasionally and, of those who gamble, 46% do so at least once a week. However, the local segment's impact on the Las Vegas Strip \$72 Million and Over submarket is only moderate at best. According to the 2006 *Residents Study*, among residents who gamble, only 19% gambled on the Las Vegas Strip corridor.



Tour and Travel Demand

The seasonality of tour and travel demand varies, depending on the type and mode of transportation. Demand generated by the tour and travel segment is primarily a function of an individual property's marketing efforts, or their relationship with a wholesaler. Tours organized by outside wholesalers and recreational groups tend to be more seasonal, while motor-coach tours, gaming junkets, and all-inclusive vacations marketed by the individual properties are booked in the shoulder and off seasons to offset declining leisure visitation. The costs of marketing to this segment are high, and in some instances negate the potential gain in revenue. Gaming frequency among tour and travel patrons is high, due to the purpose of the trip and the limited length of stay. Traditionally, tour and travel patrons favor gaming devices as opposed to table games. Depending on the type of group and predetermined gaming levels, tour and travel patrons allocate a considerable portion of their total travel budget for gaming activities and tend to make median-sized wagers per hand, or pull.

The bus segment makes up a small portion of overall demand within the Las Vegas market compared to a market like Atlantic City, which is dependent on bus tours running from the major population centers. The wholesale market, which utilizes air transportation, is the major component of the Las Vegas tour and travel market.

Convention Demand

Convention demand within the Las Vegas market is significant. The Las Vegas Convention Center's business remained relatively strong compared to other areas in the United States after the terrorist attacks of September 11. In 2001, the convention center noted only a small decrease of roundly 4.5% in the total number of conventions. The Las Vegas Convention Center rebounded from the effects of September 11 and the slowing economy, as the center reached a new high in total number of conventions in 2003 of 72. The number of delegates attending events at the Las Vegas Convention Center increased annually since 2004.

In 2007, the Las Vegas Convention Center hosted 21.2% fewer shows than in 2006. Representatives of the convention center have indicated that this decrease in the total number of conventions and the number of delegates in 2007 is due in part to the cyclical demand for functions in Las Vegas as opposed to other venues nationwide. Overall, the number of convention



attendees in Las Vegas declined slightly in 2007 from 2006 (1.6%); however, the total number of convention attendees in the first six months of 2008 increased slightly (0.2%) over the same period in 2007.

In addition, it should be noted that convention visitation in Las Vegas, while not recession proof, is recession resistant to some degree. Given the national scope of most conventions booked in Las Vegas, a Las Vegas convention is often the one meeting that a person cannot miss. Therefore, while corporate travel budgets are slashed during lean economic times, a meeting or convention in Las Vegas is often kept in the budget. This bodes well for the subject property, given its convention orientation.

WPUPD Analysis

The win per unit per day (WPUPD) statistic provides the basis for the analysis and projection of table game and gaming device revenues. WPUPD is calculated by dividing total gaming revenues generated by a particular type of gaming unit by the number of gaming units available. Gaming statistics published in a majority of the gaming markets include the number of gaming units and total win figures by either table games and gaming devices or by individual games and devices (i.e., blackjack tables, crap tables, five-cent devices, twenty-five-cent devices, etc.). As will be shown, the WPUPD figure provides insight into the efficiency of a market, demand levels, and saturation levels. In the forecast of gaming revenues, a WPUPD estimate is applied to the projected level of supply to arrive at an overall gaming win figure.

Analysis of the Las Vegas Strip \$72 Million and Over Submarket

The following WPUPD levels provide the basis for our market-wide gaming revenue projections, as presented in the subsequent section entitled "Forecast of Gaming Revenue." The data utilized in our analysis regarding the Las Vegas Strip \$72 Million and Over gaming submarket has been derived from the *Gaming Revenue Report*, published monthly by the State of Nevada Gaming Control Board. We have reviewed all the available data for the market and believe the figures presented in the following analysis to be accurate. It should be noted that the table game figures presented do not include keno, race- and sportsbook, and live poker revenues.

The following table presents a yearly analysis of the Las Vegas Strip \$72 Million and Over submarket segmented into gaming devices and table games. The three primary statistics making up the analysis are total win, the number of units, and WPUPD.



Gaming Devices

The following tables present statistics for gaming devices for the Las Vegas Strip \$72 Million and Over submarket from 1995 to August 2008.

Las Vegas Strip \$72 Million and Over Gaming Submarket Statistics – Gaming Devices

Year	Gaming Devices					
	Win	% Change	Units	% Change	WPUPD	% Change
1995	\$1,391,513	---	36,191	---	\$105	---
1996	1,442,374	3.7 %	37,197	2.8 %	106	0.9 %
1997	1,486,193	3.0	39,033	4.9	104	(1.8)
1998	1,719,351	15.7	45,078	15.5	104	0.2
1999	1,928,428	12.2	47,962	6.4	110	5.4
2000	2,107,673	9.3	50,203	4.7	115	4.4
2001	2,055,412	(2.5)	47,175	(6.0)	119	3.8
2002	2,111,912	2.7	47,181	0.0	123	2.7
2003	2,160,261	2.3	43,787	(7.2)	135	10.2
2004	2,535,568	17.4	44,989	2.7	154	14.2
2005	2,789,933	10.0	43,377	(3.6)	176	14.1
2006	3,059,256	9.7	41,746	(3.8)	201	13.9
2007	3,142,884	2.7	40,050	(4.1)	215	7.1
Avg. Annual % Change:	1995-2007	7.0 %		0.8 %		6.1 %
	2003-2007	9.8		(2.2)		12.3
YTD 8/07	\$2,070,805	---	40,027	---	\$213	---
YTD 8/08	1,939,526	(6.3) %	39,991	(0.1) %	199	(6.6) %

Source: Nevada Gaming Control Board, HVS Consulting and Valuation

Overall, the gaming win for gaming devices in the Las Vegas Strip \$72 Million and Over submarket increased at an average annual percentage rate of change of 7.0% between 1995 and 2007 and 9.8% between 2003 and 2007. WPUPD for gaming devices in the Las Vegas Strip \$72 Million and Over submarket increased at an average annual percentage rate of change of 6.1% between 1995 and 2007 and 12.3% between 2003 and 2007.

Historically, gaming devices exhibited high annual levels of demand and absorption, as evidenced by the relatively flat WPUPD levels during periods of increasing inventory in 1998 and 1999 and the significant increase in



WPUPD levels in 1999 and 2000, despite continued inventory increases; specifically, WPUPD levels increased by 5.4% in 1999 and 4.4% in 2000, indicating that the new supply not only did not dilute the market, but caused the average WPUPD to rise.

In the 2004 to 2006 time period, the gaming device segment of the Las Vegas Strip \$72 Million and Over submarket experienced extraordinary gains in total revenue as well as win per unit. In 2004, total revenue from gaming devices increased by 17.4%, while WPUPD increased by 14.2%, compared to 2003; in 2005, total revenue from gaming devices increased by 10.0% and WPUPD increased by 14.1%, from 2004; and gaming device revenue in 2006 increased by 9.7%, with a 13.9% increase in WPUPD. In 2007, growth in gaming device revenue and WPUPD moderated from past years' gains, increasing by 2.7% and 7.1%, respectively, compared to 2006.

Year-to-date data through August 2008 compared to the same period in the prior year indicate the significant impact on gaming revenues as a result of the decline in visitation and economic downturn. Specifically, gaming device revenue for this submarket during this period in 2008 was 6.3% lower than in 2007. Additionally, WPUPD during this time was 6.6% lower than in the prior year.

While part of the growth in total revenues and WPUPD experienced by the gaming device segment during the 2003 to 2007 period is attributed to the Bellagio's 928-guestroom expansion—which opened in late 2004—and the opening of the Wynn Las Vegas in 2005, as Steve Wynn often markets to high-end gaming patrons from all over the world, an analysis of gaming device inventory and revenues reveals that technology and marketing are also contributing factors. The following table sets forth the amount of gaming device revenue by unit type for 2005 through 2007.

Las Vegas Strip \$72 Million and Over Submarket Statistics – Gaming Device Revenue by Unit Type

Unit Type	2007						2006						2005					
	Units	% of Units	Win	% of Win	WPUPD	% Change	Units	% of Units	Win	% of Win	WPUPD	% Change	Units	% of Units	Win	% of Win	WPUPD	% Change
1 Cent	5,093	12.7 %	\$416,404	13.2 %	\$224.00	5.0 %	4,062	9.7 %	\$316,404	10.3 %	\$213.41	13.1 %	2,983	6.9 %	\$205,459	7.4 %	\$188.70	---
5 Cent	3,394	8.5	223,761	7.1	180.63	23.9	3,751	9.0	199,548	6.5	145.75	7.8	5,597	12.9	276,196	9.9	135.20	23.4
25 Cent	7,639	19.1	428,204	13.6	153.58	6.9	9,438	22.6	495,030	16.2	143.70	10.7	12,627	29.1	598,294	21.4	129.81	23.7
50 Cent	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
1 Dollar	5,494	13.7	479,887	15.3	239.31	11.5	6,145	14.7	481,200	15.7	214.54	9.0	7,193	16.6	516,755	18.5	196.83	19.4
Megabucks	135	0.3	36,021	1.1	731.02	7.5	171	0.4	42,434	1.4	679.87	28.7	208	0.5	40,108	1.4	528.29	18.9
5 Dollar	1,095	2.7	193,105	6.1	483.16	35.4	1,221	2.9	158,997	5.2	356.76	12.0	1,329	3.1	154,497	5.5	318.49	25.5
25 Dollar	209	0.5	49,826	1.6	653.16	5.7	238	0.6	53,656	1.8	617.66	21.9	248	0.6	45,853	1.6	506.55	27.7
100 Dollar	168	0.4	36,625	1.2	597.28	(2.9)	178	0.4	39,954	1.3	614.96	11.6	187	0.4	37,598	1.3	550.85	11.2
Multi-Denomination	15,716	39.2	1,190,491	37.9	207.53	0.4	15,309	36.7	1,155,587	37.8	206.81	9.2	11,709	27.0	809,296	29.0	189.36	27.3
Other Slot Machines	1,105	2.8	88,560	2.8	219.57	(15.3)	1,231	2.9	116,448	3.8	259.17	15.8	1,296	3.0	105,878	3.8	223.82	22.5
Total/Average	40,048	100.0 %	\$3,142,884	100.0 %	\$215.01	7.1 %	41,744	100.0 %	\$3,059,258	100.0 %	\$200.78	13.9 %	43,377	100.0 %	\$2,789,934	100.0 %	\$176.21	30.4 %

Source: Nevada Gaming Control Board/ HVS Gaming Services



A review of the foregoing table reveals two factors that may be contributing to the dramatic increase in revenues and WPUPD over the last three calendar years. First, the percentage of gaming device revenue generated by multi-denominational units rose from 29.0% in 2005 to 37.9% in 2007, indicating that technological advances have resulted in improved efficiency of the gaming device units that are on the gaming floor. Secondly, it should be noted that the only type of unit that consistently recorded an increase in the percentage of total gaming device win over the three years reviewed other than multi-denominational units is \$0.01 gaming devices, which increased from 7.4% of slot win in 2005 to 13.2% in 2007. Not only are slot managers enticing more patrons to gamble by making more of the \$0.01 gaming devices available, but efficiency is improving as gaming devices in general have a higher number of credits per play and more-favorable hold percentages the lower the denomination.

Table Games

The following table presents the amount of win, inventory, and WPUPD statistics for the table games for the Las Vegas Strip \$72 Million and Over submarket, excluding poker tables, from 1995 to August 2008.


Las Vegas Strip \$72 Million and Over Market Statistics – Table Games

Table Games						
Year	Win	% Change	Units	% Change	WPUPD	% Change
1995	\$1,591,186	---	1,450	---	\$3,006	---
1996	1,514,873	(4.8) %	1,495	3.1 %	2,776	(7.7) %
1997	1,645,236	8.6	1,610	7.7	2,800	0.8
1998	1,592,936	(3.2)	1,816	12.8	2,403	(14.2)
1999	1,984,415	24.6	2,008	10.6	2,708	12.7
2000	2,134,219	7.5	2,173	8.2	2,691	(0.6)
2001	2,032,847	(4.7)	2,103	(3.2)	2,648	(1.6)
2002	1,944,706	(4.3)	2,060	(2.0)	2,586	(2.3)
2003	1,893,165	(2.7)	2,028	(1.6)	2,558	(1.1)
2004	2,170,121	14.6	2,126	4.8	2,797	9.3
2005	2,508,218	15.6	2,193	3.2	3,134	12.0
2006	2,860,963	14.1	2,223	1.4	3,526	12.5
2007	2,964,579	3.6	2,243	0.9	3,621	2.7
Avg. Annual % Change:	1995-2007	5.3 %		3.7 %		1.6 %
	2003-2007	11.9		2.6		9.1
YTD 8/07	\$1,974,456	---	2,238	---	\$3,631	---
YTD 8/08	1,795,210	(9.1) %	2,246	0.4 %	3,275	(9.8) %

Source: Nevada Gaming Control Board, HVS Consulting and Valuation

Table game WPUPD levels can be more volatile and subject to external forces. Table game win and WPUPD increased at average annual compounded rates of 5.3% and 1.6%, respectively, from 1995 to 2007. In the more recent period from 2003 to 2007, total table win increased by 11.9% and WPUPD increased by 9.1% on an average annual compounded basis. A marked decrease in the WPUPD level was witnessed in 1998 at the height of the Asian economic crisis. Positive trends for table games were exhibited in the 2004 to 2007 period due to the increased popularity of table games and more efforts made by operators to target table gamers. However, the decline in table games revenue for the \$72 Million and Over submarket was even more pronounced than for gaming devices in the year-to-date period through August 2008 compared to the prior year; win was down 9.1% while WPUPD was down 9.8%.



Primary Competitors

The proposed Plaza Las Vegas is expected to be positioned at the high end of \$72 Million and Over submarket, competing primarily with the Wynn Las Vegas, Venetian, Palazzo, and Bellagio. Accordingly, the gaming revenue and WPUPD levels being achieved by these properties are indicative of the subject property's potential future performance. The following WPUPD levels provide a basis for our market-wide gaming revenue projections as well the projections of gaming revenue projection achievable by the subject property, as presented in the subsequent section entitled "Forecast of Gaming Revenue."

Comparable Gaming Revenue and WPUPD (2007)

	Casino Square Footage	Table Games			Gaming Device			% Table Games Games to Slots Revenue
		Tables	Win (000s)	WPUPD	Units	Win (000s)	WPUPD	
\$72 Million and Over	n/a	2,243	\$2,964,579	\$3,621	40,050	\$3,142,884	\$215	94.3 %
Wynn Las Vegas	109,900	141	559,527	10,872	1,966	179,398	250	311.9
Venetian	120,000	135	307,180	6,234	1,685	148,836	242	206.4
Bellagio	159,760	165	434,102	7,208	2,420	198,743	225	218.4

Source: Nevada Gaming Control Board, EL AD IDB Las Vegas LLC, SEC, HVS Gaming Services

Comparable Table Games Revenue and WPUPD (June 2007 and June 2008)

	YTD June 2007			YTD June 2008					
	Tables	Win (000s)	WPUPD	Tables	% Change	Win (000s)	% Change	WPUPD	% Change
\$72 Million and Over	2,232	\$1,470,486	\$3,640	2,274	1.9 %	\$1,357,170	(7.7) %	\$3,298	(9.4) %
Wynn Las Vegas	138	582,680	11,568	139	0.7	414,759	(28.8)	8,175	(29.3)
Venetian	135	321,421	6,523	130	(3.7)	259,646	(19.2)	5,472	(16.1)
Palazzo	-----	N/A	-----	128	N/A	139,646	N/A	2,989	N/A

Source: Nevada Gaming Control Board, SEC, Wynn Resorts, Las Vegas Sands Corp., HVS Gaming Services



Comparable Slot Revenue and WPUPD (June 2007 and June 2008)

	YTD June 2007			YTD June 2008					
	Units	Win (000s)	WPUPD	Units	% Change	Win (000s)	% Change	WPUPD	% Change
\$72 Million and Over	40,038	\$1,535,080	\$212	40,238	0.5 %	\$1,486,918	(3.1) %	\$203	(4.1) %
Wynn Las Vegas	1,956	187,766	263	1,947	(0.5)	163,451	(12.9)	230	(12.5)
Venetian	1,683	141,288	230	1,681	(0.1)	114,737	(18.8)	187	(18.7)
Palazzo	-----	N/A -----	-----	1,685	N/A	148,836	N/A	242	N/A

Source: Nevada Gaming Control Board, SEC, Wynn Resorts, Las Vegas Sands Corp., HVS Gaming Services

As indicated in the foregoing tables, the Wynn Las Vegas, Venetian, Palazzo, and Bellagio, in general, achieve WPUPD levels at the higher end of the \$72 Million and Over submarket. However, as indicated by the year-to-date data through the first half of 2008, the performance of these higher-end products is more susceptible to economic downturns.

Other Gaming Revenue

In addition to table game and gaming device revenue, casinos in the \$72 Million and Over submarket generate gaming revenue from live keno, race/sportsbook, and poker. The following table highlights other gaming win for the Las Vegas Strip \$72 Million and Over submarket in 2007 and year-to-date through August.



Historical Other Gaming Revenue

	2007	YTD August 2007	YTD August 2008
Table and Device Win	6,107,463	4,045,261	3,734,736
Keno	11,553	7,677	5,957
% of Table/Device Win	0.2 %	0.2 %	0.2 %
Race Book	42,145	29,659	24,135
% of Table/Device Win	0.7 %	0.7 %	0.6 %
Sports Book	77,494	23,894	21,903
% of Table/Device Win	1.3 %	0.6 %	0.6 %
Race/Sports Book	119,639	53,553	46,038
% of Table/Device Win	2.0 %	1.3 %	1.2 %
Total Other Games	92,789	65,030	61,326
% of Table/Device Win	1.5 %	1.6 %	1.6 %
Total Other Win	223,981	126,260	113,321
% of Table/Device Win	3.7 %	3.1 %	3.0 %

Source: Nevada Gaming Control Board

The submarket recorded other gaming win of 3.7% of table and device win in 2007. Although it is anticipated that the proposed Plaza Las Vegas will feature a race- and sportsbook, we have assumed that the property will not feature any live keno or live poker.

Conclusion

The Las Vegas Strip \$72 Million and Over submarket has expanded rapidly over the past two decades due to the opening of several mega-resorts. A review of the preceding tables indicates that the third major wave of expansion discussed previously (which began in 1998 and included the opening of the Bellagio, Mandalay Bay, Paris Las Vegas, Venetian Las Vegas, and Aladdin [now the Planet Hollywood]) resulted in an increase in gaming inventory, with slots increasing by 6.4% and table games growing by 10.6% in 1999 compared to 1998. However, WPUPD for both slots and table games increased in 1999, by 5.4% and 12.7%, respectively, supporting the opinion that the Las Vegas gaming market can readily absorb new supply.

Moreover, the expansion of the high-end Bellagio and the opening of the Wynn Las Vegas and Las Vegas Sands Corp.'s Palazzo, as well as advances in technology and marketing efforts, have contributed significantly to the



growth in win and WPUPD experienced by the \$72 Million and Over submarket. Performance in the year-to-date period through August 2008 indicates that the Las Vegas \$72 Million and Over submarket is experiencing a downturn in gaming revenues as result of declining visitation and a contracting economy. The future outlook of the Las Vegas gaming market is greatly dependent upon the national and international economies. At the current time the U.S. and many foreign countries are in a recession that is expected to last through most of 2009, with a recovery anticipated in 2010. It is unclear what the full effect of the current downturn will be at this time, and how quickly markets will rebound, but based on historical trends, Las Vegas is poised to retain its status as the epicenter of gaming worldwide, and to absorb the new additions to supply over the mid-term.



6. Forecast of Gaming Revenue

Once the subject market has been defined, and the supply and demand factors analyzed and quantified, the anticipated amount of gaming revenue generated within the market can be forecast, and the win captured by a specific casino can be projected. The compilation of supply and demand data combined with research into the various external factors impacting the subject property's market share is utilized in a market penetration model. The market penetration model utilizes the following three steps in deriving a forecast of gaming revenue for the subject property.

1. The existing level of supply and the proposed level of supply market-wide and for the subject property are separately quantified by gaming devices and table games throughout the projection period. The subject property's future fair share by gaming devices and table games are then calculated.
2. A forecast of market-wide gaming revenue is developed based on the WPUPD and supply trends presented in the section of this narrative entitled "Gaming Supply and Demand Analysis."
3. Future attainable penetration rates are then projected for gaming devices and table games for the proposed Plaza Las Vegas. The market penetration rates are then multiplied by the proposed Plaza Las Vegas' calculated fair share percentages to determine the subject's capture rate. The subject property's capture rate is then multiplied by the forecasted amount of market-wide gaming revenue, equating to the gaming revenue projected to be generated by the subject property.

The projections herein are based on an evaluation and consideration of the factors specific to the current developers, including, but not limited to, Plaza branding, current management team, and entitlements granted by Clark County.



Step One – Calculation of Fair Share

The level of existing supply by property, segmented by gaming devices and table games, was presented in the previous section entitled "Gaming Supply and Demand Analysis." As discussed previously, Las Vegas is poised for another period of expansion, with the addition of the Encore, the CityCenter, Fontainebleau, the Cosmopolitan, and the subject property. Other casino-hotel projects have been announced but are still considered to be speculative at this time due to lack of building permits, financing, and/or other factors. These projects include the Echelon, the MGM/Kerzner project, and the Sahara redevelopment. Additionally, the Riviera, located at the southeast intersection of Las Vegas Boulevard and Riviera Boulevard, has been the subject of ongoing negotiations and potential redevelopment in the future is likely.

As the number of gaming units that are expected to be featured in the respective casinos have not been released for all projects, we have estimated as necessary the amount of additional gaming supply that will be added to the Las Vegas Strip \$72 Million and Over submarket. Our estimates are based on the number of gaming devices and table games per 100 square feet of gaming space for the existing casinos in the Las Vegas Strip \$72 Million and Over submarket. Anticipated changes in supply are identified in the following table.

Anticipated Changes in Supply

Casino	Owner	Anticipated Opening Date	Guestrooms	Estimated Square		
				Feet of Gaming Space	Gaming Devices	Table Games
Proposed Plaza Las Vegas	EL AD IDB Las Vegas LLC	2013	3,000	115,000	2,037	126
Encore	Wynn Resorts	2009	2,030	72,000	1,204 *	73 **
CityCenter	MGM Mirage	2009	4,800	165,000	2,759 *	166 **
Fontainebleau Resort	Fontainebleau/PBL	2010	3,889	100,000	1,672 *	101 **
Cosmopolitan	Deutsche Bank	2010	3,000	75,000	1,254 *	76 **
Echelon	Boyd Gaming Corp.	2012	5,000	140,000	2,341 *	141 **
MGM/Kerzner Project	MGM/Kerzner			Speculative		
Sahara	Stockbridge/SBE			Speculative		
Total			22,384	667,000	11,266	682

* Estimated based on 1.67 gaming devices per 100 square feet of gaming square footage.

** Estimated based on 0.10 table games per 100 square feet of gaming space.

Source: SEC, published reports, HVS Gaming Services



The subject property's fair share is calculated by dividing the subject's anticipated gaming inventory by the market-wide gaming inventory. For example, if the subject property has 100 table games and the total number of table games in the market, including the subject property, is 1,000, the subject property's fair share is equal to 10% ($100 \div 1,000 = 10\%$).

The following table presents the historical and projected inventory levels of the Las Vegas Strip \$72 Million and Over submarket and the proposed Plaza Las Vegas, segmented by gaming devices and table games, as well as the subject property's calculated fair share percentages until stabilized levels are reached.

Projected Gaming Inventory and Calculated Fair Share through Stabilization

	2008	2009	2010	2011	2012	2013	2014
Gaming Devices							
Supply - Las Vegas, Nevada							
Existing Gaming Devices	40,050	39,788	41,226	46,158	46,677	49,011	51,055
Additions/Reductions to Supply - Gaming Devices	(262)	1,438	4,932	519	2,334	2,044	0
Total Gaming Devices	39,788	41,226	46,158	46,677	49,011	51,055	51,055
% Change	(4.7) %	3.6 %	12.0 %	1.1 %	5.0 %	4.2 %	0.0 %
Proposed Plaza Las Vegas							
Existing Gaming Devices						0	2,037
Additions/Reductions to Supply - Gaming Devices						2,037	0
Total Gaming Devices						2,037	2,037
Calculated Fair Share - Gaming Devices						4.0 %	4.0 %
Table Games							
Supply - Las Vegas, Nevada							
Existing Table Games	2,243	2,223	2,310	2,607	2,639	2,780	2,906
Additions/Reductions to Supply - Table Games	(20)	87	297	32	141	126	0
Total Table Games	2,223	2,310	2,607	2,639	2,780	2,906	2,906
% Change	0.0 %	3.9 %	12.9 %	1.2 %	5.3 %	4.5 %	0.0 %
Proposed Plaza Las Vegas							
Existing Table Games						0	126
Additions/Reductions to Supply - Table Games						126	0
Total Table Games						126	126
Calculated Fair Share - Table Games						4.3 %	4.3 %



Gaming inventory levels for the market are forecast to stabilize by 2014, after the opening of the subject property. The subject's inventory levels are forecast to equate to a stabilized fair-share level of 4.0% for gaming devices and 4.3% for table games. Note that individual casinos may shift their table game and gaming device mix and other developments that are speculative at this time may come to fruition. Our projection of new supply is based on information available as of October 2008; any material changes to new supply beyond what is forecast may have an impact on the Las Vegas gaming market and the performance of the subject property.

As previously discussed, proposed gaming projects and redevelopment of existing older casinos are constantly being announced; changes in plans or cancellation of planned projects is also common. For the purposes of this analysis, only potential competitive projects announced prior to completion of our fieldwork were incorporated into the analysis.

Step Two – Forecast of Marketwide Gaming Revenue

The second step in projecting gaming revenues for the subject property involves the forecasting of market-wide gaming revenue in each year of the projection period. Base-year WPUPD for table games and gaming devices were calculated by dividing revenue figures for 2007 by the average market-wide table game and gaming device inventory levels. Thus, the base-year gaming device game WPUPD estimate is calculated as follows:

$$\text{Gaming Device Win} / \text{Average Units} / 365 = \text{WPUPD}$$

$$\$3,142,884,000 / 40,050 / 365 = \$215$$

A similar procedure is undertaken to determine the base-year table game WPUPD estimate.

Based on the historical WPUPD trend of the market, the incremental changes in gaming supply, the anticipated impact of the new supply on the demand trends within the market, and ancillary factors such as those discussed previously in this report, growth rates in WPUPD levels are estimated. The WPUPD figure is multiplied by the projected level of table game or gaming device inventory to arrive at a forecast of market-wide gaming revenue for each year. The following table presents historical table and gaming device revenue data for 2005, 2006 and year-to-date through August 2007 and 2008 for the Las Vegas Strip \$72 Million and Over submarket, and the forecast of market-wide gaming revenues through 2015.

Forecast of Market-Wide Gaming Revenue – Las Vegas Strip \$72 Million and Over Submarket

	Historical					Projected								
	2005	2006	2007	YTD Aug. 2007	YTD Aug. 2008	2008	2009	2010	2011	2012	2013	2014	2015	
Gaming Devices														
Estimated Growth in WPUPD	14.1 %	13.9 %	7.1 %	--	(6.6) %	(7.0) %	(5.0) %	(2.0) %	2.0 %	3.0 %	3.0 %	3.0 %	3.0 %	
Estimated WPUPD	\$176	\$201	\$215	\$213	\$199	\$200	\$190	\$186	\$190	\$196	\$201	\$207	\$214	
Units	43,377	41,746	40,050	40,027	39,991	39,788	41,226	46,158	46,677	49,011	51,055	51,055	51,055	
Win ('000s)	\$2,789,933	\$3,059,256	\$3,142,884	\$2,070,805	\$1,939,526	\$2,903,731	\$2,858,272	\$3,136,212	\$3,234,905	\$3,498,561	\$3,753,802	\$3,866,416	\$3,982,409	
Growth Rate	10.0 %	9.7 %	2.7 %	--	(6.3) %	(7.6) %	(1.6) %	9.7 %	3.1 %	8.2 %	7.3 %	3.0 %	3.0 %	
Table Games														
Estimated Growth in WPUPD	12.0 %	12.5 %	2.7 %	--	(9.8) %	(10.0) %	(5.0) %	(2.0) %	2.0 %	3.0 %	3.0 %	3.0 %	3.0 %	
Estimated WPUPD	\$3,134	\$3,526	\$3,621	\$3,631	\$3,275	\$3,259	\$3,096	\$3,034	\$3,095	\$3,188	\$3,283	\$3,382	\$3,483	
Units	2,193	2,223	2,243	2,238	2,246	2,223	2,310	2,607	2,639	2,780	2,906	2,906	2,906	
Win ('000s)	\$2,508,218	\$2,860,963	\$2,964,579	\$1,974,456	\$1,795,210	\$2,644,529	\$2,610,617	\$2,887,319	\$2,981,213	\$3,234,701	\$3,482,740	\$3,587,222	\$3,694,839	
Growth Rate	15.6 %	14.1 %	3.6 %	--	(9.1) %	(10.8) %	(1.3) %	10.6 %	3.3 %	8.5 %	7.7 %	3.0 %	3.0 %	
Total Gaming Win ('000s)	\$5,298,151	\$5,920,219	\$6,107,463	\$4,045,261	\$3,734,736	\$5,548,260	\$5,468,889	\$6,023,531	\$6,216,118	\$6,733,262	\$7,236,542	\$7,453,638	\$7,677,248	
Growth Rate	12.6 %	11.7 %	3.2 %	--	(7.7) %	(9.2) %	(1.4) %	10.1 %	3.2 %	8.3 %	7.5 %	3.0 %	3.0 %	
Revenue Mix														
Gaming Devices	52.7 %	51.7 %	51.5 %	51.2 %	51.9 %	52.3 %	52.3 %	52.1 %	52.0 %	52.0 %	51.9 %	51.9 %	51.9 %	
Table Games	47.3 %	48.3 %	48.5 %	48.8 %	48.1 %	47.7 %	47.7 %	47.9 %	48.0 %	48.0 %	48.1 %	48.1 %	48.1 %	



As discussed in the previous section of this report, WPUPD for gaming devices in the Las Vegas Strip \$72 Million and Over submarket increased at an average annual percentage rate of change of 12.3% between 2003 and 2007. In the period from 2005 to 2007, the gaming device segment of the Las Vegas Strip \$72 Million and Over submarket experienced extraordinary gains in WPUPD on an annual basis: 14.1% in 2005, 13.9% in 2006, and 7.1% in 2007. Growth in gaming device WPUPD levels continued in 2007, in part due to the demand induced by Wynn Las Vegas; additionally, there was no major increase in new supply. However, year-to-date data through August 2008 reflect a sharp decline in both WPUPD and total revenue for gaming devices compared to the same period in 2007. Negative growth of gaming device WPUPD is expected in 2008 and in the near term, as the market continues to absorb the additional inventory added to the submarket with the opening of the Palazzo, Encore, CityCenter, Fontainebleau, and Cosmopolitan. Assuming the commencement of an economic recovery in 2010, market-wide growth in gaming WPUPD in the Las Vegas market is projected to resume at moderate levels by 2011.

Table game WPUPD increased at an average annual compounded rate of 9.1% from 2003 to 2007. Similar to the trends witnessed in gaming devices, in the 2005 to 2007 period, the table games segment of the Las Vegas Strip \$72 Million and Over submarket experienced significant gains in win per unit: 12.0% in 2005, 12.5% in 2006, and 2.7% in 2007. Year-to-date data through August 2008 reflect an even sharper decline in both WPUPD and total revenue for table games for properties in the Las Vegas Strip \$72 Million and Over submarket compared to the same period in 2007. Negative growth of gaming device WPUPD is also expected for table games this year and until the market absorbs additional table games inventory and economic conditions improve, which is expected to occur by 2011.

Step Three – Projection of Subject Gaming Revenue

Step three of the analysis includes projecting the subject property's market penetration rates. A penetration rate is defined, as the percentage of market-wide gaming revenue the subject property will capture in relation to its fair share. For example, if the subject property's fair share of the market-wide gaming inventory was 10.0%, and the property penetrates the gaming device segment at 110.0%, the subject would capture approximately 11% of market-wide gaming device revenue ($1.10 \times 0.10 = 0.11$). The capture rate is then applied to the aggregate amount of market-wide gaming revenue to derive the subject property's gaming revenue forecast.



In forecasting gaming revenue for the proposed Plaza Las Vegas, we have considered the existing product offering and performance of properties that target high-end patrons in the Las Vegas Strip market. However, as the proposed Plaza Las Vegas will be the sole gaming property under current ownership, the opportunity to cross-market its gaming operation will be limited to non-gamers. Similar to the higher-end products on the Las Vegas Strip such as Wynn Las Vegas and Bellagio, it is anticipated that the proposed Plaza Las Vegas will cater to a large percentage of table game players and will generate a larger percentage of its gaming revenue from table games relative to slots than the average property in the Las Vegas Strip \$72 Million and Over submarket. Accordingly, while it is anticipated that the subject property will overpenetrate both the table games and gaming device segments, greater penetration of the table games segment is projected for the subject property. It should be noted that, in general, companies that operate multiple properties benefit from the cross-marketing opportunities.

In terms of gaming devices, the proposed Plaza Las Vegas' penetration level is projected to equate to roundly 110.0% in 2013, increasing to 115.0% in 2014 as operations are ramped up. The subject's penetration of the table games segment is projected at roundly 230.0% in 2013, increasing to 240.0% in 2014. The following table presents the proposed Plaza Las Vegas' projected penetration rates and captured gaming revenue by gaming devices and table games.


Projected Penetration Rates and Captured Gaming Revenue – Plaza Las Vegas ('000s)

	2013	2014	2015
Marketwide Gaming Win			
Gaming Devices	\$3,753,802	\$3,866,416	\$3,982,409
Table Games	<u>3,482,740</u>	<u>3,587,222</u>	<u>\$3,694,839</u>
Total Gaming Win ('000s)	\$7,236,542	\$7,453,638	\$7,677,248
Estimated Penetration Factors			
Gaming Devices	110.0 %	115.0 %	115.0 %
Table Games	<u>230.0</u>	<u>240.0</u>	<u>240.0</u>
Captured Gaming Win			
Gaming Devices	\$164,750	\$177,400	\$182,720
Table Games	<u>347,300</u>	<u>373,270</u>	<u>\$384,460</u>
Total	\$512,050	\$550,670	\$567,180
Growth Rate			
Gaming Devices	---	7.7 %	3.0 %
Table Games	---	<u>7.5</u>	<u>3.0</u>
Total	---	7.5 %	3.0 %
Revenue Mix			
Gaming Devices	32.2 %	32.2 %	32.2 %
Table Games	<u>67.8</u>	<u>67.8</u>	<u>67.8</u>
Total	100.0 %	100.0 %	100.0 %

In addition to table game and gaming device revenue, it is anticipated that the proposed Plaza Las Vegas will derive gaming revenue from other sources, specifically racebook and sportsbook. The following table presents our estimated gaming win and WPUPD for gaming devices and table games as well as total gaming win projections for the proposed Plaza Las Vegas through 2017.


Projected WPUPD and Total Gaming Win – Plaza Las Vegas

	2013	2014	2015	2016	2017
Gaming Devices					
Win ('000s)	\$164,750	\$177,400	\$182,720	\$188,210	\$193,850
Growth Rate	---	7.7 %	3.0 %	3.0 %	3.0 %
Units	2,037	2,037	2,037	2,037	2,037
WPUPD	\$222	\$239	\$246	\$253	\$261
Growth Rate	---	7.7 %	3.0 %	3.0 %	3.0 %
Table Games					
Win ('000s)	\$347,300	\$373,270	\$384,460	\$396,000	\$407,880
Growth Rate	---	7.5 %	3.0 %	3.0 %	3.0 %
Units	126	126	126	126	126
WPUPD	\$7,552	\$8,116	\$8,360	\$8,611	\$8,869
Growth Rate	---	7.5 %	3.0 %	3.0 %	3.0 %
Table and Device Win ('000s)	\$512,050	\$550,670	\$567,180	\$584,210	\$601,730
Other Gaming Revenues @ 2.5% ('000s)	\$12,800	\$13,770	\$14,180	\$14,610	\$15,040
Total Gaming Win ('000s)	\$524,850	\$564,440	\$581,360	\$598,820	\$616,770
Growth Rate	---	7.5 %	3.0 %	3.0 %	3.0 %

In order to compare the subject property's projected performance with the \$72 Million and Over submarket, the Wynn Las Vegas, the Venetian, and the Bellagio, the table games and gaming device WPUPD projected for the proposed Plaza Las Vegas has been deflated to 2007 dollars using the projected market growth rates as set forth in the following tables.

Comparison of Projected Table Games WPUPD for Proposed Plaza Las Vegas

	Casino Square Footage	No. of Tables	Win ('000s)	WPUPD	Deflated at Market Growth Rate to 2007	Table Revenue to Slot Revenue
2007 WPUPD						
\$72 Million and Over	n/a	2,243	\$2,964,579	\$3,621		94.3 %
Wynn Las Vegas	109,900	141	559,527	10,872		311.9
Venetian	120,000	135	307,180	6,234		206.4
Bellagio	159,760	165	434,102	7,208		218.4
HVS Projections						
Subject Property (2013)	115,000	126	\$347,300	\$7,552	\$8,329	210.8
Subject Property (2014)	115,000	126	373,270	8,116	8,691	210.4
Subject Property (2015)	115,000	126	384,460	8,360	8,691	210.4

Source: Nevada Gaming Control Board, EL AD IDB Las Vegas LLC, SEC, HVS Gaming Services



In terms of table game WPUPD, the proposed Plaza Las Vegas is projected to perform at a level well above the \$72 Million and Over submarket and above that of the Venetian and Bellagio, but below that of the Wynn Las Vegas. As at other upper-level properties, it is expected that more gaming revenue overall will be generated by table games than slots.

Comparison of Projected Slots WPUPD for Proposed Plaza Las Vegas

	Casino Square Footage	No. of Slots	Win ('000s)	WPUPD	Deflated at Market Growth Rate to 2007	Slot Revenue to Table Revenue
2007 WPUPD						
\$72 Million and Over	n/a	40,050	\$3,142,884	\$215		106.0 %
Wynn Las Vegas	109,900	1,966	179,398	250		32.1
Venetian	120,000	1,685	148,836	242		48.5
Bellagio	159,760	2,420	198,743	225		45.8
HVS Projections						
Subject Property (2013)	115,000	2,037	\$164,750	\$222	\$237	47.4
Subject Property (2014)	115,000	2,037	177,400	239	247	47.5
Subject Property (2015)	115,000	2,037	182,720	246	247	47.5

Source: Nevada Gaming Control Board, EL AD IDB Las Vegas LLC, SEC, HVS Gaming Services

The proposed Plaza Las Vegas is also projected to perform at a level well above the \$72 Million and Over submarket in terms of slot WPUPD. Upon stabilization, the proposed Plaza Las Vegas' slot WPUPD is expected to be above that of the Venetian and Bellagio, but slightly below that of the Wynn.



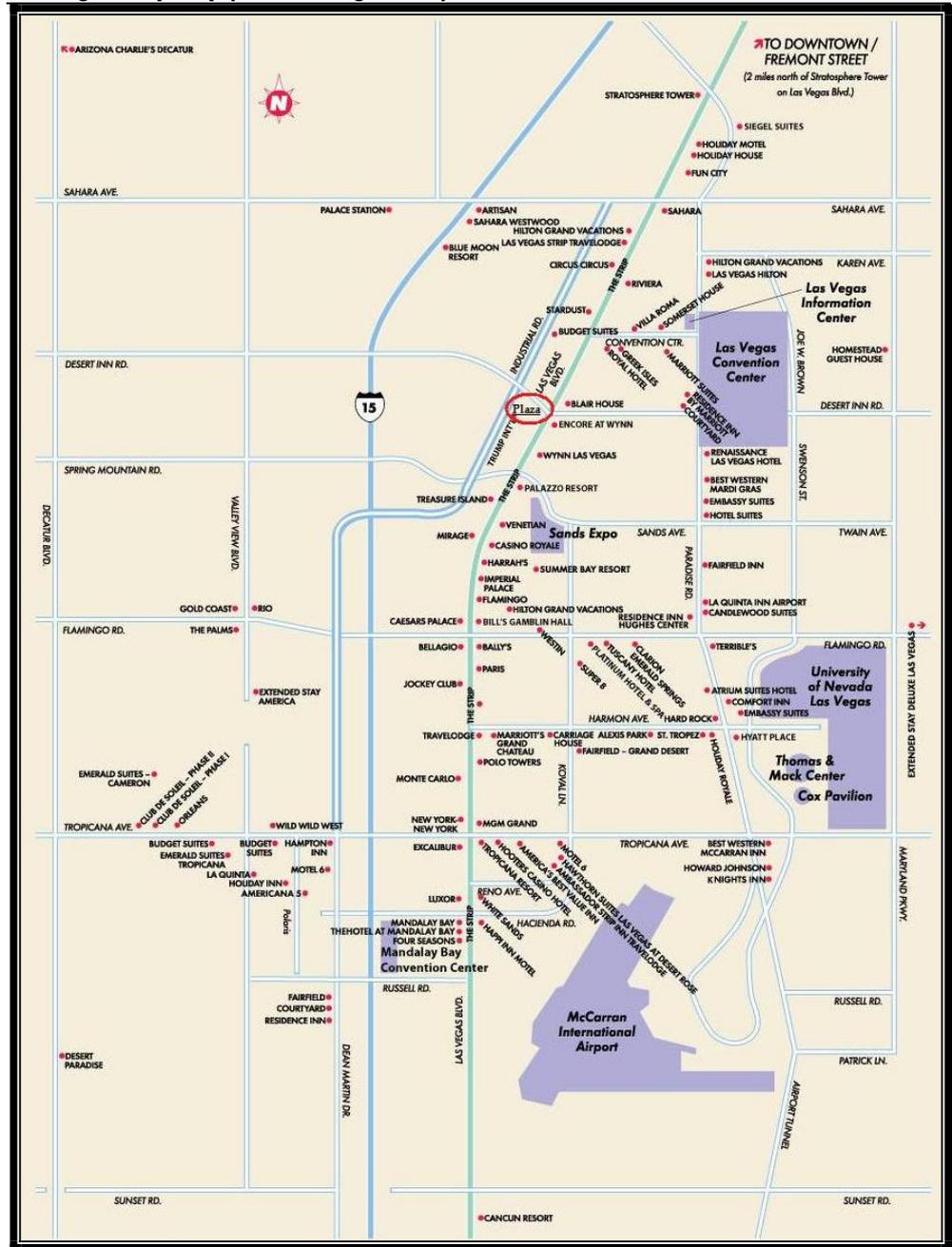
7. Hotel Supply and Demand Analysis

Lodging Supply and Demand

The major casino-hotels within the Las Vegas Strip market are identified on the following map.



Las Vegas Strip Map (Source: Vegas.Com)





Based on our evaluation of the market orientation, location, facilities, and amenities of area casino-hotels, we believe the subject property will compete with the other casino-hotels within the Las Vegas Strip \$72 Million and Over submarket. The following table presents information regarding 23 prominent casino-hotel properties located on the Las Vegas Strip that are representative of the \$72 Million and Over submarket.

Competitive Casino Hotels

Casino	Owner	Date Opened	Rooms
Bally's Las Vegas/Paris Las Vegas	Harrah's Entertainment	Jun-73/Sept-99	5,730
Bellagio	MGM-Mirage	Oct-98	3,933
Caesars Palace	Harrah's Entertainment	Jun-66	3,348
Circus Circus	MGM-Mirage	Jun-68	3,744
Excalibur	MGM-Mirage	Jun-90	4,008
Flamingo	Harrah's Entertainment	Jun-46	3,642
Harrah's Las Vegas	Harrah's Entertainment	Feb-72	2,725
Las Vegas Hilton	Colony Capital	Jun-69	3,437
Luxor	MGM-Mirage	Oct-93	4,204
Mandalay Bay Resort & Casino	MGM-Mirage	Mar-99	4,340
MGM Grand Hotel/Casino	MGM-Mirage	Dec-93	5,005
The Mirage	MGM-Mirage	Nov-89	3,044
Monte Carlo	MGM-Mirage	Jun-96	3,002
New York-New York	MGM-Mirage	Jan-97	2,033
Palace Station	Station Casinos	Jun-76	1,004
Palms Casino Resort	Maloof Family	Nov-01	469
Planet Hollywood (formerly Aladdin)	Starwood, Robert Earl, and Bay Harbour Management	Aug-00	2,567
Rio All-Suite Hotel & Casino	Harrah's Entertainment	Jan-90	2,569
Riviera Hotel & Casino	Riviera Holding Company	Jun-55	2,100
Treasure Island at the Mirage	MGM-Mirage	Oct-93	2,900
Tropicana Resort and Casino	Columbia Sussex	Jun-57	1,874
Venetian/Palazzo	Las Vegas Sands	May-99/Jan-08	7,074
Wynn Las Vegas	Wynn Resorts	Apr-05	2,716
Totals			75,468

Source: Nevada Gaming Control Board, Smith Travel Research, HVS Consulting & Valuation

Five proposed projects, in addition to the subject property, are expected to be added to the Las Vegas Strip \$72 Million and Over submarket's hotel supply in the near future and have been considered in our analysis. The Encore at Wynn Las Vegas project, scheduled to open in late 2008/early 2009, reportedly will consist of 2,030 guestrooms. The 665-room Octavius Tower at Caesars Palace is scheduled to open next summer. CityCenter, projected to



open in late 2009, will include a 4,000-room luxury hotel and casino and two 400-room, non-gaming boutique hotels. The Fontainebleau Resort is anticipated to open in 2010 and reportedly will offer 3,889 guestrooms. The Cosmopolitan condo-hotel will reportedly feature 3,000 guestrooms and is expected to open in 2010. Anticipated changes to the Las Vegas Strip \$72 Million and Over submarket's guestroom supply considered in our analysis are identified in the following table.

Anticipated Changes in Supply

Casino	Anticipated Opening Date	Guestrooms
Proposed Plaza Las Vegas	1/1/13	3,000
Encore	1/1/09	2,030
Caesars Palace	6/1/09	665
CityCenter	12/1/09	4,800
Fontainebleau Resort	1/1/10	3,889
Cosmopolitan	6/1/10	3,000
Total		17,384

Together, these developments are expected to increase overall guestroom supply within the Las Vegas Strip \$72 Million and Over submarket by 17,384 rooms, or by approximately 23%. Additionally, several other casino-hotel projects have been announced but are still considered to be speculative at this time due to lack of building permits, financing, and/or other factors. These projects include the Echelon, the MGM/Kerzner Project, and the redevelopment of the Sahara. Note that several other properties that are not located on the Las Vegas Strip, including the Hard Rock, the Aliante Station, and the M Resort, are scheduled to open in the next two years. These properties may have some impact on the demand for Las Vegas Strip properties; however, they are not considered to be directly competitive with the subject property's competitive set.

Demand Segmentation

Similar to our analysis of gaming demand, lodging demand within the Las Vegas market is generally classified into four major segments: transient, convention, casino, and wholesale.

The transient segment includes leisure visitors characterized by individuals and families drawn to the Las Vegas area for purposes of gaming, tourism, and recreation. This demand peaks on weekends, in the summer, and during holiday periods. Leisure segment guests tend to be more price-



sensitive, this demand is often attracted by promotional activities that feature a high price-value relationship.

The convention segment includes patrons attending conventions, meetings, and trade association shows. The average length of stay for a typical convention ranges from three to five days. Additionally, average rates paid by conventioners are typically higher than for other segments.

The casino segment generally consists of those patrons classified as "casino-invited guests." A casino-invited guest can range from a rated slot player to a "high roller." Casino-invited guests are targeted by marketing campaigns and usually "comped" (given complimentary rooms, food, and/or beverages), or partially "comped," in return for expected levels of casino play.

The wholesale segment includes demand in the subject market from Internet discount distribution channels as well as wholesalers that create a distribution system by packaging together transportation, accommodations, dining, and activities for one price to the consumer. As an intermediary agent between the end-consumer and the product provider, the wholesalers' profits are dependent on cost margins and volume.

Historical Demand

Historically, the Las Vegas lodging market attained occupancy levels well above the national average due to the need for casino operators to fill their rooms at a market-driven price point in order to generate patrons for their casinos. As presented in the following table, available inventory and occupied rooms increased at average annual compounded rates of 0.8% and 1.9%, respectively, between 2001 and 2007. As a result, total occupancy rose from the 85% to 90% range during this time. Note that hotel occupancy has historically been higher than motel occupancy and has been over 90% since 2004. Growth in demand has historically been a function of new supply, as evidenced by the increases in occupied rooms of 17.4% in 1993, 13.0% in 1996, and 12.8% in 1999. Over the same periods, supply increased by 12.5%, 10.0%, and 10.0%, respectively. Increases in demand have exceeded supply growth from 2002 to 2007. In the 2001 to 2007 period, average daily rate increased at average annual compounded rates of 9.6%.

The following table presents Las Vegas lodging market statistics from 1990 through 2007 and the year-to-date periods through August 2007 and 2008.



Analysis of Las Vegas Lodging Statistics

Year	Inventory	% Change	Total Rooms Occupied	% Change	Hotel Occupancy	Motel Occupancy	Total Occupancy	Overall ADR	% Change
1990	73,730	---	22,793,998	---	89.1 %	69.8 %	84.7 %	N/A	
1991	76,879	4.3 %	22,532,851	(1.1) %	85.2	62.6	80.3	N/A	
1992	76,523	(0.5)	23,434,021	4.0	88.8	66.1	83.9	N/A	
1993	86,053	12.5	27,514,586	17.4	92.6	69.7	87.6	N/A	
1994	88,560	2.9	28,768,716	4.6	92.6	73.2	89.0	N/A	
1995	90,046	1.7	28,922,775	0.5	91.4	72.4	88.0	N/A	
1996	99,072	10.0	32,689,797	13.0	93.4	75.7	90.4	N/A	
1997	105,347	6.3	33,222,230	1.6	90.3	68.8	86.4	N/A	
1998	109,365	3.8	34,249,837	3.1	90.3	67.3	85.8	N/A	
1999	120,294	10.0	38,638,433	12.8	92.1	68.6	88.0	N/A	
2000	124,270	3.3	40,414,468	4.6	92.5	71.9	89.1	N/A	
2001	126,610	1.9	39,142,115	(3.1)	88.9	63.8	84.7	\$76.39	---
2002	126,787	0.1	38,872,894	(0.7)	88.8	60.2	84.0	76.69	0.4 %
2003	130,482	2.9	40,482,041	4.1	89.6	60.5	85.0	82.48	7.5
2004	131,503	0.8	42,526,755	5.1	92.0	68.7	88.6	89.78	8.9
2005	133,186	1.3	43,362,698	2.0	91.8	72.0	89.2	103.12	14.9
2006	132,605	(0.4)	43,415,540	0.1	93.2	65.2	89.7	119.66	16.0
2007	132,947	0.3	43,867,192	1.0	94.0	64.5	90.4	132.09	10.4
Year-to-date through August:									
2007	133,291	---	29,586,997		95.1 %	64.6 %	91.3 %	\$134.37	---
2008	137,690	3.3 %	29,439,062	(0.5)	92.6	61.5	88.9	124.02	(7.7) %
Average Annual % Change 2001 - 2007									
		0.8 %		1.9 %					9.6 %

Source: Las Vegas Convention and Visitors Authority

The current downturn in the economy is reflected in the overall year-to-date performance of the Las Vegas lodging market. Year-to-date data through August 2008 indicate declines in occupied rooms as well as hotel and motel occupancy compared to the same time period in 2007. Additionally, average daily rate declined 7.7% in the year-to-date August 2008 period compared to 2007.

In order to provide further context for our forecast of occupancy and average rate for the proposed Plaza Las Vegas, the following table presents trends for the Las Vegas Strip \$72 Million and Over submarket. Note that the data for fiscal year ending June 30, 2008 has not yet been published.



Las Vegas Strip \$72 Million and Over – Lodging Statistics

Fiscal Year Ending June 30	Locations	Available Rooms	% Change	Occupied Rooms	% Change	Occupancy	Average Rate	% Change	RevPAR	% Change
1990	13	9,106,472	---	8,245,473	---	90.6 %	\$62.74	---	\$56.81	---
1991	14	11,537,344	26.7 %	10,266,387	24.5 %	89.0	58.83	(6.2) %	52.35	(7.9) %
1992	14	11,986,215	3.9	10,770,453	4.9	89.9	57.32	(2.6)	51.51	(1.6)
1993	15	12,250,763	2.2	11,362,698	5.5	92.8	61.63	7.5	57.16	11.0
1994	19	14,556,110	18.8	13,907,251	22.4	95.5	66.20	7.4	63.25	10.6
1995	19	16,239,142	11.6	15,273,473	9.8	94.1	74.61	12.7	70.17	10.9
1996	19	16,531,319	1.8	15,666,788	2.6	94.8	79.19	6.1	75.05	7.0
1997	21	18,460,435	11.7	17,296,786	10.4	93.7	81.21	2.6	76.09	1.4
1998	20	19,344,180	4.8	17,784,625	2.8	91.9	83.05	2.3	76.36	0.3
1999	20	19,905,351	2.9	18,426,082	3.6	92.6	90.32	8.8	83.61	9.5
2000	22	23,251,525	16.8	21,710,706	17.8	93.4	101.10	11.9	94.40	12.9
2001	22	23,289,776	0.2	21,825,423	0.5	93.7	111.68	10.5	104.66	10.9
2002	22	23,391,427	0.4	20,775,409	(4.8)	88.8	105.53	(5.5)	93.73	(10.4)
2003	23	23,635,384	1.0	21,784,237	4.9	92.2	107.69	2.0	99.26	5.9
2004	23	24,429,440	3.4	22,717,955	4.3	93.0	119.65	11.1	111.26	12.1
2005	24	24,734,440	1.2	23,137,967	1.8	93.6	132.75	10.9	124.19	11.6
2006	24	26,259,439	6.2	24,931,658	7.8	94.9	143.00	7.7	135.76	9.3
2007	23	25,622,936	(2.4)	24,504,276	(1.7)	95.6	153.64	7.4	146.93	8.2

Average Annual Compounded % Change, 1990-2007:

5.4 %

5.7 %

Source: Nevada Gaming Control Board

Overall, occupancy levels for the Las Vegas Strip \$72 Million and Over submarket have historically been strong, despite a moderate decline in 2002 to 88.8%. Average rates grew at an average annual compounded rate of 5.4% between 1990 and 2007, with large increases in 2004 (11.1%) and 2005 (10.9%). Revenue per available room (RevPAR) increased at an average annual rate of 5.7%, with the only decrease since 1992 occurring in 2002, when RevPAR decreased by 10.4%. Based on the year-to-date data presented in the prior table, it is evident that occupancy and average rate for this set of casino-hotels will experience a decline in 2008 due to economic conditions. However, since operators are motivated to sustain occupancy due to the need to generate demand for the casino and other ancillary facilities, we anticipate further declines in average rate as discounts are offered to guests to generate lodging demand.



8. Hotel Occupancy and Average Rate Forecast

Forecast of Occupancy and Average Rate

One of the most important considerations in estimating the value of a property with a hotel component is a supportable forecast of its occupancy and attainable average daily rate, which is more formally defined as the average rate per occupied room. Average rate can be calculated by dividing the total rooms revenue achieved during a specified period by the number of rooms sold during the same period.

Significant demand is generated by the casino segment for casino-hotels in the Las Vegas market. Accordingly, the occupancy and average rate levels attainable for casino-hotels are supported by complimentary and partially complimentary rooms, which serve to encourage gaming and other spending activity. Complimentary rooms offered as a casino incentive are included in the occupied room night totals (thus impacting occupancy levels) and average daily rate forecasts assume that the amount “comped” by casino operations will be viewed as revenue for hotel operations at market rates and as an expense for gaming operations in this analysis.

As the proposed Plaza Las Vegas is expected to compete with the high-end casino-resort properties on the Las Vegas Strip, the historical performance of properties in the \$72 Million and Over submarket—the Wynn Las Vegas, the Venetian, the Palazzo, and the Bellagio in particular—provide guidance and benchmarks in projecting the future performance of the subject property's hotel operations.

The projections herein are based on an evaluation and consideration of the factors specific to the current developers, including, but not limited to, Plaza branding, current management team, and entitlements granted by Clark County.

Historical Performance of Competitive Properties

As indicated in the “Hotel Supply and Demand” section of this report, occupancy levels for casino-hotels the Las Vegas Strip \$72 Million and Over submarket have been strong; over 90% annually since fiscal year ending June 30, 2003. The most recent occupancy and average daily rate statistics available



for the properties that are expected to be primarily competitive with the subject property, along with the Las Vegas Strip \$72 Million and Over submarket and the Las Vegas hotel market, are set forth in the following table.

Competitive Occupancy and Average Daily Rate

Property	Estimated 2006		Estimated 2007		Estimated YTD June 2007		Estimated YTD June 2008	
	Occupancy	Avg. Rate	Occupancy	Avg. Rate	Occupancy	Avg. Rate	Occupancy	Avg. Rate
Wynn Las Vegas	94.4 %	\$287	96.0 %	\$300	96.6 %	\$310	96.2 %	\$300
Venetian	98.7	239	98.4	258	99.8	271	--	--
Venetian/Palazzo	--	--	--	--	--	--	89.1	253
Bellagio	N/A	N/A	96.0	295	N/A	N/A	N/A	N/A
Las Vegas \$72 Million and Over (TTM ending June)	94.9	143	95.6	154	N/A	N/A	N/A	N/A
Las Vegas Market	93.2	120	94.0	132	95.0	139	92.9	130

Source: LVCVA, Innovation Group, Nevada Gaming Control Board, SEC

As indicated in the foregoing table, 2007 was generally a strong year for the competitive properties. While occupancy levels remained in the mid-90% range, average daily rates increased significantly. However, available data in the year-to-date period ending June 2008 compared to the same period in 2007 confirm that the market is softening, both in terms of occupancy and average rates. The overall average daily rate for the Las Vegas Sands properties has declined 6.6% with the opening of the 3,066-room Palazzo in January 2008 in order to absorb the added supply and fill its guestrooms and the Wynn Las Vegas' average rate is down 3.2% year-to-date.

Forecast of Occupancy and Average Daily Rate

Despite the significant amount of guestroom inventory that is expected to enter the \$72 Million and Over submarket, given the historical occupancy levels achieved by casino-hotels on the Las Vegas Strip, and the customary use of complementary and partially complimentary rooms to fill available hotel rooms, it is anticipated that the proposed Plaza Las Vegas will be able to achieve occupancy levels of 90% and above.

Although growth in room night demand has historically been a function of new supply, market-wide declines in average daily rate are expected in the next few years due to the downturn in the economy and the significant amount of new hotel inventory expected to open. Our forecast of average rates for the proposed Plaza Las Vegas begins with a selected average rate in base-year dollars, which is inflated in line with our expectation of market-



wide average rate growth. We have primarily focused on average rates from the Wynn Las Vegas, the Bellagio, the Venetian, and the Palazzo to determine a price point, in base-year dollars, for the subject property. The proposed subject property is expected to be positioned in line with these high-quality properties. Accordingly, the proposed Plaza Las Vegas is forecasted to achieve average rates above those of the older Bellagio and Venetian and more in line with that of the Wynn Macau at \$300.00 in base-year 2007 dollars.

The following tables sets forth the anticipated annual increase in competitive hotel supply and anticipated annual increase in weighted hotel, along with a forecast of annual market-wide average daily rate growth.

Anticipated Increases in Hotel Supply

Casino	Anticipated Opening Date	Guestrooms
Proposed Plaza Las Vegas	1/1/13	3,000
Encore	1/1/09	2,030
Caesars Palace	6/1/09	665
CityCenter	12/1/09	4,800
Fontainebleau Resort	1/1/10	3,889
Cosmopolitan	6/1/10	3,000
Echelon Place	1/1/12	5,000
Total		22,384

Anticipated Annual Increase in Weighted Competitive Hotel Supply and Forecasted Annual ADR Growth

Year	Anticipated Increase in Weighted Competitive Hotel Supply	Forecasted Annual Marketwide ADR Growth
2008	3,066	(3.0) %
2009	2,763	(3.0)
2010	10,122	(5.0)
2011	1,500	0.0
2012	5,000	0.0
2013	3,000	1.0
2014	0	3.0

Source: HVS Consulting and Valuation



As the foregoing table indicates, declines of market-wide annual average daily rate growth of 3.0% each in 2008 and 2009 and 5.0% in 2010 are forecasted in line with expected increases in guestroom inventory. As indicated, average daily rate growth is projected to be flat in 2011 and 2012 as the market absorbs the additional supply and to begin increasing in 2013. It is projected that market-wide average rate is expected to increase in line with inflation by 2014 and thereafter.

Average daily rate projections for the proposed Plaza Las Vegas beginning with base-year dollars and increasing in line with anticipated market-wide growth are set forth in the following table.

Forecasted Average Daily Rate – Plaza

Calendar Years (January 1 - December 31)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Projected Calendar ADR	\$300.00	\$291.00	\$282.27	\$268.16	\$268.16	\$268.16	\$270.84	\$278.96	\$287.33	\$295.95
Projected Market ADR Rate Growth		(3.0) %	(3.0) %	(5.0) %	0.0 %	0.0 %	1.0 %	3.0 %	3.0 %	3.0 %

The occupancy, average daily rate, and RevPAR projected for the proposed Plaza Las Vegas from 2013 to stabilization is set forth in the following table.

Projected Occupancy , Average Daily Rate, and RevPAR – Proposed Plaza Las Vegas

Year	Occupancy	Average Daily Rate	% Change	RevPAR	% Change
2013	90.0 %	\$270.84	--	\$243.75	--
2014	93.0	278.96	3.0 %	259.44	6.4 %
2015	95.0	287.33	3.0	272.97	5.2
2016	95.0	295.95	3.0	281.15	3.0

It should be noted that stabilized levels are intended to reflect the anticipated results of the property over its remaining economic life, given any and all changes in the life cycle of the hotel. Thus, the stabilized occupancy and average rate excludes from consideration any abnormal relationship between supply and demand, as well as any nonrecurring conditions that may result in unusually high or low occupancies. Although the subject property may operate at occupancies above the projected stabilized level, we believe it equally possible for new competition and temporary economic downturns to force the occupancy below this selected point of stability.



9. Retail Supply Analysis

Retail outlets have served as a traditional method of revenue generation for hotels for many decades. In Las Vegas, however, retail has increasingly become an important part of the overall revenue mix. Over the past decade, as Las Vegas' image was transforming from that of a gambling center to a more sanitized and family-friendly destination, non-gaming entertainment and retail options became the preferred method to pursue this goal. Starting with the Forum Shops at Caesar's Palace, several casino/hotels have built their own retail elements, all of which were decorated to maintain the host casino/hotel's overall theme image. These retail elements often feature some stratagem or other device to attract tourists. For example, the Forum Shops' Festival Fountain and the Atlantis Show feature animatronics that conduct performances hourly, while at the Grand Canal Shoppes, live singing gondoliers ferry patrons down a replica of the Grand Canal in replica gondolas. These attractions have helped make these malls into destinations themselves.

LAS VEGAS STRIP SHOPPING VENUES

The following table lists the largest of these "malls" located along Las Vegas Boulevard, more commonly known as the Las Vegas Strip.

Las Vegas Strip Shopping Malls (Estimated 2007)

	Owner	Approx. Revenue Per SF	Gross Leasable Area (SF)	Year Opened
Fashion Show	General Growth	\$1,000	1,888,151	1981
Grand Canal Shoppes	General Growth	1,100	407,077	1999
Forum Shops	Simon Property	1,400	646,000	1996
Palazzo Shoppes*	General Growth	1,300	300,000	2008
Miracle Mile	Boulevard Investment	700	475,000	2001
Wynn Las Vegas	Wynn Las Vegas	2,144	74,700	2004

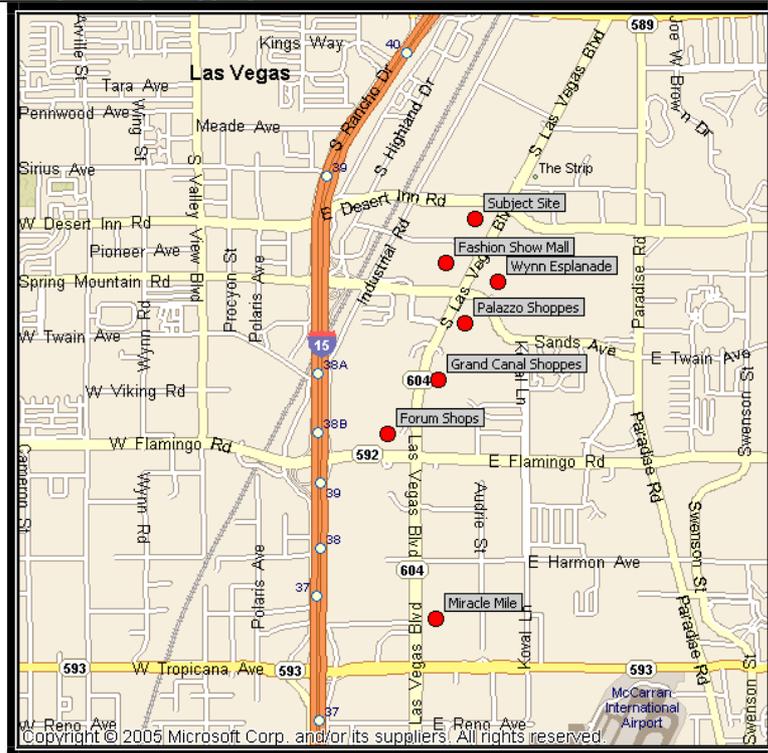
*Estimated stabilized projection

Source: SEC, published reports, HVS Consulting & Valuation



The map below shows the positions proximate to the subject property.

Map of Las Vegas Strip Shopping Malls



It should be noted that the retail elements are, for the most part, owned and operated by either a joint venture partner or an outside third party. Of the primary malls located along Las Vegas Boulevard, three out of the six are owned and operated by General Growth Properties, while one is owned by Simon Property Group, one is owned by Boulevard Investments, and the last is owned by the hotel operator partnership. In speaking with developers and property owners, it was noted that the cost to construct large retail elements can be substantial. Therefore, common practice is for casino/hotel developers to seek out joint-venture partners whose responsibility it is to construct and manage the retail. The retail operator then pays a percentage of gross retail revenue to the casino/operator. This percentage ranges from 10 to 15%.

Descriptions of the primary retail outlets on the Las Vegas Strip are set forth on the following pages.



The Fashion Show

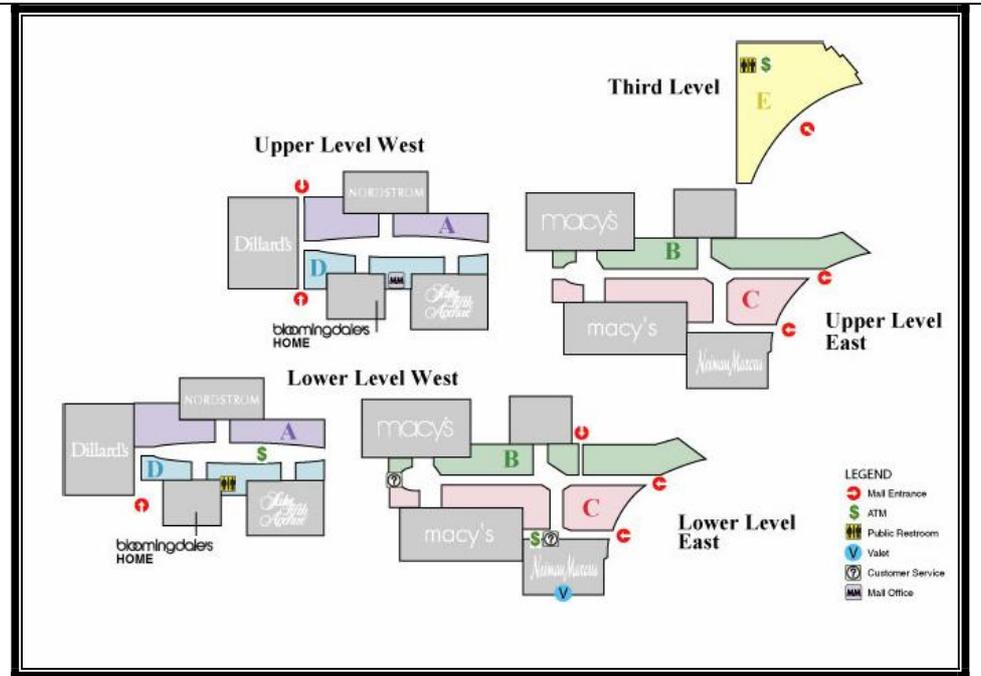
The Fashion Show shopping mall opened in 1981 with five anchors and approximately 600,000 square feet of retail space. The mall was completely renovated in 2003. The renovation included a 500,000-square-foot expansion and the construction of a new main entrance on Las Vegas Boulevard, known as The Cloud. The mall was purchased in 2004 when General Growth Properties acquired the Rouse Company.

The mall currently features six anchor tenants: Bloomingdale's Home, Dillard's, Macy's (occupying two anchor positions), Neiman Marcus, Nordstrom, and Saks Fifth Avenue; the mall contains a total retail area of approximately 1.88 million square feet (inclusive of the anchors). Macy's occupies two anchor positions due to the merger with Federated Department Stores and May Department Stores; thus, the old Robinsons-May store was re-branded Macy's, giving the mall two Macy's stores. By the fall of 2009, the two Macy's stores are to be divided into a Macy's Men's Store and a Macy's Women's/Children/Home. There is one unoccupied anchor position that was intended for Lord & Taylor. However, plans for the store were cancelled in 2003, and no new anchor tenant has been found to fill the position.

The Fashion Show Mall conducts regular fashion shows throughout the year by using a retractable runway and also provides an exterior attraction known as The Cloud. The Cloud is an exterior pavilion that fronts Las Vegas Boulevard and has a variety of large video monitors that display commercials and product placement advertising during the day. At night, different movies are screened or other events held.



Fashion Show Mall Floor Plan



Primary in-line tenants other than the main anchors include a variety of national men’s and women’s clothing retailers, including Abercrombie & Fitch, Banana Republic, Diesel, Fossil, Gap, Hollister, Louis Vuitton, Mark Ecko, PacSun. Additional specialty stores include jewelers such as Bailey Banks & Biddle, Kay Jewelers, and Thomas Sabo, as well as accessory and specialty stores such as The Body Shop, GNC, L’Occitane en Provence, Nine West, Sketchers, and Sunglass Hut. This mall appeals to both the middle- and upper-middle classes. The mix of shops and stores, as well as the large number of anchors, appeals to not only tourists and visitors, but to local residents as well.

Our research indicates that the Fashion Show Mall generated approximately \$1,000 per square foot in revenue in 2007.



Major tenants at the Grand Canal Shoppes include Ann Taylor, Banana Republic, bebe, Brookstone, Burberry, Godiva, Kenneth Cole, Jimmy Choo, and Rockport. The mall also has several large restaurants and service tenants including Postrio, Canyon Ranch Spa, and the Tao restaurant and nightclub. Located within the retail areas are the Blue Man Group theatre and Madame Tussaud's wax museum.

Our research has determined that the Grand Canal Shoppes generated approximately \$1,100 per square foot in revenue in 2007. This ranks as the second-highest-grossing regional mall in the country.



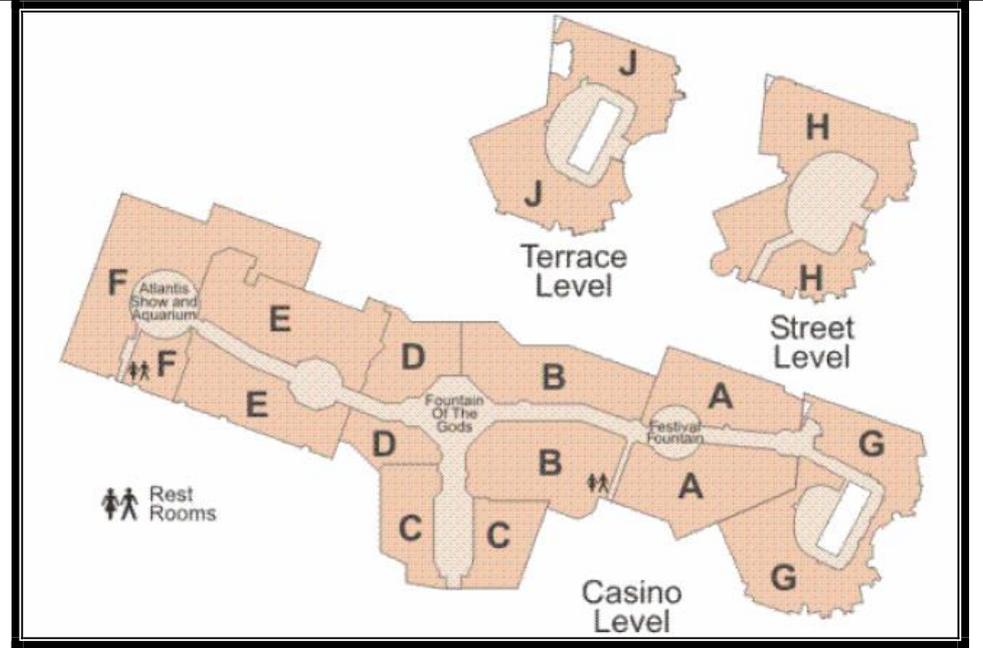
The Forum Shops

The Forum Shops at Caesar's Palace was the first regional mall built by a resort/casino and rapidly became a trend setter, emerging as one of the top destinations for visitors shortly after opening in 1996. After two expansion phases, which brought the total size to approximately 646,000 square feet, the Forum Shops grew further in popularity. It currently ranks as the highest-grossing regional center in the country on an income-per-square-foot basis, according to the International Council of Shopping Centers (ICSC). The success of the Forum Shops prompted other resort/casinos to build their own shopping centers, such as the Venetian's Grand Canal Shoppes.

Currently, the Forum Shops are arranged in a linear fashion, extending from Las Vegas Boulevard to Frank Sinatra Drive. Customers can enter via the casino itself or from a grand entrance fronting Las Vegas Boulevard. The grand entrance opens to a three-story-high atrium. Visitors take a unique curving escalator up to the top floor, which channels foot traffic into the main mall. From there, the mall's central corridor winds through the property, intersecting with side corridors. The Forum Shops have several additional attractions inside, including the Atlantis Show and the Festival Fountain. These animatronic exhibits provide short shows once an hour and serve as an additional enticement for visitors to tour the mall.



Forum Shops at Caesar’s Floor Plan



Major tenants at the Forum Shops include A|X Armani Exchange, Banana Republic, Brooks Brothers, Burberry, Bvlgari, Cartier, Christian Dior, Dolce & Gabbana, FAO Schwarz, Gianni Versace, Jimmy Choo, Louis Vuitton, Marc Jacobs, and Tiffany & Company. Additional tenants include several restaurants, such as Spago and The Palm, as well as a variety of upscale specialty retailers.

Our research has determined that the Forum Shops generated approximately \$1,400 per square foot in revenue in 2007. This ranks as the highest-grossing regional mall in the country, on a revenue-per-square-foot basis.



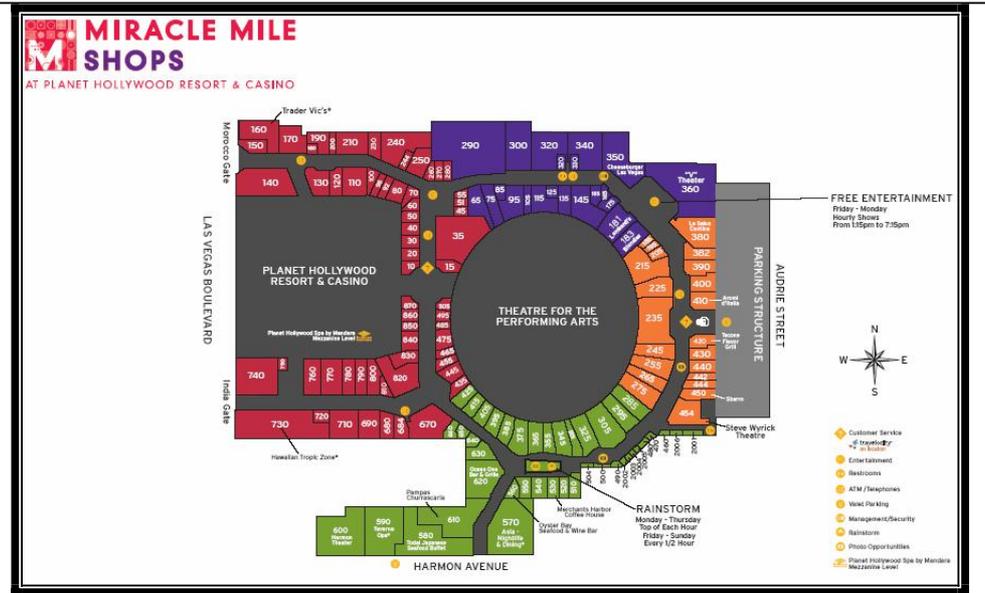
that when the mall opened, construction was not complete, nor was it fully leased out. This center is still in the stabilization period and we expect revenue on a per-square-foot basis to increase and eventually reach parity or even exceed that of the Grand Canal Shoppes.



The Miracle Mile

The Miracle Mile is located within the Planet Hollywood resort/casino. The Miracle Mile was renovated from the Desert Passage when Planet Hollywood was known as The Aladdin. This regional mall, at 475,000 square feet, was intended to offer high-end retail similar to the Forum Shops; however, it never attained that goal. After bankruptcy, the resort was sold in 2004 to an investment group. The Desert Passage was renovated in 2006 into the Miracle Mile. The Middle Eastern theme was replaced with a modern-looking interior and, as of April 2007, the property has been referred to as Planet Hollywood.

Miracle Mile Floor Plan



The Miracle Mile Shops feature a variety of retailers. Major tenants include Ann Taylor Loft, bebe, Fossil, Gap, H&M, Urban Outfitters, and Victoria's Secret. Other tenants include those retailing men's and women's fashions, jewelry, fine art, footwear, and specialty items. In addition, several restaurants and nightlife options are located throughout the center. In the center of the Miracle Mile is the 7,000-seat Theatre for the Performing Arts, which hosts a variety of live performances.

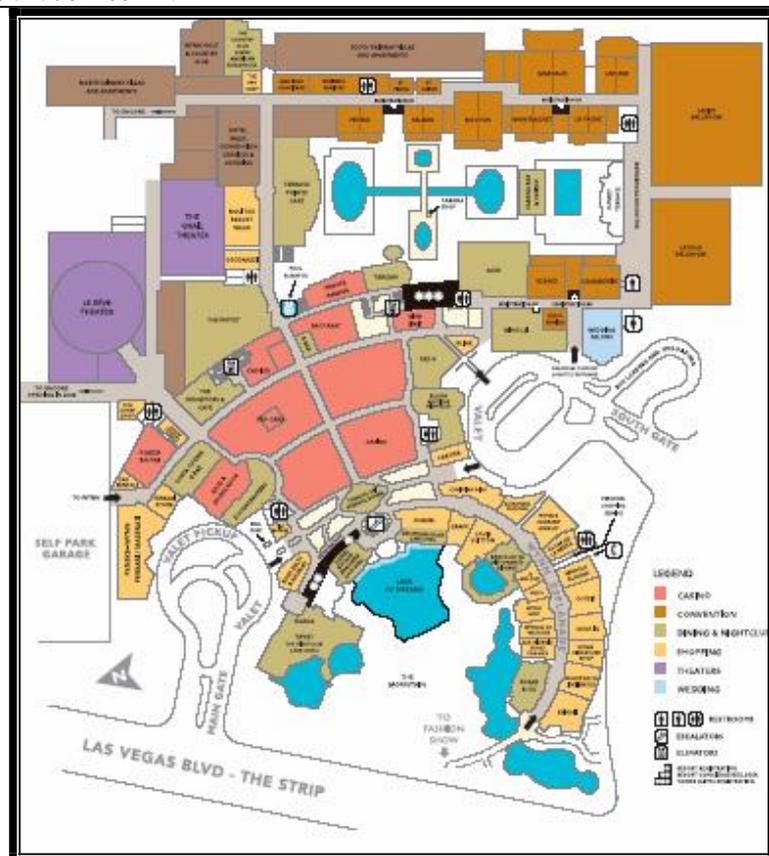
Our research has determined that the Miracle Mile generated approximately \$700 per square foot in revenue in 2007.



Wynn Esplanade

The Wynn Esplanade is the expanded hotel retail element for the Wynn Las Vegas, which features such luxury retailers as Brioni, Cartier, Chanel, Oscar de la Renta, Louis Vuitton, and Manolo Blahnik. The Wynn Esplanade opened in 2004 and became an immediate success. It has the highest number of luxury retailers in Las Vegas, including a Ferrari/Maserati dealership.

Wynn Esplanade Floor Plan



The Wynn Esplanade, at 74,700 square feet, is much smaller than the regional malls associated with the Venetian or Caesar's Palace. It is more akin to the Via Bellagio than the Forum Shops. However, the Esplanade, like the Wynn itself, attracts the upper-class demographic. The Podium of the proposed Plaza Las Vegas is aiming to compete with the Wynn for the same customer base and possibly outperform it. In late 2008, the Encore, the Wynn's expansion resort, is set to open with its own Esplanade.



Our research indicates that the Wynn Esplanade generated approximately \$2,100 per square foot in revenue in 2007.



SUMMARY

Retail on the Las Vegas Strip has become an increasingly important source of resort income. Over time, the retail offerings have evolved into attractions themselves, similar to the resort/casinos. Travelers and visitors to Las Vegas now make visiting the various retail elements of the resorts part of the experience. The importance of retail should not be discounted, as it has become almost essential for large resorts to offer varied retail options. To go without would remove one of the resort's income streams, as well as that added draw for tourists. It stands to reason that Caesar's Palace or The Venetian would not be as successful as they are today without the Forum Shops or the Grand Canal Shoppes, respectively.



10. Retail Demand, Sales Projections, and Achievable Rents

The Las Vegas retail market has two sources of business: domestic consumption and tourist consumption. Domestic retail refers to the retail outlets that residents of Las Vegas or Clark County would patronize on a regular basis, such as grocery and drug store operators Vons, Safeway, or CVS; “big box” retailers like Wal-Mart, Target, or Best Buy; and virtually any other store that is located in the many shopping centers located in and around Las Vegas.

Tourist retail, however, refers to retail outlets located on or near the Las Vegas Strip, either located within hotel/resort complexes or, such as the Fashion Show Mall, as stand-alone super-regional centers not affiliated with a casino. This type of retail is also known as “destination retail.” Patrons of this type of retail are mainly tourists, conventioners, or other visitors to the city. Local residents of Las Vegas tend not to patronize these types of shopping centers on a regular basis, mainly due to the specialty nature of the brands and merchandise being offered. Tourist retail in Las Vegas can be manifested either within self-contained and enclosed malls, like that of the Forum Shops at Caesar’s Palace or the Grand Canal Shoppes at The Venetian, or it can be contained entirely within the hotel/resort itself, such as the Starlane Walk and Studio Walk at the MGM Grand.

Tourist retail is primarily confined to the Strip. Retail options are varied but mainly serve as an extension of the resort/casinos. When organized into regional centers, like the Forum Shops, retail becomes an attraction to the resort/casino and draws in additional visitors.

LAS VEGAS STRIP RETAIL HUBS

The subject property is located toward the northern end of the Las Vegas Strip. As noted, the Las Vegas Strip is the heart of Las Vegas. Most of the casino/resorts are located on the Las Vegas Strip and, due to the volume of visitors, the Strip is a prime destination for retailers. This has led many of the resorts to expand their retailing from simple gift shops to larger shopping centers. Retailing has become an extension of the resort/casino in general,



offering items and merchandise that appeal to the same target demographic to which the resort/casino already appeals. The Las Vegas Strip is also roughly organized along demographic lines. While this was not intended, it has evolved as such. Currently, there appear to be hubs of activity along the Las Vegas Strip that tend to reflect the demographic of the surrounding resort/casino patrons.

The three hubs of activity are the intersection of the Las Vegas Strip at Tropicana Avenue, the intersection of the Las Vegas Strip at Flamingo Road, and the intersection of the Las Vegas Strip at Desert Inn Road. Each of these hubs is associated with the demographic that roughly corresponds with the patrons of the surrounding resort/casinos. The resort/casinos located on Las Vegas Strip at Tropicana Avenue include New York New York, MGM Grand, Excalibur, and Tropicana. Nearby are Luxor, Mandalay Bay, Hooters, and Monte Carlo. These resort/casinos appeal to a solidly middle-class patronage (though Mandalay Bay also includes The Hotel – a Four Seasons property). Retail options are limited mainly to standard hotel retail options such as gift shops, food outlets, sundry shops, and/or other minor specialty retailers, as well as an attraction or ride like The Roller Coaster at New York New York.

The resort/casinos located on Las Vegas Strip at Flamingo Road appeal to an upper-middle to upper-class demographic. These resort/casinos are Bellagio, Caesar's Palace, Bally's, and Bill's Gamblin' Hall. Nearby resort/casinos are Paris, Planet Hollywood, Flamingo, and the Mirage. These hotels offer many features and amenities that appeal to seasoned travelers and those with an international background. Retail in this area includes two of the main shopping malls designed to appeal to tourists and visitors. As noted earlier, Caesar's Palace offers The Forum Shops, while Planet Hollywood offers The Miracle Mile. These malls are technically regional centers given their size. While they do not have anchor stores in the traditional sense to attract customers, their sheer size alone is enough to bring in customers. Additionally, the very congested Las Vegas Strip prompts many visitors to forego renting cars and instead walk; as such, the three regional centers benefit from the high levels of foot traffic.

Interspersed among these casinos are some pre-existing casinos that do not necessarily complement those already mentioned. These casinos include Harrah's Las Vegas, Imperial Palace, and Casino Royale, which appeal to a younger and budget-conscious traveler. However, given the surrounding properties, they have been the subject of several renovation or redevelopment plans over the years.



The last of the three hubs on the Las Vegas Strip is situated at Desert Inn Road. While this is not technically an intersection, as Desert Inn Road passes under Las Vegas Strip via an underpass and there are no ramps for motorists to travel between the two arteries, the intersection will have pedestrian bridges over the two roads so foot traffic can cross. This hub has not yet reached its full potential, due mainly to the current economy slowing construction efforts. However, once fully built, this hub will reflect the demographics of the surrounding resort/casinos. These resort/casinos include the Palazzo and Venetian, offering The Grand Canal Shoppes; the Wynn and Encore; the Echelon development; the Trump International; and the subject property. Further north, this hub is bordered by nearby resort/casinos including the existing hotels of the Riviera, Circus Circus, the Las Vegas Hilton, and the Fontainebleau (under construction), as well as several other proposed projects. This area currently appeals to an upper-class demographic. With the completion of the subject property and the Echelon, the upper-class nature of the hub will be underscored. Retail in this area includes the upscale and luxury shops located in the Palazzo, Venetian, Wynn, and Encore resorts. It also includes the Fashion Show Mall, which is a six-anchor super regional center. The retail offered at this mall includes high-end retailers Neiman Marcus, Nordstrom, Saks Fifth Avenue, and Bloomingdale's Home. Additional anchor tenants include Macy's and Dillard's. The in-line stores inside the mall include a variety of specialty and national retailers. Again, due to the high foot traffic along the Las Vegas Strip, this mall has an outdoor attraction, called The Cloud, which has several big-screen video monitors advertising shows, products, and special events.

SALES PROJECTIONS AND ACHIEVABLE RENTS

The subject property's retail component is expected to complement the retail options currently in place. It is anticipated that the subject property will target the upper-class demographic, both domestic and international. While 88% of the visitors to Las Vegas are domestic in origin, the number of foreign visitors to Las Vegas has remained steady at 12-13%, according to the Las Vegas Convention and Visitors Authority. Visitors from foreign countries include many newly wealthy Chinese, as well as Canadian, Mexican, British, and German tourists. Domestic visitors primarily come from Western states, such as California, Arizona, and Colorado.

In order to determine market-based gross revenue on a per-square-foot basis, we have examined the gross revenue from several comparable retail elements in Las Vegas. We researched annual and quarterly reports filed with the Securities and Exchange Commission, as well as published reports from the Urban Land Institute, among other sources.



The gross revenue of the comparables on a per-square-foot basis is summarized in the following table.

Comparable Gross Revenue Per Square Foot

	Approx. Revenue Per SF
Fashion Show	\$1,000
Grand Canal Shoppes	1,100
Forum Shops	1,400
Palazzo Shoppes*	1,300
Miracle Mile	700
Wynn Las Vegas	<u>2,144</u>
Average	\$1,274

*Estimated stabilized projection

Source: SEC, published reports,
HVS Consulting & Valuation

The average of the revenue per square foot is approximately \$1,100. However, this does not take into account the Palazzo Shoppes not having achieved stability. The Palazzo Shoppes are expected to equal or surpass the Grand Canal Shoppes, which would then raise the revenue average to approximately \$1,275 per square foot. However, the Forum Shops is considered to be the most similar property to the subject property's proposed retail component in terms of size, appeal, and luxury retailers. As the subject property's retail component is expected to surpass the Forum Shops, the market revenue rate for luxury regional malls should be above \$1,400 per square foot. Accordingly, the market-oriented sales revenue should be approximately \$1,500 per square foot.

Many of the owners of retail elements in Las Vegas resort/casinos pay out a percentage of their total gross sales to the resort/casino operator in lieu of rent. Typically this ranges from 10 to 15%. In order to determine if this range is market based, the *Dollars & Cents of Shopping Centers 2008/SCORE Report* published by the Urban Land Institute has been reviewed. The following table outlines a sample of Western U.S. regional centers and typical percentage payments based on a mix of tenants.



Comparison of Sales Volume and Rent of Selected Tenants in U.S. and Western Regional Shopping Centers

	Sales Per SF of GLA		Total Rent Per SF of GLA		Ratio of Total Rent to Sales	
	U.S. Med.	Western Med.	U.S. Med.	Western Med.	U.S. Med.	Western Med.
Women's Specialty	\$449.96	\$390.32	\$31.42	\$42.45	6.98%	10.88%
Women's Ready to wear	314.9	330.26	28.12	30.00	8.93%	9.08%
Mixed Apparel	371.52	363.21	30.00	30.33	8.07%	8.35%
Cosmetics	510.17	536.90	52.00	66.21	10.19%	12.33%
Jewelry	902.40	672.20	71.22	55.00	7.89%	8.18%
Average	\$509.79	\$458.58	\$42.55	\$44.80	8.41%	9.76%

Source: ULI Dollars & Cents of Shopping Centers - The Score 2008

The preceding samples indicate percentage payments per square foot ranging from approximately 7% to 12%. Based on this data, we conclude to a 10% figure. This suggests an average rent of \$150 per square foot in current dollars. We recognize that many tenants will be above this average based on the type of product or services.

Lending support to this conclusion is the *Dollars & Cents of Shopping Centers 2008/SCORE Report* published by the Urban Land Institute (ULI). We examined overall sales on a per-square-foot basis for the top 2% of all shopping centers located in the Western United States. This information is presented in the following table.



Sales Volume and Rent of Selected Tenants in US Regional Shopping Center

	Sales Per SF of GLA		Total Rent Per SF of GLA		Ratio of Total Rent to Sales	
	Top Ten Percent	Top Two Percent	Top Ten Percent	Top Two Percent	Top Ten Percent	Top Two Percent
Women's Specialty	\$449.96	\$390.32	\$31.42	\$42.45	6.98%	10.88%
Clothing & Accessories	666.07	992.87	59.30	94.63	8.90%	9.53%
Food Service	1,150.29	1861.1	130.00	258.85	11.30%	13.91%
Shoes	645.37	774.08	59.25	72.31	9.18%	9.34%
Jewelry	1,785.95	2557.8	171.81	309.00	9.62%	12.08%
Gifts/Specialty	549.58	897.84	46.62	98.09	8.48%	10.93%
Personal Services	649.49	894.96	49.26	78.04	7.58%	8.72%
Sunglasses	2,560.32	2,964.77	373.73	399.76	14.60%	13.48%
Cosmetics/Beauty Supplies	1235.90	1,499.88	87.98	96.05	7.12%	6.40%
Telephone Store	1403.30	2,027.61	307.99	677.90	21.95%	33.43%
Average	\$1,109.62	\$1,486.12	\$131.74	\$212.71	10.57%	12.87%

Source: ULI Dollars & Cents of Shopping Centers - The Score 2008

The Urban Land Institute sample survey indicates that overall rents (total occupancy costs) in the top 10% of shopping centers range from approximately \$31 to \$374 per square foot, with an average of \$132 per square foot. This suggests that rent for many stores, such as a jeweler, could be twice the average projected, while others, such as personal services, could be half as much. Given the level of retail envisioned by the developers, which is designed to eclipse the Forum Shops and rival the Wynn Esplanade, the \$150-per-square-foot rent projected is appropriate. This amount is based on an evaluation and consideration of the factors specific to the current developers, including, but not limited to, Plaza branding, current management team, and entitlements granted by Clark County, and will be utilized in preparing a discounted cash flow analysis in the "Income Capitalization Approach - Retail" section of this report.



11. Condominium Supply and Demand Analysis

LAS VEGAS HIGH-RISE CONDOMINIUM MARKET

Las Vegas is one of the top tourist destinations in the world. The glamour, glitz, excitement, and sheer fantasy world that exist in Las Vegas draw millions to the city annually. Las Vegas has also become a cosmopolitan city, with many cultural attractions geared toward city residents rather than tourists. Over the past several years, Las Vegas has shed much of the negative images associated with its past and replaced them with a more family-friendly image that appeals to conventions and corporate meetings.

Boasting a location proximate to the large western metropolises of Los Angeles, Phoenix, and San Diego, Las Vegas hosts many repeat visitors, many of which have purchased second homes in and around the city. Las Vegas undeniably falls into the “weekend getaway” destination niche, similar to beach, lake, or mountain locales. The allure of the Las Vegas nightlife and the synergy of so many casinos with myriad entertainment options appeal to more than just the population of the Southwest United States. National and international television and radio advertisements market Las Vegas as a fun and exciting place to visit. Many Las Vegas casino operators have similar resorts in Macau and other international gaming destinations, prompting many foreigners to come to the “real” city and experience Las Vegas for themselves.

Las Vegas has been one of the fastest-growing cities in the United States for many years. According to the Las Vegas Convention and Visitors Authority, approximately 5,000 people per month moved to the Las Vegas Valley in recent years. While this trend has been consistent, coinciding with this was the national residential real estate boom of the early to mid-2000s. Developers who were involved with condominium construction elsewhere began to build condominium towers in Las Vegas.

A condominium has added appeal over a single-family home to a regular or weekend visitor. The smaller size and less upkeep are just two factors that appeal to those seeking second homes. An added benefit is the ability to rent it out when not in use. Some condominium units are also purchased to hold strictly as investments. In this most recent boom period, many “investors”



were speculating that they would be able to re-sell or “flip” their units in a very short period. Many of buyers purchased their units prior to completion of the buildings and expected to be able to sell once the condominium development was finished. As discussed later in this section, the downturn of the real estate market nationwide has acutely affected the local residential market.

Condominiums eventually became popular with resort/casino operators themselves, as many were incorporated into resort expansion plans. For example, MGM-Mirage constructed the condominium-hotel Signature Towers at MGM Grand, which are located behind the resort, while Las Vegas Sands is adding a condominium tower to The Palazzo. These add additional value to the resort complex by allowing regular visitors the opportunity to buy into one of their favorite hotels.

Condominium developments have now become an essential part of mixed-use projects. The largest mixed-use development currently under construction in Las Vegas is the MGM-Mirage/Dubai World “CityCenter” project. This project, located toward the southern end of Las Vegas Boulevard, is designed to be a “city within a city,” comprising five hotel-condominium towers, a resort/casino, and a 500,000-square-foot regional mall that the developers plan to be on par with the shops and boutiques found along Hollywood’s famed Rodeo Drive. Keeping with the residential nature will be the first grocery store to be located on the Las Vegas Strip, estimated to be a Whole Foods or other similar high-end food retailer.

According to Equity Title of Nevada, as of September 2008, 4,618 condominium units were listed for sale in the Las Vegas area. In the month of September 352 units sold, while 947 units had their contract fall through. The average time on the market was 118 days, and there is an estimated 12-month supply of condominium units currently on the market. In terms of price, the average for units in the Southeast Las Vegas submarket (which includes a broad area surrounding the subject property) is approximately \$350,000. According to research firm LandAmerica, however, the average price of condominium units in the 89109 ZIP code, which includes the subject property area and the comparable properties, was \$812,668 in September 2008. In that month, 41 condominium units sold with an average price per square foot of \$865.47. When compared to one year ago, the average price increased by 34%. This ZIP code was the only area in all of Las Vegas to post positive price growth—every other ZIP code area experienced double-digit declines in price. Thus, it appears that the Las Vegas Strip, particularly the core area around the subject property, is not experiencing the turmoil



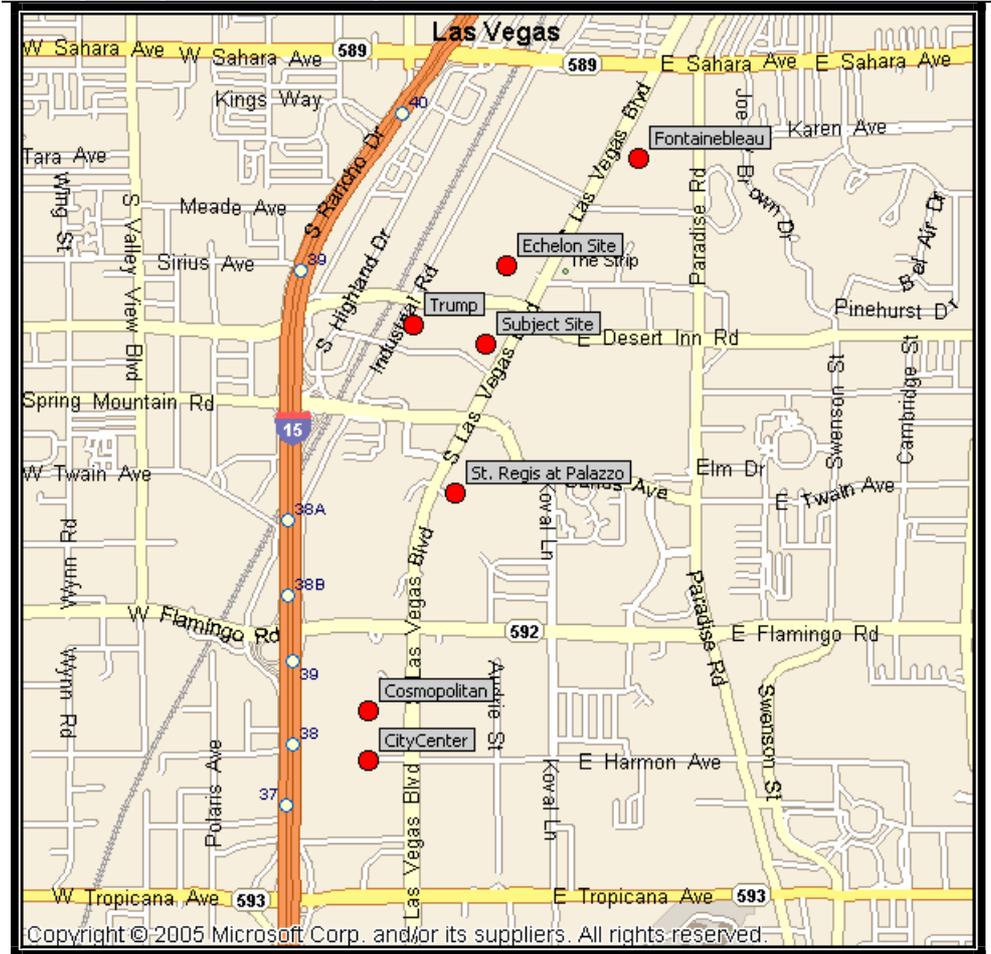
affecting the rest of the city. Local brokers report that while the credit crisis is clearly affecting domestic buyers, international buyers do not appear to be as negatively affected yet. In particular, Chinese and Canadian buyers, motivated by favorable exchange rates and the large numbers of foreclosures, have been active in the Las Vegas condominium market. We also note that a good portion of the increase year over year can be attributed to the timing of the delivery of several of the new, high-end buildings.

In terms of overall supply, according to the Clark County Planning Office 59,608 condominium units have been approved for construction. As of September 2008, approximately 8,000 units were under construction. Due to the credit crisis, closing time on unit purchases has grown from a month or two to six months or longer today. Lenders have tightened their standards and changed the qualification requirements, thus dramatically slowing sales. Additionally, some buyers with ratified contracts cannot close on their units because of the change in market conditions and lending standards. Several buildings, including the Trump International, have pre-sold most, if not all, of their units but have not been able to close on the transactions. Local brokers expect this trend to continue through 2008 and into 2009.

The following map and table outline the similar mixed-use developments potential investors or future residents would consider in addition to the subject property.



Las Vegas Strip Mixed-Use Development Sites



Las Vegas Strip Mixed-Used Development Projects

	CityCenter	Trump	Cosmopolitan	Fontainebleau	Palazzo	Echelon	Subject Property
Status	Under Construction	Existing	Under Construction	Under Construction	Under Construction	Proposed	<i>Proposed</i>
Service Level	Luxury	Luxury	Luxury	Luxury	Luxury	Luxury	<i>Luxury</i>
# Buildings	6	1	2	1	1	3	6
# Condo Units	2,651	1,282	2,100	1,018	398	1,600	2,600
% Condo Units Sold / Closed	50%	94% / 21%	82%	25%	0%	0%	0%
Developer	MGM-Mirage	Trump	Deutsche Bank AG	Turnberry Ltd.	Las Vegas Sands	Boyd Gaming	<i>ELAD</i>
Est. Average \$/PSF	\$1,285	\$1,650	\$1,300	\$1,000	\$1,300	N/A	\$2,173



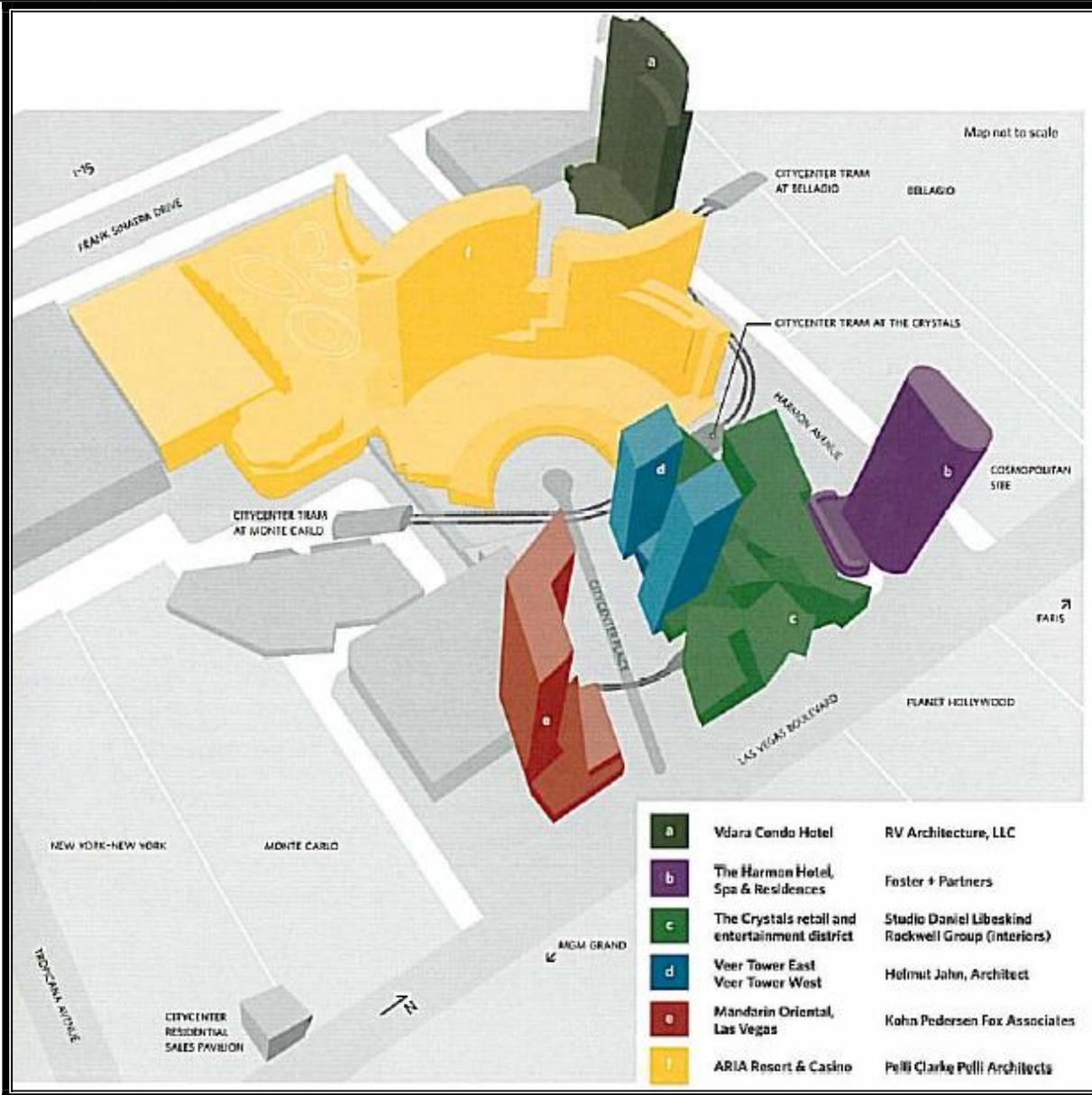
These projects, all located along or adjacent to the Las Vegas Strip, are detailed individually on the following pages.



CityCenter

CityCenter, scheduled to be the first large mixed-use development to open on the Las Vegas Strip, is located approximately south of the subject property, between the Bellagio and Monte Carlo resorts.

CityCenter Layout Map





CityCenter (Under Construction)



Slated to open in November 2009, CityCenter will encompass six structures interconnected with a luxury 500,000-square-foot retail shopping experience. Billed as a “city within a city,” CityCenter will comprise one resort/casino, two residential condominium towers, and three hybrid hotel-condominium towers. The two residential towers will be named the Veer Towers, consisting of 327 units each; these two towers are being constructed five degrees off center, thus appearing to lean. The Harmon Hotel, Spa & Residences, the Mandarin Oriental Condominium Hotel, and the Vdara Condominium Casino Hotel will constitute the three hybrid towers, offering 207, 227, and 1,543 units, respectively. The 500,000-square-foot regional mall, to be called The Crystal Mall, will feature luxury retail shops and boutiques akin to those found along Beverly Hills’ Rodeo Drive, catering to both tourists and residents alike. One of the anchor stores is expected to be an upscale grocery retailer, such as a Whole Foods or Trader Joe’s.

CityCenter - The Residences at Mandarin Oriental

The Residences at Mandarin Oriental is the only branded hotel-condominium currently selling in Las Vegas with a premier name. Released for sale in 2007, the project is part of a 16.8-million-square-foot, mixed-use urban CityCenter development located on The Strip in Las Vegas. When



completed, The Residences at Mandarin Oriental will feature 227 condominium residences situated on the upper floors of the 400-room hotel tower, with a private owner's lobby and clubroom.

Rendering of The Residences at Mandarin Oriental



One-, two-, and three-bedroom units are available with floor plans ranging from approximately 1,072 to 3,910 square feet. Prices per square foot (or value ratios, as shown in the preceding table) broadly range from \$1,297 to \$2,630 per square foot, with a weighted average price of \$1,889 per square foot. Completion of the project is estimated for 2009.

According to a survey conducted by residential market research firm The Concord Group, of Newport Beach, California, 45% of The Residences at Mandarin Oriental have sold as of July 2008 at a sales rate of 12.4 units per



month. However, due to troubled real estate conditions in the U.S., new contracts have slowed and some loss of contracts has occurred at an estimated rate of 1.2 contracts per month over the last six months.

City Center - The Harmon Hotel, Spa, & Residences

The Harmon Hotel, Spa, & Residences is under construction as part of the CityCenter project. The tower's elliptical layout and design are set to have a highly reflective exterior. The hotel's pool deck will be perched 100 feet above the Las Vegas Strip. The tower will house 400 hotel rooms and approximately 207 strictly condominium residences.

Rendering of The Harmon Hotel, Spa, & Residences





According to the survey from The Concord Group, unit sizes broadly range from 986 to 2,481 square feet, with a weighted average size of 1,624 square feet. Most units are priced at \$1,400 per square foot. Unlike the Mandarin Oriental, sales of the Harmon Hotel Residences have been considerably slower, with only 36% of the units sold and a sales rate of only 4.4 units a month. The Mandarin Oriental's premier branding image and reputation are believed to contribute to the higher sales rate.

City Center - The Vdara Condo Hotel

The Vdara Condo Hotel is under construction as part of the CityCenter project. The tower will be set back and away from Las Vegas Boulevard, which will help create an intimate and secluded feel. The tower will house 1,543 condo-hotel rooms.



Rendering of The Vdara Condo Hotel



According to a survey by The Concord Group, unit sizes broadly range from 533 to 1,389 square feet, with a weighted average size of 819 square feet. Units are priced between \$1,060 and \$1,728 per square foot. Sales of the Vdara have been moderate, with 69% of the units sold and an overall sales rate of 50 units a month. The Vdara is designed to appeal to those seeking a more private living experience, as there will be no casino. With less traffic in and out of the building, this property should appeal to a more owner/user type of buyer instead of investor.

CityCenter - Veer Towers

Veer Towers are under construction as part of the CityCenter project. The towers are purely residential. Offset by five degrees from the center, the



towers appear to be leaning, which creates a striking and unique skyline feature.

Rendering of Veer Towers



Each tower has 337 units, and has a mix of studios and one-, two- and three-bedroom units. Unit sizes range from 503 to 2,081 square feet, with a weighted average size of approximately 725 square feet. Units are priced between \$802 and \$1,403 per square foot. Sales of the Veer Towers have been brisk, with 93% of the units sold and an overall sales rate of 32 units a month. Veer Towers is designed to appeal to a younger and more active demographic. When compared to the other buildings at CityCenter, the Veer Towers are more affordable, which accounts for the relatively high number of units sold.



**Trump International
Hotel & Tower**

The Trump International Hotel & Tower Las Vegas, named for famed real estate developer Donald Trump, is a 64-story hotel-condominium located on Fashion Show Drive across the street from the Fashion Show Mall, adjacent to the subject site.

Trump International Hotel & Tower



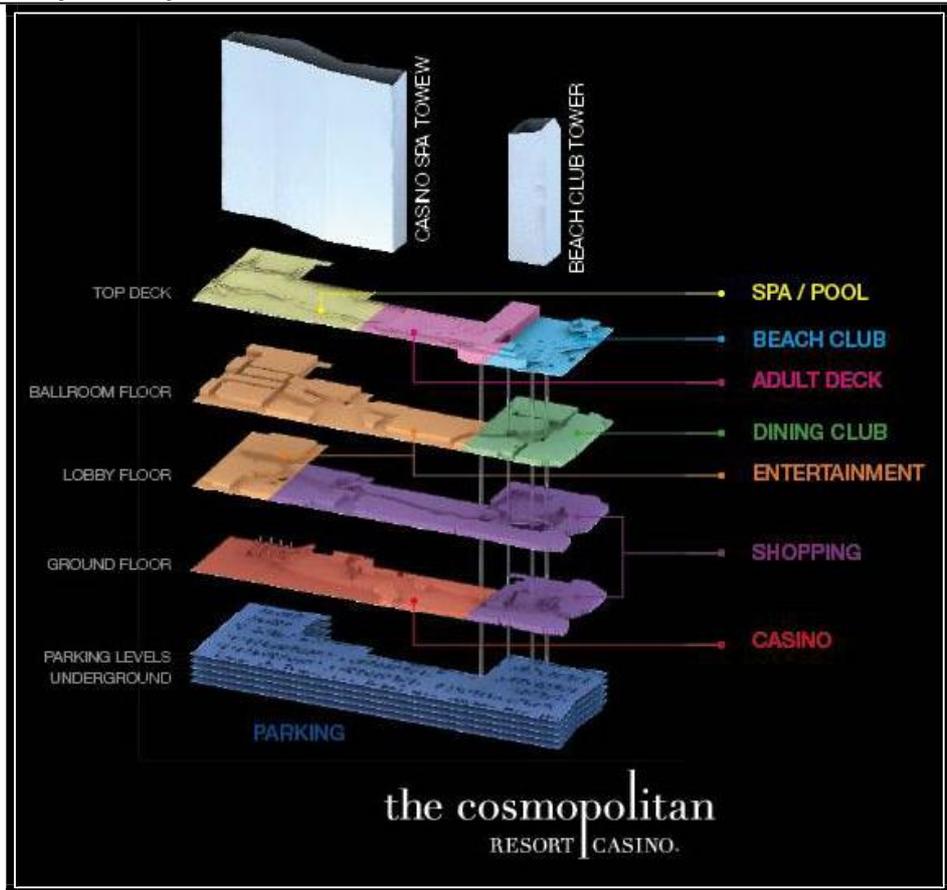
The project features both non-residential hotel condominiums and residential condominiums. The exterior windows are gilded with 24-carat gold. The project was completed in 2008. Of the 1,282 units, 95% have been sold at a weighted average price of \$1,657 per square foot. Through September of 2008, only 21% of the sales have closed.



Cosmopolitan

The Cosmopolitan Resort & Casino is being constructed on a site adjacent and to the south of the Bellagio. Slated to open in 2010, this hotel-casino-condominium resort will comprise approximately 2,200 condominium units and 800 hotel rooms within two glass towers. The property will also feature approximately 185,000 square feet of upscale retail space. Units will feature private balconies, a strong selling point of the development as few of the condominium projects on The Strip feature balconies. North-facing units will have a virtually unobstructed view of Lake Bellagio, while south-facing units will look upon CityCenter.

Cosmopolitan Layout





Cosmopolitan (Under Construction)



Two towers are being built. The larger of the two is 100% sold out, and the sales pace set a record for number of condominiums sold in one day: 1,000 units. Units range in size from 603 square feet to 2,100 square feet. Prices range from \$1,043 to \$1,667 per square foot. The second tower has only recently been released for sale, and a final block of units remains reserved to be sold. Overall, the Cosmopolitan is 82% sold.

The Cosmopolitan Resort & Casino became a victim of the overall economic downturn in August 2008 when the project's lender, Deutsche Bank AG, foreclosed. The bank hired Related Companies to finish construction of the resort. While construction continues, the bank is seeking a buyer. Rumors circulate that MGM-Mirage, Hilton, Starwood Hotels, and Global Hyatt are in discussions to purchase and possibly re-brand the resort.

St. Regis Residences at the Venetian Palazzo

The St. Regis Residences at the Venetian Palazzo was being constructed between the Palazzo and Venetian resorts. This property was to comprise one condominium tower with 398 units built atop Barneys of New York, which is part of the Palazzo Shoppes.



Rendering of St. Regis Residences at the Venetian Palazzo



St. Regis Residences at the Venetian Palazzo





Starwood Hotels & Resorts was expected to manage the condominiums under the St. Regis brand; this would mark the twelfth property to be managed as a St. Regis (the sixth in the United States). The St. Regis Residences at the Venetian Palazzo had yet to start selling, although reservations were being taken. This property was expected to set the standard for luxury, as the St. Regis brand is well known for its high-end focus, amenities, and service. Las Vegas Sands announced on November 10, 2008 that development of the St. Regis Residences was to be suspended indefinitely, although the completion of the podium component of the condominium tower, which is expected to generate rental income from currently executed leases, will continue and is expected to be completed during the first quarter of 2009.

Echelon

Echelon is located just to the north of the subject property, directly across Desert Inn Road, at the corner of Las Vegas Boulevard. This project is being developed by Boyd Gaming.

Echelon Layout Map





Echelon (Under Construction)



Echelon is planned to be a multifaceted, world-class resort complex located on a 63-acre site on the Las Vegas Strip just to the north of the subject site. The development is expected to be among the most significant projects in Las Vegas' ongoing evolution. The development is anticipated to be a significant leader in Las Vegas' key growth centers of casino gaming and luxury hospitality, including world-class dining and nightlife experiences, shopping, meetings and conventions, and entertainment. Hotels planned for the complex include the 3,300-room resort hotel, as well as Shangri-La, Delano, and Mondrian hotels, with a total guestroom inventory of approximately 5,000. Echelon's public areas are expected to contain a 140,000-square-foot casino, 25 restaurants and bars, and landscaped pool and garden areas. The Las Vegas ExpoCenter at Echelon Place is planned to include 650,000 square feet of exhibition and pre-function space and 175,000 square feet of meeting and conference space. Combined with the meeting space within Echelon Resort, the total meeting and exhibition space at Echelon Place is expected to exceed one million square feet, highlighted by over 200 meeting rooms.

This project is being developed by Boyd Gaming in two phases. The first phase is an all-hotel development interconnected with the convention center and a 300,000-square-foot retail element to be called High Street. In August 2008, this project suspended construction due to the credit crisis affecting the financial industry. Adding to the delay was General Growth Properties' announcement to suspend growth plans. General Growth Properties was to



be the junior partner tasked with constructing and operating the High Street retail. No definitive timetable for resumption of construction has been announced as of the date of this report.

Fontainebleau

The Fontainebleau casino-resort is located north of the subject property. The \$2.9 billion Fontainebleau reportedly will feature a 100,000-square-foot casino, 3,889 luxury hotel rooms and condominium-hotel units, food and beverage outlets, nightclubs, and 200,000 square feet of meeting and convention space.

Rendering of Fontainebleau





Fontainebleau (Under Construction)



This development will feature 1,018 condominium units. The property is expected to be completed by late 2009. The resort is being developed by Turnberry Limited, which also owns the historic Fontainebleau Hotel in Miami. This resort is located adjacent to another Turnberry condominium property, Turnberry Place. Turnberry Place was completed in late 2007 and is geared toward luxury living. Fontainebleau is expected to continue this trend with an appeal to upper-class buyers interested in cultural, artistic, and entertainment options, not necessarily centered on gaming. The design of the Fontainebleau offers many examples of fine art, sculpture, and live performances that will cater to discerning visitors and residents alike.

CONDOMINIUM SUPPLY SUMMARY

Conversations with local high-rise real estate brokers noted that there are two types of buyers. Depending on the type of high-rise property, either condo-hotel or pure residential, the buyer tends to be a speculator/investor or an owner/user, respectively. This trend has implications for all developers. Investors or speculators are interested in renting out their units, especially if those units are already within an attractive resort/casino property. Potential renters would be individuals or groups who would ordinarily stay in the same resort, but would want something extra from the experience. In an "up" economy, such an arrangement is possible, depending on HOA rules. In a "down" economy, investors may not earn enough income to sustain mortgage payments. The risk of renting out a unit, and the potential for default or foreclosure, would then be a concern for management.



Owner/users tend to be the preferred buyer for all residential real estate properties. The consensus of opinion from high-rise brokers is that the developers need to strike a balance between entertainment options that appeal to tourists and residents so that investor/speculators will not outnumber owner/users.

In summary, high-rise residential living has become a fashionable way to live in Las Vegas. Little to no upkeep and being within walking distance to an array of lifestyle amenities and options will make high-rise living an attractive option for those seeking first or second homes in Las Vegas. While the current residential real estate market is in a slump, local brokers and economists predict recovery in late 2009 or early 2010. Of course, those with large amounts of disposable income tend not to be as affected as much by economic slowdowns as the rest of society; however, with the amount of paper wealth lost in the past few months, the pool of prospective buyers has clearly shrunk.

COMPARABLE SALES AND UNIT PRICING

The following table summarizes the sales price data regarding those developments that were deemed most comparable to the subject property. The table also indicates premium or discount factors considered based on their respective locations, amenities, and branding.


Summary of Selected New Condo-Hotel Developments - Las Vegas – July 2008

Property	Unit Size Range (SF)		Type of Sales	Price Range (\$US)		Est. Avg. \$/PSF
CityCenter: Harmon Condo Hotel	to			to		\$1,545
1-Bedroom	986	to 1,045	Pre-Construction	\$1,275,000	to \$1,470,000	
2-Bedroom	1,168	to 2,481	Pre-Construction	1,800,000	to 4,523,200	
3-Bedroom	3,715	to 3,715	Pre-Construction	5,201,000	to 5,201,000	
Residences at Mandarin Oriental						\$1,889
1-Bedroom	1,062	to 1,635	Pre-Construction	\$1,400,000	to \$1,432,600	
2-Bedroom	2,065	to 2,904	Pre-Construction	3,200,000	to 6,300,000	
3-Bedroom	3,856	to 3,910	Pre-Construction	8,700,000	to 9,000,000	
Vdara Condo Hotel						\$1,417
1-Bedroom	533	to 760	Pre-Construction	\$650,000	to \$1,000,000	
2-Bedroom	1,389	to 1,389	Pre-Construction	2,000,000	to 2,000,000	
Veer Towers						\$1,058
Studio	503	to 699	Pre-Construction	\$522,000	to \$680,000	
1-Bedroom	811	to 811	Pre-Construction	651,000	to 651,000	
2-Bedroom	1,441	to 2,081	Pre-Construction	1,158,000	to 2,770,000	
3-Bedroom	1,651	to 1,651	Pre-Construction	2,318,000	to 2,318,000	
Trump Towers						\$1,657
Studio	526	to 526	First Run	\$700,000	to \$700,000	
1-Bedroom	930	to 1,561	First Run	1,100,000	to 2,200,000	
2-Bedroom	1,764	to 1,764	First Run	3,500,000	to 3,500,000	
3-Bedroom	3,080	to 3,080	First Run	5,850,000	to 5,850,000	
The Cosmopolitan						\$1,093
Studio	603	to 607	Pre-Construction	\$651,000	to \$740,000	
1-Bedroom	906	to 2,100	Pre-Construction	950,000	to 3,500,000	
Fontainebleau	N/A	to N/A	Luxury	N/A	to N/A	\$1,000
St. Regis Residences (Palazzo)	N/A	to N/A	Luxury	N/A	to N/A	\$1,300
Echelon						
Phase II Condominiums	N/A	to N/A	Luxury	N/A	to N/A	N/A

The appraisers realize that the preceding table provides only a range of weighted overall average-pricing-per-square-foot estimates for the comparable properties and that a significant factor in determining these average price estimates is the unit mix for both the subject property and the sales comparables. For luxury real estate, the price-per-square-foot estimates



typically increase at a greater rate as the size of the unit increases, reflecting the additional premium that larger high-end units command.

Our estimates of prices per square foot are based on a detailed review of comparable projects, as discussed earlier in this report. Similar to the reviewed comparable projects, the price per square foot increases as the size of the unit increases to allow for the additional premium for large-sized units with luxurious interior amenities. The projected size of the planned units at the subject property will average approximately 1,300 square feet; the unit mix has yet to be determined.

As shown in the table, the price per square foot ranges from \$1,000 to \$1,889. This is a broad range, but is reflective of the luxury condominium market over the past several months. However, in order to project the market-based price per square foot, these weighted averages need to be adjusted for several variables, such as market conditions, location, average unit size, interior build-out, and amenities. Given the superior location of the subject property, proximate to the Wynn/Encore, Venetian/Palazzo, Echelon, and the Fashion Show Mall, most of the other comparable properties are in need of upward adjustments. This area is evolving into an upscale or luxury hub, and a destination in its own right. Additionally, upward adjustments are suggested for unit size, property amenities, and access. After adjustment, the comparables range from \$1,430 to \$1,560 per square foot, with a mean of \$1,492 and a median of \$1,490.

Therefore, we conclude a market-based overall sale price of \$1,500 per square foot for the subject property. However, to this overall market rate we will add a premium to certain towers at the subject property. This premium is applied to units located in The Plaza itself (Tower 2), to which we apply a market rate of \$1,800 per square foot. A smaller premium is applied to Tower 1, to which we apply a market rate of \$1,600 per square foot. Towers 5 and 6, located to the rear of the subject site, are priced at the market rate.

Premiums were applied to the subject property's condominium units based on the location of Tower 2 (which will be designed to replicate the historic Plaza) and Tower 1 fronting the Las Vegas Strip. Similar to the St. Regis Residences at the Palazzo and the Cosmopolitan, which also front directly onto the Las Vegas Strip, these towers should command a premium price, much like top floors of high-rise buildings across the country as it is anticipated that customers will be willing to pay for location and views.



PROJECTED RATE INCREASE

Taking a long-term view, this market rate is anticipated to increase. However, since the current financial crisis is negatively affecting sales, we project that the overall market rate will decline by 5.0% for 2009. In 2010, local brokers and economists predict the market will reach its nadir and begin rebounding. The market rate is projected to remain stable during 2010, and then increase by 5% in 2011 as the market returns to normality. The market is projected to have recovered fully by 2012 and unit pricing is projected to increase with the rate of inflation thereafter. The projected base sale pricing and annual increases in line with expected market growth is set forth in the following table.

Base Sales Pricing and Projected Increases By Tower (Projection by HVS)

Residential Condominiums	No. of Units	2008	2009	2010	2011	2012	2013
Tower 2 (Completed 1/1/2013)	242	1,800	1,710	1,710	1,796	1,849	1,905
Projected Change		--	(5.0) %	0.0 %	5.0 %	3.0 %	3.0 %
Tower 1 (Completed 1/1/2015)	718	1,600	1,520	1,520	1,596	1,644	1,693
Projected Change		--	(5.0) %	0.0 %	5.0 %	3.0 %	3.0 %
Tower 5 (Completed 1/1/2017)	570	1,500	1,425	1,425	1,496	1,541	1,587
Projected Change		--	(5.0) %	0.0 %	5.0 %	3.0 %	3.0 %
Tower 1 (Completed 1/1/2019)	570	1,500	1,425	1,425	1,496	1,541	1,587
Projected Change		--	(5.0) %	0.0 %	5.0 %	3.0 %	3.0 %

PROJECTED SALES PRICE SUMMARY

The forecasts of sales pace for the subject property are expressed in quarterly figures that reflect fairly even flows of sales, with the exception of the first quarter. In reality, most second-home resort-related projects, both in Las Vegas and in other world-wide locations, occur in this manner. Typically, a large group of sales occur in the first several quarters when many buyers, who are especially interested in the project, commit to sales. In many cases, the first few quarters can represent a large percentage of the total anticipated sales. In the following months, which may stretch on to several years depending on the economy, the remaining sales might occur at a dramatically slower pace.

In projecting the sales pace, the actual pace of sales of several of the other new condominium properties in the market has been considered. For example, the Cosmopolitan realized a sales pace of approximately 46.5 units per month, the Signature at MGM Grand realized a pace of 40 units per month, and Pinnacle saw a pace of 22 units per month. These properties, though, were condo-hotels with a large percentage of investor units. Some of the other more traditional condominium projects have seen slower paces. For



example, at CityCenter, the Residences at Mandarin Oriental realized a pace of 12.5 units per month and the Harmon Hotel and Residences saw a pace of just 4.4 units per month. The Trump International realized a pace of 29 units per month and was fully presold prior to opening. This property includes a fair number of studio suites more akin to condo-hotel units. Furthermore, we note that the Trump property has been able to close on only 21% of the sales. Looking forward, we expect that the market should absorb most of the existing supply and product coming on-line over the next few years. It is anticipated that by the time the subject property's first building is delivered in 2013, the market will have fully rebounded. Therefore, based on the above comparables, a sales pace of 10 to 15 units per month has been projected. For the selloff analysis, a rounded figure of 40 units per quarter, with the initial quarter realized 120 unit sales, has been utilized (excluding Tower 2).

The projected pace of sales, as well as sales price, are based on an evaluation and consideration of the factors specific to the current developers, including, but not limited to, Plaza branding, current management team, and entitlements granted by Clark County, is presented in the following tables:

Forecast of Sales Pace - Phase I, Tower 2 (Projection by HVS Consulting & Valuation)

Brand	Site	Units	2012	2013				2014				2015				TOTALS
			Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
The Plaza	Tower 2	Sold Remaining	0 242	80 162	40 122	40 82	40 42	40 2	2 0	0 0	0 0	0 0	0 0	0 0	0 0	242

Forecast of Sales Pace - Phase II, Tower 1 (Projection by HVS Consulting & Valuation)

Brand	Site	Units	2014	2015				2016				2017				TOTALS
			Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
The Plaza	Tower 1	Sold Remaining	0 718	120 598	40 558	40 518	40 478	40 438	40 398	40 358	40 318	40 278	40 238	40 198	40 158	560
Brand	Site	Units	2017	2018				2019				2020				TOTALS
			Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
The Plaza	Tower 1	Sold Remaining	560 158	40 118	40 78	40 38	38 0	0 0	718							

Forecast of Sales Pace - Phase II, Tower 5 (Projection by HVS Consulting & Valuation)

Brand	Site	Units	2016	2017				2018				2019				TOTALS	
			Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
The Plaza	Tower 5	Sold	0	120	40	40	40	40	40	40	40	40	40	40	40	40	560
		Remaining	570	450	410	370	330	290	250	210	170	130	90	50	10		
Brand	Site	Units	2019	2020				2021				2022				TOTALS	
			Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
The Plaza	Tower 5	Sold	560	10	0	0	0	0	0	0	0	0	0	0	0	0	570
		Remaining	10	0	0	0	0	0	0	0	0	0	0	0	0		

Forecast of Sales Pace - Phase II, Tower 6 (Projection by HVS Consulting & Valuation)

Brand	Site	Units	2018	2019				2020				2021				TOTALS
			Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
The Plaza	Tower 6	Sold	0	120	40	40	40	40	40	40	40	40	40	40	50	570
		Remaining	570	450	410	370	330	290	250	210	170	130	90	50	0	



12. Projection of Condominium Sale Proceeds

VALUATION OF THE RESIDENTIAL COMPONENT

In valuing the sellout of the residential units at the proposed Plaza Las Vegas, we have relied on the discounted sell-off analysis. This methodology is a blend of the sales comparison and income capitalization approaches to value. A forecast of the sales revenue generated from the sales of the proposed units was generated earlier in this report. That forecast, development budget data provided by EL AD IDB Las Vegas LLC, and our own in-house database of comparable developments provided the basis for determining the cost of sales and operating expenses (sales and marketing costs, administrative and general costs, and developer's profit) to be deducted from the estimate of sales revenue. The income generated over the sellout period was then discounted to the date of completion using an appropriate discount rate.

The comparable condominium projects, and the projected unit mix, sales prices, and sales pace for the proposed Plaza Las Vegas were discussed in the "Condominium Supply and Demand Analysis" section of this report. The residential components of the proposed Plaza Las Vegas were valued based on certain assumptions outlined below.

Forecast of Gross Proceeds

As described in greater detail in the "Condominium Supply and Demand Analysis" section of this report, we forecast the unit prices based on a detailed review of comparable projects. Absolute unit prices and unit prices per square foot are set forth below:

Distribution by Building and Gross Sale Proceeds - Proposed Plaza Las Vegas

Buidling	# of Units	Unit Sq. Ft.	Total Sq. Ft.	Asking Price/SF	Asking Price/SF	Gross Sales
Tower 2 - Phase I	242	1,300	314,000	\$1,800	\$2,340,000	\$565,200,000
Tower 1 - Phase II	718	1,300	933,400	1,600	2,080,000	1,493,440,000
Tower 5 - Phase II	570	1,300	741,000	1,500	1,950,000	1,111,500,000
Tower 6 - Phase II	570	1,300	741,000	1,500	1,950,000	1,111,500,000
Totals	2,100	1,300	2,729,400	\$1,569	\$3,293,569	\$4,281,640,000



Note that these prices are stated in current dollars and do not reflect our expectations of price changes that may occur between the current date and the "as complete" valuation date(s).

Sales Forecast Assumptions

The following analysis is based upon the square footage and site plan data provided by EL AD IDB Las Vegas LLC and market research conducted by HVS and its associated consultants. In completing this analysis and making the projections it includes, we have made assumptions where necessary to reach reasoned conclusions. The total condominium units sales estimates and forecasts of sales explicitly assume the following:

- 1) EL AD IDB Las Vegas LLC will deliver the first phase of the proposed Plaza Las Vegas development inclusive of the for-sale residential units in Tower 2 as of 2013. Therefore, the assumed date of the commencement of sales for Tower 2 is January 1, 2013. Furthermore, EL AD IDB Las Vegas LLC intends to deliver Tower 1 by January 2015, Tower 5 by January 2017, and Tower 6 by January 2019.
- 2) We have not been provided with any estimates of real estate taxes, unit homeowner's association dues (HOA), maintenance charges, and/or other monthly charges for the proposed apartments. We assume, for purposes of this appraisal, that the annual cost of such charges will be in line with the costs of similar luxury-oriented residential ownership units, such that the subject units will be at no competitive disadvantage regarding their pricing relative to the market. For real estate taxes per unit during the sell-off period, we consulted Clark County Assessor Property Tax Records for actual taxes of units in comparable buildings. A sampling of 25 units at Trump International that have already closed had an average annual tax burden of \$4.94 per square foot, while a sampling of eight units at the Signature at MGM Grand revealed an average tax burden of \$6.05 per square foot. These units are considerably smaller than the subject's and thus exhibit costs that are above what should be expected for the subject on a per-square-foot basis. We have therefore assumed a tax burden of \$5.00 per square foot in current dollars. Similarly, we have considered current HOA dues at comparable properties, which ranged from \$0.45 per square foot per month at the Harmon to \$0.75 per square foot per month at Trump International. We have applied a cost of \$0.50 per square foot per month in current dollars.



- 3) It should be noted that no price lists or selling brochures were available from EL AD IDB Las Vegas LLC as of the date of this valuation. All estimated prices and price-per-square-foot values are based on our review of comparable, luxury-oriented, high-end condominium projects in Las Vegas.
- 4) As of the date of this valuation, the management of EL AD IDB Las Vegas LLC believes that the average net-square-footage figure per unit for the proposed Plaza Las Vegas is accurate due to effective completion of the Plaza design. As the management of the Plaza Las Vegas gains experience from selling the first building, designs, size, and many other factors may change in a material fashion for the remaining buildings and these changes could have a material impact on overall sales proceeds. Moreover, the weighted average by unit size is only an indication of size. Actual sizes will vary among the specific units found in each unit type.
- 5) This valuation assumes that EL AD IDB Las Vegas LLC, or a buyer of the subject developments, will conduct a global marketing program for the sale of the units that can take full marketing advantage of the high-profile image of the proposed Plaza Las Vegas integrated resort. In addition, sales and marketing efforts will use the existing contacts generated by the sales of the Plaza in New York to generate interest.
- 6) The units are assumed to be sold with a sophisticated, luxury-oriented, contemporary finish-out package.
- 7) The units will include an amenity package comparable to that of other luxury-oriented, branded second-home projects, such as those found in Las Vegas, as well as potentially other specialized benefits associated with an affiliation with other integrated resort amenities on the Las Vegas Strip.

Cost of Sales

The cost of sales includes the direct costs incurred in selling the condominium units, such as construction costs; interior finishes, furnishings, and fixtures (FF&E); land costs; sales commissions; marketing, general/administrative, and other miscellaneous fees related to the development; and financing costs.



Construction Costs, FF&E, Land Costs

The construction costs, interior finish and other interior improvement costs, and the land premium costs for the proposed Plaza Las Vegas were provided to us by EL AD IDB Las Vegas LLC. The hard construction costs, soft costs, and land premium costs have been built into the total development budget for Phases I and II.

Sales Commission

Sales commissions pertain to the payment that brokers receive when a unit is sold. Based on interviews with brokers that are active selling units along the Las Vegas Strip, brokerage commissions tend to be 3.0% of sales. This figure represents a reasonable figure for luxury units, especially given that the units require experienced brokerage talent to market the product.

Marketing/General and Administrative

EL AD IDB Las Vegas LLC already maintains a development office in Las Vegas, but will also have a separate sales office at the site for the purpose of marketing the units. Some of these costs are already built into the soft costs.

Marketing and general and administrative costs for condominiums commonly include the costs of printed materials and advertising through direct mailings, real-estate magazines, newspapers, and billboards. Marketing expenses can vary depending upon the market orientation of the resort product, the supply of other competitive developments in sales, the relative desire of a developer to sell their inventory as quickly as possible, and the marketing strategies employed. Marketing and administrative costs are estimated at 1% each for the sell-off analysis. It should be noted that the marketing expenses have been deducted from the development budget provided by the developers at the rate of approximately \$11.70 per square foot to avoid double counting.

Financing Costs

A third-party developer would incur financing costs for construction of the unit, and those costs would be included as part of the project costs. However, these costs are built into the discount rate utilized in this analysis.



Construction/Developer’s Profit

A third-party developer would expect a reasonable return for taking on the risk of marketing and selling condominium units. This appraisal evaluates the value of the condominium units to a third party. We have assumed a reasonable developer’s profit commensurate with the risk of assuming the responsibilities of the project. This profit is taken prior to and into addition to the discount/risk rate associated with the entire project. This is considered a costs of the development and is taken as a line item deduction as a percentage of revenue.

Several active developers in the area were consulted regarding profit expectations for a proposed condominium, related to both ground-up construction and a sell-off of units at completion. As illustrated in the following market survey, the profit from the acquisition of a completed building ready for sell-off should be substantially less. The following chart summarizes this survey of market participants.

Market Survey		
<u>Participant</u>	<u>Profit At Completion</u>	<u>Profit Ground-Up</u>
Lindy Development	10-18%	20-30%
Bundy Development	10-15%	20%+
JBG Properties	15%+	20%+
Monument Realty	10-15%	20-30%
Furioso Development	N/A	20-25%
Marcus Asset Mgmt.	7.5-10%	20%+

If we were performing this analysis to determine a value prior to construction, a minimum total developer’s profit of around 20%-25% of the total costs would be appropriate for the subject. This would be the number necessary to facilitate new construction of a similar project. The table shows that the line item for construction profit for the “as complete” valuation is less than half of the total compensation expected for a ground-up development. A developer’s profit of 10% of gross sales is estimated to be a reasonable



return, given the risk associated with completing the condominium units and marketing and selling the project on a global scale.

The discount rate used is 15%, which in our opinion is the internal rate of return that would be required by a third-party purchaser of the condominium units project in addition to the 10% developer's profit. Our previous survey of residential condominium developers indicates total desired rates of return ranging from 20% to 30%. Given the market risk associated with introducing new product to the Las Vegas market, it is our opinion that the 15% internal rate of return, plus the 10% developer's profit, reflects the risk that a third-party purchaser would associate with successfully selling all of the planned units on schedule and at the price points described.

Discounted Value of Sell-Off

In order to estimate the value of the two phases of the proposed Plaza Las Vegas residential component, we have prepared a discounted cash flow model that deducts all the variable soft costs (i.e., real estate taxes, HOA fees, sales commission, marketing, general and administrative) and the developer's profit from the sales proceeds. The model thereby accounts for the time value of money and the risks associated with completing and marketing the project. Hard construction costs, including direct construction costs and interior finish costs, according to representatives of EL AD IDB Las Vegas LLC are included in the total budget. Therefore, they have not been included in this analysis.

The discounted value of the proposed Plaza Las Vegas sellout is the present value of the gross sales revenues, based on our forecasted sales pace, net of the itemized costs. The discount rate used is 15%, which in our opinion is the internal rate of return that would be required by a third-party purchaser of the condominium units project in addition to the 10% developer's profit. Our previous survey of residential condominium developers indicates total desired rates of return ranging from 20% to 30%. Given the market risk associated with introducing new product to the Las Vegas market, it is our opinion that the 15% internal rate of return, plus the 10% developer's profit, reflects the risk that a third-party purchaser would associate with successfully selling all of the planned units on schedule and at the price points described.

Assuming the units in Phase I sell at the anticipated pace, and the entire block of units sells out, the following table summarizes the projected cash flows during the sales period by quarter, along with the discounted cash flows back to January 1, 2013, the date the Phase I units are scheduled for completion.

Condominium Sellout Analysis - Proposed Plaza Las Vegas Phase I

		<u>Tower 2</u>					
Total Residential Area (SF):	314,000						
Number of Units:	242						
Average Square Feet Per Unit	1,300						
Average Base Price Per Square Foot:	\$1,710						
Average Base Price Per Unit:	\$2,223,000						
Real Estate Taxes Per SF:	\$5.00						
Condo/HOA Fees Per SF:	\$2.00						
Marketing:	1.00%						
Administration:	1.00%						
Sales Commissions:	3.00%						
Construction Profit:	10.00%						
Remaining Units To Be Sold:	242						
Inventory:		2013	2013	2013	2013	2014	2014
		1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.	1 Qtr.	2 Qtr.
Total Tower 2 Units Sold In Period	242	80	40	40	40	40	2
Total Tower 2 Units In Inventory at End of Period		162	122	82	42	2	-
Remaining Inventory	242	162	122	82	42	2	-
Revenue:							
Average Tower 2 Unit Price		\$2,422,206	\$2,440,372	\$2,438,675	\$2,477,115	\$2,485,694	\$2,514,411
Sales Revenue Per Quarter - Tower 2 Units		\$193,776,465	\$97,614,894	\$98,347,006	\$99,084,608	\$99,827,743	\$5,028,823
Net Effective Total Sales Revenue		\$193,776,465	\$97,614,894	\$98,347,006	\$99,084,608	\$99,827,743	\$5,028,823
Other Expenses:							
Quarterly Real Estate Taxes Tower 2 Units:	\$1.25	\$270,464	\$305,018	\$138,575	\$71,124	\$2,654	\$0
Quarterly Condo Fees Tower 2 Units:	\$0.50	108,186	82,007	55,430	28,450	1,062	0
Marketing:	1.00%	1,937,765	976,149	983,470	990,846	998,277	50,288
Administration:	1.00%	1,937,765	976,149	983,470	990,846	998,277	50,288
Sales Commissions:	3.00%	5,813,294	2,928,447	2,950,410	2,972,538	2,994,832	150,865
Development Profit Per Unit:	10.00%	19,377,646	9,761,489	9,834,701	9,908,461	9,982,774	502,882
Total Other Expenses		\$29,446,119	\$14,929,260	\$14,946,056	\$14,982,266	\$14,977,877	\$754,323
Net Proceeds:		\$164,331,345	\$82,685,635	\$83,400,949	\$84,122,343	\$84,849,866	\$4,274,499
Net Proceeds Excluding Profits:		\$183,708,992	\$92,447,124	\$93,235,650	\$94,030,804	\$94,832,640	\$4,777,381
Discount Rate - Per Quarter	3.75%						
Discount Rate - Per Year	15.00%						
Discounted Revenues (1/1/2013)		\$453,076,889					
Rounded		\$453,000,000					
Value Per Unit		\$1,875,478					



Assuming the units in Phase II sell at the anticipated pace, and the entire block of units sells out, the following table summarizes the projected cash flows during the sales period by quarter, along with the discounted cash flows back to January 1, 2015, the date the first building of Phase II is scheduled for completion.

Condominium Sellout Analysis - Proposed Plaza Las Vegas Phase II

	<u>Tower 1</u>	<u>Tower 5</u>	<u>Tower 6</u>	<u>Totals/Avg.</u>
Total Residential Area (SF):	933,000	741,200	741,200	2,415,400
Number of Units:	718	570	570	1,858
Average Square Feet Per Unit:	1,300	1,300	1,300	1,300
Average Base Price Per Square Foot:	<u>\$1,520</u>	<u>\$1,425</u>	<u>\$1,425</u>	<u>\$1,462</u>
Average Base Price Per Unit:	\$1,976,000	\$1,852,500	\$1,852,500	\$1,900,205
Real Estate Taxes Per SF:	\$5.00			
Condo/HOA Fees Per SF:	\$2.00			
Marketing:	1.00%			
Administration:	1.00%			
Sales Commissions:	3.00%			
Construction Profit:	10.00%			
Remaining Units To Be Sold:	1,858			

Condominium Sellout Analysis - Proposed Plaza Las Vegas Phase II (Cont.)

	2015	2015	2015	2015	2016	2016	2016	2016	2017	2017	2017	2017
	1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.	1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.	1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.
Inventory:												
Total Tower 1 Units Sold In Period	718	120	40	40	40	40	40	40	40	40	40	40
Total Tower 1 Units In Inventory at End of Period		598	558	518	478	438	398	358	318	278	238	198
Total Tower 5 Units Sold In Period	570	-	-	-	-	-	-	-	120	40	40	40
Total Tower 5 Units In Inventory at End of Period		570	570	570	570	570	570	570	450	410	370	330
Total Tower 6 Units Sold In Period	570	-	-	-	-	-	-	-	-	-	-	-
Total Tower 6 Units In Inventory at End of Period		570	570	570	570	570	570	570	570	570	570	570
Remaining Inventory	1858	1,738	1,698	1,658	1,618	1,578	1,538	1,498	1,458	1,298	1,218	1,138
Revenue:												
Average Tower 1 Unit Price	\$2,285,699	\$2,302,841	\$2,320,113	\$2,337,513	\$2,355,045	\$2,372,708	\$2,390,503	\$2,408,432	\$2,426,495	\$2,444,694	\$2,463,029	\$2,481,502
Sales Revenue Per Quarter - Tower 1 Units	\$274,283,829	\$92,113,653	\$92,804,505	\$93,500,539	\$94,201,793	\$94,908,306	\$95,620,118	\$96,337,269	\$97,059,799	\$97,787,747	\$98,521,156	\$99,260,064
Average Tower 5 Unit Price	\$2,142,842	\$2,158,914	\$2,175,106	\$2,191,419	\$2,207,855	\$2,224,413	\$2,241,097	\$2,257,905	\$2,274,839	\$2,291,900	\$2,309,090	\$2,326,408
Sales Revenue Per Quarter - Tower 5 Units	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$272,980,684	\$91,676,013	\$92,363,583	\$93,056,310
Average Tower 6 Unit Price	\$2,142,842	\$2,158,914	\$2,175,106	\$2,191,419	\$2,207,855	\$2,224,413	\$2,241,097	\$2,257,905	\$2,274,839	\$2,291,900	\$2,309,090	\$2,326,408
Sales Revenue Per Quarter - Tower 6 Units	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Effective Total Sales Revenue	\$274,283,829	\$92,113,653	\$92,804,505	\$93,500,539	\$94,201,793	\$94,908,306	\$95,620,118	\$96,337,269	\$370,040,483	\$189,463,761	\$190,884,739	\$192,316,374
Other Expenses:												
Quarterly Real Estate Taxes Tower 1 Units:	\$1.25	\$1,062,360	\$998,697	\$934,019	\$868,315	\$801,573	\$733,781	\$664,927	\$594,999	\$523,984	\$451,871	\$378,647
Quarterly Real Estate Taxes Tower 5 Units:	\$1.25	1,013,412	1,021,013	1,028,670	1,036,385	1,044,158	1,051,989	1,059,879	1,067,828	849,406	779,734	708,968
Quarterly Real Estate Taxes Tower 6 Units:	\$1.25	1,013,412	1,021,013	1,028,670	1,036,385	1,044,158	1,051,989	1,059,879	1,067,828	1,075,837	1,083,906	1,092,035
Quarterly Condo Fees Tower 1 Units:	\$0.50	424,944	399,479	373,608	347,326	320,629	293,512	265,971	238,000	209,594	180,748	151,459
Quarterly Condo Fees Tower 5 Units:	\$0.50	405,365	408,405	411,468	414,554	417,663	420,796	423,952	427,131	339,762	311,893	283,587
Quarterly Condo Fees Tower 6 Units:	\$0.50	405,365	408,405	411,468	414,554	417,663	420,796	423,952	427,131	430,335	433,562	436,814
Marketing:	1.00%	2,742,838	921,137	928,045	935,005	942,018	949,083	956,201	963,373	3,700,405	1,894,638	1,908,847
Administration:	1.00%	2,742,838	921,137	928,045	935,005	942,018	949,083	956,201	963,373	3,700,405	1,894,638	1,908,847
Sales Commissions:	3.00%	8,228,515	2,763,410	2,784,135	2,805,016	2,826,054	2,847,249	2,868,604	2,890,118	11,101,214	5,683,913	5,726,542
Construction Profit Per Unit:	10.00%	27,428,383	9,211,365	9,280,450	9,350,054	9,420,179	9,490,831	9,562,012	9,633,727	37,004,048	18,946,376	19,088,474
Total Other Expenses	\$45,467,432	\$18,074,059	\$18,108,580	\$18,142,601	\$18,176,114	\$18,209,110	\$18,241,578	\$18,273,508	\$58,934,991	\$31,661,279	\$31,684,221	\$31,705,727
Net Proceeds:	\$228,816,397	\$74,039,593	\$74,695,925	\$75,357,938	\$76,025,679	\$76,699,197	\$77,378,541	\$78,063,761	\$311,105,492	\$157,802,481	\$159,200,517	\$160,610,648
Net Proceeds Excluding Profits:	\$256,244,780	\$83,250,959	\$83,976,376	\$84,707,992	\$85,445,858	\$86,190,027	\$86,940,553	\$87,697,488	\$348,109,540	\$176,748,857	\$178,288,991	\$179,842,285
Discount Rate - Per Quarter										3.75%		
Discount Rate - Per Year										15.00%		
Discounted Revenues (11/1/2015)										\$2,309,118,541		
Rounded										\$2,309,000,000		
Value Per Unit										\$1,242,734		

Condominium Sellout Analysis - Proposed Plaza Las Vegas Phase II (Cont.)

	2018	2018	2018	2018	2019	2019	2019	2019
	1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.	1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.
Inventory:								
Total Tower 1 Units Sold In Period	718	40	40	40	38	-	-	-
Total Tower 1 Units In Inventory at End of Period		118	78	38	-	-	-	-
Total Tower 5 Units Sold In Period	570	40	40	40	40	40	40	40
Total Tower 5 Units In Inventory at End of Period		290	250	210	170	130	90	50
Total Tower 6 Units Sold In Period	570	-	-	-	-	120	40	40
Total Tower 6 Units In Inventory at End of Period		570	570	570	570	450	410	370
Remaining Inventory	1858	978	898	818	740	580	500	340
Revenue:								
Average Tower 1 Unit Price	\$2,500,113	\$2,518,864	\$2,537,755	\$2,556,788	\$2,575,964	\$2,595,284	\$2,614,749	\$2,634,359
Sales Revenue Per Quarter - Tower 1 Units	\$100,004,515	\$100,754,549	\$101,510,208	\$97,157,957	\$0	\$0	\$0	\$0
Average Tower 5 Unit Price	\$2,343,856	\$2,361,435	\$2,379,145	\$2,396,989	\$2,414,967	\$2,433,079	\$2,451,327	\$2,469,712
Sales Revenue Per Quarter - Tower 5 Units	\$93,754,232	\$94,457,389	\$95,165,820	\$95,879,563	\$96,598,660	\$97,323,150	\$98,053,074	\$98,788,472
Average Tower 6 Unit Price	\$2,343,856	\$2,361,435	\$2,379,145	\$2,396,989	\$2,414,967	\$2,433,079	\$2,451,327	\$2,469,712
Sales Revenue Per Quarter - Tower 6 Units	\$0	\$0	\$0	\$0	\$289,795,980	\$97,323,150	\$98,053,074	\$98,788,472
Net Effective Total Sales Revenue	\$193,758,747	\$195,211,938	\$196,676,027	\$193,037,521	\$386,394,640	\$194,646,300	\$196,106,147	\$197,576,943
Other Expenses:								
Quarterly Real Estate Taxes Tower 1 Units:	\$1.25	\$228,814	\$152,180	\$74,384	\$0	\$0	\$0	\$0
Quarterly Real Estate Taxes Tower 5 Units:	\$1.25	564,109	489,990	414,727	338,307	260,719	181,947	20,801
Quarterly Real Estate Taxes Tower 6 Units:	\$1.25	1,108,477	1,116,791	1,125,167	1,133,605	901,729	827,764	752,640
Quarterly Condo Fees Tower 1 Units:	\$0.50	91,526	60,872	29,753	0	0	0	0
Quarterly Condo Fees Tower 5 Units:	\$0.50	225,644	195,996	165,891	135,323	104,287	72,779	40,791
Quarterly Condo Fees Tower 6 Units:	\$0.50	443,391	446,716	450,067	453,442	360,691	331,106	301,056
Marketing:	1.00%	1,937,587	1,952,119	1,966,760	1,930,375	3,863,946	1,946,463	1,961,061
Administration:	1.00%	1,937,587	1,952,119	1,966,760	1,930,375	3,863,946	1,946,463	1,961,061
Sales Commissions:	3.00%	5,812,762	5,856,358	5,900,281	5,791,126	11,591,839	5,839,389	5,883,184
Construction Profit Per Unit:	10.00%	19,375,875	19,521,194	19,667,603	19,303,752	38,639,464	19,464,630	19,610,615
Total Other Expenses	\$31,725,772	\$31,744,335	\$31,761,392	\$31,016,306	\$59,586,622	\$30,610,541	\$30,612,388	\$30,612,542
Net Proceeds:	\$162,032,975	\$163,467,602	\$164,914,635	\$162,021,215	\$326,808,018	\$164,035,759	\$165,493,759	\$166,964,402
Net Proceeds Excluding Profits:	\$181,408,849	\$182,988,796	\$184,582,238	\$181,324,967	\$365,447,482	\$183,500,389	\$185,104,374	\$186,722,096
Discount Rate - Per Quarter					3.75%			
Discount Rate - Per Year					15.00%			
Discounted Revenues (1/1/2015)		\$2,309,118,541						
Rounded		\$2,309,000,000						
Value Per Unit		\$1,242,734						

Condominium Sellout Analysis - Proposed Plaza Las Vegas Phase II (Cont.)

	2020	2020	2020	2020	2021	2021	2021	2021	Totals
Inventory:	1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.	1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.	
Total Tower 1 Units Sold In Period	718	-	-	-	-	-	-	-	718
Total Tower 1 Units In Inventory at End of Period	-	-	-	-	-	-	-	-	-
Total Tower 5 Units Sold In Period	570	10	-	-	-	-	-	-	570
Total Tower 5 Units In Inventory at End of Period	0	0	0	0	0	0	0	0	0
Total Tower 6 Units Sold In Period	570	40	40	40	40	40	40	50	570
Total Tower 6 Units In Inventory at End of Period	290	250	210	170	130	90	50	0	-
Remaining Inventory	1858	290	250	210	170	130	90	50	0
Revenue:									
Average Tower 1 Unit Price	\$2,654,117	\$2,674,023	\$2,694,078	\$2,714,284	\$2,734,641	\$2,755,151	\$2,775,814	\$2,796,633	
Sales Revenue Per Quarter - Tower 1 Units	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,725,826,006
Average Tower 5 Unit Price	\$2,488,235	\$2,506,896	\$2,525,698	\$2,544,641	\$2,563,726	\$2,582,954	\$2,602,326	\$2,621,843	
Sales Revenue Per Quarter - Tower 5 Units	\$24,882,346	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,344,979,297
Average Tower 6 Unit Price	\$2,488,235	\$2,506,896	\$2,525,698	\$2,544,641	\$2,563,726	\$2,582,954	\$2,602,326	\$2,621,843	
Sales Revenue Per Quarter - Tower 6 Units	\$99,529,385	\$100,275,856	\$101,027,924	\$101,785,634	\$102,549,026	\$103,318,144	\$104,093,030	\$131,092,160	\$1,427,631,834
Net Effective Total Sales Revenue	\$124,411,731	\$100,275,856	\$101,027,924	\$101,785,634	\$102,549,026	\$103,318,144	\$104,093,030	\$131,092,160	\$4,498,437,137
Other Expenses:									
Quarterly Real Estate Taxes Tower 1 Units:	\$1.25	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,772,850
Quarterly Real Estate Taxes Tower 5 Units:	\$1.25	318	320	322	325	327	330	332	13,673,393
Quarterly Real Estate Taxes Tower 6 Units:	\$1.25	598,857	520,172	440,274	359,147	276,778	193,154	108,260	22,814,498
Quarterly Condo Fees Tower 1 Units:	\$0.50	0	0	0	0	0	0	0	3,509,140
Quarterly Condo Fees Tower 5 Units:	\$0.50	127	128	129	130	131	132	133	5,469,357
Quarterly Condo Fees Tower 6 Units:	\$0.50	239,543	208,069	176,109	143,659	110,711	77,262	43,304	9,125,799
Marketing:	1.00%	1,244,117	1,002,759	1,010,279	1,017,856	1,025,490	1,033,181	1,040,930	44,984,371
Administration:	1.00%	1,244,117	1,002,759	1,010,279	1,017,856	1,025,490	1,033,181	1,040,930	44,984,371
Sales Commissions:	3.00%	3,732,352	3,008,276	3,030,838	3,053,569	3,076,471	3,099,544	3,122,791	134,953,114
Construction Profit Per Unit:	10.00%	12,441,173	10,027,586	10,102,792	10,178,563	10,254,903	10,331,814	10,409,303	449,843,714
Total Other Expenses	\$19,500,605	\$15,770,068	\$15,771,023	\$15,771,105	\$15,770,302	\$15,768,599	\$15,765,984	\$19,663,824	\$738,130,608
Net Proceeds:	\$104,911,127	\$84,505,788	\$85,256,902	\$86,014,529	\$86,778,724	\$87,549,545	\$88,327,046	\$111,428,336	\$3,760,306,530
Net Proceeds Excluding Profits:	\$117,352,300	\$94,533,373	\$95,359,694	\$96,193,092	\$97,033,627	\$97,881,359	\$98,736,349	\$124,537,552	\$4,210,150,243
Discount Rate - Per Quarter	3.75%								
Discount Rate - Per Year	15.00%								
Discounted Revenues (11/1/2015)	\$2,309,118,541								
Rounded	\$2,309,000,000								
Value Per Unit	\$1,242,734								



Considering that risk-adjusted profit and discount rate of 25%, the discounted value in use of sellout of Phase I would be roundly \$453,000,000, as of January 1, 2013, the date that Phase I is scheduled for completion. Furthermore, the discounted value of the sellout of Phase II would be roundly \$2,309,000,000, anticipated to be January 1, 2015, the date that the first building of Phase II is scheduled for completion.

Prospective Value in Use upon Completion of Phase I Residential Component

Based on the foregoing analysis, it is our opinion that the prospective value in use upon completion of the Phase I residential component of the proposed Plaza Las Vegas, anticipated to be January 1, 2013, will be roundly \$453,000,000.

Prospective Value in Use upon Completion of Phase II Residential Component

Based on the foregoing analysis, it is our opinion that the prospective value in use of the Phase II residential component of the proposed Plaza Las Vegas, as of January 1, 2015, the date that the first building of Phase II is scheduled for completion, will be roundly \$2,309,000,000.



13. Highest and Best Use

The concept of highest and best use is a fundamental element in the determination of value of real property, either as if vacant or as improved. Highest and best use is defined as follows:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.¹

As if Vacant

Because the subject property is currently vacant land, only the highest and best use of the subject as if vacant has been considered. Land value is derived from potential use rather than actual use. The highest and best use is that which generates the greatest return to the land. An analysis as to the highest and best use is influenced by many factors. In estimating highest and best use, there are four stages of analysis:

1. Physically possible use. What uses of the site are physically possible?

The site upon which the proposed Plaza Las Vegas is being developed is located on fee-simple and leased land on South Las Vegas Boulevard in Las Vegas, Nevada. In general, the parcel is appropriate for various commercial-, residential-, and leisure-related developments, including a casino-resort, given its size (approximately 35.54 acres) and location on the Las Vegas Strip.

2. Legally permissible use. What uses are permitted by zoning, deed restrictions, lease encumbrances, or any other legally binding codes, restrictions, or interests?

¹ Appraisal Institute. *The Dictionary of Real Estate Appraisal*, 4th Ed. Chicago: Author, 2002, p. 135.



As detailed in the "Description of the Real Estate" section of this report , according to the Clark County zoning regulations and map, the subject property is zoned as:

H-1 Limited Resort and Apartment District

H-1 zoning district permits the development of hotels, tanning salons, and ancillary uses. Special use permits are required for other developments in H-1 zoning, including resort-hotels, condominiums, multiple-family dwelling groups, time-share units, banquet facilities, colleges or universities, hospitals, and retail sales and services.

The majority of the subject site lies within the Las Vegas Boulevard Gaming Corridor (within 1,500 feet of the centerline of Las Vegas Boulevard), a defined area that has been specifically designated for the development and operation of casino hotels. A property located within this corridor must abide by the corridor development restrictions and must still obtain special use permits to pursue casino-hotel development. According to developer's representatives, special use entitlements have been granted for the proposed development, which will allow application by the developers for a non-restricted gaming license that will permit gaming throughout the subject site.

3. Financially feasible use. Which possible and permissible uses will produce a net return to the owner of the site?

While current market conditions for casino-hotel use are weakening in Las Vegas, the market has evidenced an ability to ride out economic downturns, absorb new supply, and continue to grow over the long term. The subject site is one of the most desirable sites assembled, vacant, and available for large-scale casino hotel and residential development. Given the number of gaming, retail, and condominium projects under construction and the continued interest in casino-hotel development on the Las Vegas Strip, it is clear that when market conditions are favorable, development of a mixed-used casino hotel with a retail and residential condominium component will generate the highest return to the subject land.

4. Maximally productive use. Among the feasible uses, which use will produce the highest net return or the highest present worth?



In consideration of the foregoing factors influencing development, given market conditions and the current challenge in financing these large-scale developments, it is our opinion that the highest and best use of the subject site would be to hold the land over the short term until market conditions improve and financing becomes available for the proposed Plaza mixed-use development.



14. Approaches to Value

In appraising real estate for value, the professional appraiser has three approaches from which to select: income capitalization, cost, and sales comparison. Although all three valuation procedures are considered, the inherent strengths of each approach and the nature of the subject property must be evaluated to determine which will provide supportable estimates of value. The appraiser then selects one or more of the appropriate approaches in arriving at a final value estimate.

As previously discussed, the objective of this appraisal is to develop opinions of value in use, as defined by the IFRS. As the definition of value in use specifically requires the employment of the income approach, based on future projected cash flows, the sales comparison and cost approaches to value have not been employed in deriving our value conclusions. However, the Sales Comparison Approach has been considered in determining market rates of return and the Cost Approach has been utilized to estimate the remaining development costs of the project in the land residual approach.

Income Capitalization Approach

The income capitalization approach analyzes a property's ability to generate financial returns as an investment. Inherent to the income approach is the principle of anticipation, where purchase price is formulated on the expectation of future net operating income and property appreciation.

Three income capitalization approaches have been utilized in the valuation of the casino hotel: 1) a mortgage-equity capitalization process, 2) the application of an EBITDA multiplier, and 3) a traditional discounted cash flow analysis. The first method is a mortgage-equity discounted cash flow analysis in which the property's net income is projected for an assumed 10-year holding period. The 10 years of net income before debt service, plus the reversionary sales proceeds from an assumed sale of the asset at the end of year 10, are discounted back to the date of value at a discount rate derived from the required internal rates of return on debt and equity. The sum of the discounted net income and reversionary sales proceeds to the debt and equity components are summed to derive an estimate of value. The



mortgage-equity capitalization process has been utilized in deriving the value in use of the subject property's proposed casino-resort component.

EBITDA (earnings before interest, taxes, depreciation and amortization) multiples are the inverse of overall capitalization rates. In order to value the proposed Plaza Las Vegas casino-resort component by the application of an EBITDA multiple, we researched transactions involving gaming properties and companies, as well EBITDA multiples based on estimated enterprise values of selected gaming companies, to derive overall capitalization rates and EBITDA multiples of properties that are similar in any of these categories: facilities, physical condition, market orientation, and profitability. Based on this market-derived information, we applied a supportable EBITDA multiplier to the subject property's projected first-year net income in order to determine prospective values in use for the proposed Plaza Las Vegas' casino-resort component.

Traditional discounted cash flow analysis, in which the annual net income before debt service and the reversionary proceeds following a sale at the end of the relevant period are discounted back to the date of value at an overall discount rate and then totaled to produce an indication of the present worth of future benefits, has been utilized in deriving the value in use of the subject property's proposed casino-resort and retail components.

Traditional discounted cash flow analysis has also been used to derive the value of the sellout of the residential condominium units planned for the subject property.

The income approach is often selected as the preferred method for valuing casinos-resorts, retail malls and residential condominium developments, because it most closely reflects the investment rationale of knowledgeable buyers. Furthermore, this approach is required by the IFRS.

Cost Approach

In the cost approach, the cost of all improvements, depreciated to reflect value loss from physical, functional, and external causes, is added to land value and entrepreneurial profit to derive a total value opinion. As previously discussed, the appraisers have not utilized this approach as a valuation method. However, the cost approach is a key component in performing a land residual approach. The costs incurred and anticipated to be incurred in constructing and developing the subject improvements were used in computing the "as is" residual value in use of the vacant land.



Sales Comparison Approach

The sales comparison approach estimates the value of a property by comparing it to similar properties sold on the open market. The sales comparison approach is most useful where the properties are homogeneous and the adjustments are few and relatively simple to compute, such as in the case of vacant land and single-family homes. To obtain a supportable estimate of value, the sales price of a comparable property must be adjusted to reflect any dissimilarities between it and the property being appraised, including adjustments for changes in market conditions and location.

In the case of complex investments such as casinos, shopping centers, office buildings, restaurants, and lodging facilities, where the adjustments are numerous and more difficult to quantify, the sales comparison approach loses much of its reliability. Casino investors typically do not employ the sales comparison approach in reaching their final purchase decisions, as the quality of the sales data rarely justifies the use of this method. Most of the casino sales that take place involve more than just a single asset; often, they involve entire companies. The sales comparison approach is inapplicable in deriving the prospective value in use opinions for the subject property, as the values in use derived considers factors unique to the current developers and is based on projected future cash flows, as required by the IFRS. However, transactions have been considered in selection of market capitalization rates and EBITDA multiples.

Transactions of land sales, shopping malls, casinos, and casino companies have also been presented to give an indication of market activity and rates of return. While the potential market value derived via a sales comparison approach is beyond the scope of this appraisal, and is not influential in deriving a value in use opinion, it is important that a reader of this report recognize the dynamic nature of the Las Vegas Strip market as it relates to transactions involving the subject parcel, as well as gaming and retail in general.

Reconciliation

The final step in the valuation process is the reconciliation and correlation of the value indications. Factors that are considered in assessing the reliability of each approach include the purpose of the appraisal, the nature of the subject property, and the reliability of the data used. In the reconciliation, the applicability and supportability of each approach are considered and the range of value indications is examined. The most significant weight is given to the approach that produces the most reliable solution and most closely reflects the criteria used by typical investors.



Our experience in valuing casino-resorts, retail shopping centers, and residential condominium developments indicates that the procedures used in estimating market value via the income capitalization approach are comparable to those employed by the investors who constitute the marketplace. Furthermore, employment of the income approach is required by the IFRS. For these reasons, the income capitalization approach has been relied upon in the valuation process set forth in this appraisal.



15. Income Capitalization Approach – Casino-Resort

The income capitalization approach is based on the principle that the value of a property is indicated by its net return, or what is known as the present worth of future benefits. The future benefits of income-producing properties such as casinos and hotels are net income before debt service and depreciation (as estimated by a forecast of income and expense) and any anticipated reversionary proceeds from a sale. These future benefits can then be converted into an indication of value in use upon completion through: 1) a mortgage-equity capitalization process, 2) a traditional discounted cash flow analysis, and/or 3) the application of an EBITDA (earnings before interest, taxes, depreciation, and amortization) multiple. The values in use derived herein are based on an evaluation and consideration of the factors specific to the current developers, including, but not limited to, Plaza branding, current management team, and entitlements granted by Clark County.

As previously indicated, the International Accounting Standards Board in International Accounting Standard 36 of the International Financial Reporting Standards has indicated that the following elements should be reflected in the calculation of an asset's "value in use":

- (a) an estimate of the future cash flows the entity expects to derive from the asset;
- (b) expectations about possible variations in the amount or timing of those future cash flows;
- (c) the time value of money, represented by the current market risk-free rate of interest;
- (d) the price for bearing the uncertainty inherent in the asset; and



- (e) other factors, such as illiquidity, that market participants would reflect in pricing the future cash flows the entity expects to derive from the asset.¹

Methodology

Casino-resorts generally evidence many of the same characteristics as hotels. These assets contain business components as well as real estate, are labor-intensive operations, and are subject to volatility in their income streams because they must release their rooms on a daily basis (hotels) or refill their seats every few minutes or hours (gaming operations). Unlike more-traditional income-producing assets, which derive income through fixed-term rental revenue, casino-resorts are constantly subject to the whim of the consumer.

While little has been written about the appropriate method of capitalizing a casino or casino-resort's net income into an estimate of value, a significant amount has been published on the capitalization of a hotel's income stream. As stated in the textbook entitled *Hotels and Motels: A Guide to Market Analysis, Investment Analysis, and Valuations*, published by the Appraisal Institute, "of the three valuation approaches available to the appraiser, the income capitalization approach generally provides the most persuasive and supportable conclusions when valuing a lodging facility." This text notes that using a 10-year forecast and an equity yield rate "most accurately reflects the actions of typical hotel buyers, who purchase properties based on their leveraged discounted cash flow." The simpler procedure of using a 10-year forecast and a discount rate is "less reliable because the derivation of the discount rate has little support. Moreover, it is difficult to adjust the discount rate for changes in the cost of capital."² While a mortgage-equity valuation technique best reflects the typical weighted cost of capital, some market participants also like to assess the worth of an income-producing asset through the application of a free-and-clear, unlevered discount rate in a discounted cash flow analysis.

In our discussions with casino and casino-hotel lenders, owners, and investors, we find that most casinos and casino-hotels are owned by publicly traded entities. Given the size and the nature of the development proposed for the subject site, the universe of potential buyers for this asset would be

¹ International Accounting Standard 36 of the International Financial Reporting Standards, *Impairment of Assets* (IAS 36), para. 30.

² Stephen Rushmore. *Hotels and Motels: A Guide to Market Analysis, Investment Analysis, and Valuations*. Chicago: Appraisal Institute. 1992, p. 236.



limited to gaming or hotel operators with sufficient capitalization and appropriate expertise and knowledge regarding the gaming, lodging, and convention industries to operate the facility in a competent and profitable manner. Participants in the gaming industry generally discuss asset valuation in terms of a multiple of projected EBITDA.

Accordingly, the prospective value in use for the proposed Plaza Las Vegas, upon completion and upon stabilization, has been estimated by the following three income capitalization approaches:

1. A 10-year mortgage-equity, discounted cash flow analysis;
2. An unlevered 10-year discounted cash flow analysis; and
3. Application of a market-derived multiple to the first year's projected net income.

Forecast of Income and Expense

The income capitalization approaches utilizes a forecast of income and expense that was developed for the proposed Plaza Las Vegas casino-resort component (including all proposed facilities except for residential condominiums and retail space), which reflects current and future anticipated income trends, up through a stabilized year of operation. The forecast of income and expenses for the proposed Plaza Las Vegas' casino-resort component is based on an analysis of the Las Vegas Strip \$72 Million and Over gaming market's existing gaming supply, an examination of regional and local demand trends, consideration of future competition, and the assumption of operation by an operator with marketing and operational experience appropriate for the proposed Plaza Las Vegas casino-resort's facilities.

The forecast of income and expense for the proposed Plaza Las Vegas is expressed in current dollars as of the date of each forecasted year. The last forecasted year, or what is referred to as the stabilized year, is intended to reflect the anticipated operating results of the property over its remaining economic life, given any and all applicable stages of build-up, plateau, and decline in the life cycle of the proposed casino-resort. Therefore, such income and expense estimates from the stabilized year forward exclude from consideration any abnormal relation of supply and demand, and also any transitory or nonrecurring conditions which may result in unusual revenue or expenses of the property.



We anticipate that, due to the increases in competitive hotel and gaming supply planned for development in Las Vegas, it will take four years for the proposed Plaza Las Vegas casino-hotel components after opening to reach a stabilized operating level. The following forecasts of revenue and expense are based upon the anticipated market positioning of the proposed Plaza Las Vegas; operating budgets provided by EL AD IDB Las Vegas LLC; comparable operating statements; analysis of the Las Vegas \$72 Million and Over gaming and lodging market; an evaluation and consideration of the factors specific to the current developers, including, but not limited to, Plaza branding, current management team, and entitlements granted by Clark County; and our industry knowledge. Revenue and expense items are based upon calendar years beginning January 1, 2013, and are expressed in inflated dollars for each year.

Paragraph 33 of the International Accounting Standard 36 of the International Financial Reporting Standards indicates that in measuring value in use an entity shall:

- (a) base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight shall be given to external evidence.
- (b) base cash flow projections on the most recent financial budgets/forecasts approved by management, but shall exclude any estimated future cash inflows or outflows expected to arise from future restructurings or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts shall cover a maximum period of five years, unless a longer period can be justified.
- (c) estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate shall not exceed the long-term average growth rate for the products, industries, or country or countries in



which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.³

An independent evaluation and interpretation of Paragraph 33 of the International Accounting Standard 36 of the International Financial Reporting Standards has not been conducted by the appraisers. We have been informed by EL AD IDB Las Vegas LLC representatives that their accountants have interpreted this section to allow the methodology utilized in this report in deriving the prospective values for the subject property's proposed components, including the estimation and consideration of cash flows from improvements that have not yet been constructed. Moreover, projections for a term longer than five years are appropriate for the analysis herein in light of the current economic climate and the anticipated performance of entities competing in the Las Vegas market.

Review of Developer's Pro Forma Statements

The proposed Plaza Las Vegas' casino-resort components will be constructed in Phase I of the development. Phase I of the proposed Plaza Las Vegas is scheduled to open on January 1, 2013. Because the subject property is a proposed casino-resort without an established operating performance, estimates of income and expenses from management have been considered in our projections. The basis for the income and expense statement set forth in the following table was provided by EL AD IDB Las Vegas LLC.

³International Accounting Standard 36 of the International Financial Reporting Standards, *Impairment of Assets* (IAS 36), para. 33.

Proposed Plaza Las Vegas Casino-Resort Pro Forma (Projections by EL AD IDB Las Vegas LLC)

	2013				2014				2015				2016				2017			
Number of Rooms:	3,000				3,000				3,000				3,000				3,000			
Occupancy:	96.8%				96.8%				96.8%				96.8%				96.8%			
Average Rate:	\$284.67				\$294.62				\$304.94				\$315.62				\$326.66			
Days Open:	365				365				365				365				365			
Occupied Rooms:	1,059,595				1,059,595				1,059,595				1,059,595				1,059,595			
Number of Devices:	2,037				2,037				2,037				2,037				2,037			
Number of Tables:	126				126				126				126				126			
	\$ (000s)	%Gross	PAR	POR	\$ (000s)	%Gross	PAR	POR	\$ (000s)	%Gross	PAR	POR	\$ (000s)	%Gross	PAR	POR	\$ (000s)	%Gross	PAR	POR
REVENUE																				
Gaming	\$548,761	42.2 %	\$182,920	\$518	\$567,968	43.7 %	\$189,323	\$536	\$587,847	43.7 %	\$195,949	\$555	\$608,421	43.7 %	\$202,807	\$574	\$629,716	43.7 %	\$209,905	\$594
Rooms	301,631	23.2	100,544	285	312,188	24.0	104,063	295	323,115	24.0	107,705	305	334,424	24.0	111,475	316	346,129	24.0	115,376	327
Food & Beverage	352,315	27.1	117,438	332	318,204	24.5	106,068	300	329,341	24.5	109,780	311	340,868	24.5	113,623	322	352,798	24.5	117,599	333
Entertainment	76,797	5.9	25,599	72	79,485	6.1	26,495	75	82,267	6.1	27,422	78	85,146	6.1	28,382	80	88,126	6.1	29,375	83
Other Income	19,952	1.5	6,651	19	20,651	1.6	6,884	19	21,373	1.6	7,124	20	22,121	1.6	7,374	21	22,896	1.6	7,632	22
Total	1,299,456	100.0	433,152	1,226	1,298,495	100.0	432,832	1,225	1,343,943	100.0	447,981	1,268	1,390,981	100.0	463,660	1,313	1,439,665	100.0	479,888	1,359
DEPARTMENTAL EXPENSES																				
Gaming	338,145	61.6	112,715	319	349,980	61.6	116,660	330	362,229	61.6	120,743	342	374,907	61.6	124,969	354	388,029	61.6	129,343	366
Rooms	102,555	34.0	34,185	97	103,959	33.3	34,653	98	90,472	28.0	30,157	85	93,639	28.0	31,213	88	96,916	28.0	32,305	91
Food & Beverage	243,661	69.2	81,220	230	204,224	64.2	68,075	193	209,009	63.5	69,670	197	216,325	63.5	72,108	204	223,896	63.5	74,632	211
Entertainment	71,483	93.1	23,828	67	73,985	93.1	24,662	70	76,575	93.1	25,525	72	79,255	93.1	26,418	75	82,029	93.1	27,343	77
Other Income	13,620	68.3	4,540	13	14,097	68.3	4,699	13	14,590	68.3	4,863	14	15,101	68.3	5,034	14	15,629	68.3	5,210	15
Total	769,464	59.2	256,488	726	746,245	57.5	248,748	704	752,876	56.0	250,959	711	779,226	56.0	259,742	735	806,499	56.0	268,833	761
DEPARTMENTAL INCOME	529,993	40.8	176,664	500	552,250	42.5	184,083	521	591,067	44.0	197,022	558	611,754	44.0	203,918	577	633,166	44.0	211,055	598
UNDISTRIBUTED EXPENSES																				
Administrative and General	53,742	4.1	17,914	51	56,253	4.3	18,751	53	58,851	4.4	19,617	56	61,541	4.4	20,514	58	64,325	4.5	21,442	61
Marketing	32,610	2.5	10,870	31	33,751	2.6	11,250	32	34,932	2.6	11,644	33	36,155	2.6	12,052	34	37,421	2.6	12,474	35
Property Operations	97,829	7.5	32,610	92	101,253	7.8	33,751	96	104,797	7.8	34,932	99	108,465	7.8	36,155	102	112,262	7.8	37,421	106
Total	184,181	14.2	61,394	174	191,257	14.7	63,752	181	198,581	14.8	66,194	187	206,161	14.8	68,720	195	214,007	14.9	71,336	202
HOUSE PROFIT	\$345,812	26.6 %	\$115,271	\$326	\$360,993	27.8 %	\$120,331	\$341	\$392,486	29.2 %	\$130,829	\$370	\$405,593	29.2 %	\$135,198	\$383	\$419,159	29.1 %	\$139,720	\$396
FIXED EXPENSES																				
Property Taxes	18,000	1.4	6,000	17	18,000	1.4	6,000	17	18,000	1.3	6,000	17	18,000	1.3	6,000	17	18,000	1.3	6,000	17
Total	18,000	1.4	6,000	17	18,000	1.4	6,000	17	18,000	1.3	6,000	17	18,000	1.3	6,000	17	18,000	1.3	6,000	17
EBITDA	\$327,812	25.2 %	\$109,271	\$309	\$342,993	26.4 %	\$114,331	\$324	\$374,486	27.9 %	\$124,829	\$353	\$387,593	27.9 %	\$129,198	\$366	\$401,159	27.9 %	\$133,720	\$379
Rooms as a % of Gaming Rev	55.0 %				55.0 %				55.0 %				55.0 %				55.0 %			
Food & Beverage as a % of Gaming Rev	64.2				56.0				56.0				56.0				56.0			
Food & Beverage as a % of Rooms Rev	116.8				101.9				101.9				101.9				101.9			
Entertainment as a % of Gaming Rev	14.0				14.0				14.0				14.0				14.0			
Entertainment as a % of Rooms Rev	25.5				25.5				25.5				25.5				25.5			
Other Income as a % of Gaming Rev	3.6				3.6				3.6				3.6				3.6			
Other Income as a % of Rooms Rev	6.6				6.6				6.6				6.6				6.6			

* Departmental expenses expressed as a percentage of departmental revenues

Source: Elad IDB Las Vegas LLC



For purposes of this analysis, income and expenses for all retail have been excluded and are considered in other sections of this report. It should also be noted that projected departmental income provided by EL AD IDB Las Vegas LLC reflected promotional allowances charged to respective departments.

Comparable Operating Statements

In the forecast of income and expense presented later in this section, the following composite industry data will be utilized as a basis of comparison to ascertain the reasonableness of our forecast where applicable. The data presented pertain to the casinos located on the Las Vegas Strip with revenue in excess of \$72 million for fiscal years 2003/04, 2004/05, 2005/06, and 2006/07. Given their average size, revenue-generating ability, occupancy, and average rate, these properties are considered comparable to the subject property as proposed. Note that the fiscal year runs from July 1 through June 30. As such, the fiscal year 2006/07 information spans July 1, 2006 to June 30, 2007. The Nevada Gaming Control Board has not posted results for fiscal year 2007/08 as of the time of this report. There is no uniform system of accounts for casino-hotels and the composite industry statements do not follow the same exact format as the subject property's financial statements presented previously. The primary difference is in the accounting of undistributed expenses. These differences are discussed in greater detail in the forthcoming discussion of our forecast.


Comparable Statements of Income and Expense - \$72 Million and Over Submarket Composite

Fiscal Year Ending June 30	2006/07		2005/06		2004/05		2003/04	
Number of Locations:	23*		24		24		23	
Occupancy:	95.6%		94.9%		93.6%		93.0%	
Average Rate:	\$153.64		\$143.00		\$132.75		\$119.65	
Days Open:	365		365		365		366	
Occupied Rooms:	24,504,276		24,931,658		23,137,967		22,717,955	
	\$ ('000s)	% Gross						
REVENUE								
Gaming	\$5,943,694	40.8 %	\$5,516,100	40.4 %	\$4,752,715	40.5 %	\$4,405,904	41.4 %
Rooms	3,764,727	25.8	3,565,241	26.1	3,071,594	26.2	2,718,140	25.6
Food	2,029,297	13.9	2,012,825	14.8	1,684,011	14.4	1,504,909	14.2
Beverage	779,905	5.4	725,190	5.3	605,629	5.2	557,704	5.2
Other	2,053,268	14.1	1,826,274	13.4	1,614,613	13.8	1,442,897	13.6
Total Revenue	14,570,891	100.0	13,645,629	100.0	11,728,562	100.0	10,629,554	100.0
DEPARTMENTAL EXPENSES**								
Gaming	3,516,608	59.2	3,280,106	59.5	2,678,947	56.4	2,549,878	57.9
Rooms	1,161,248	30.8	1,177,252	33.0	1,003,119	32.7	922,923	34.0
Food & Beverage	2,266,802	80.7	2,194,028	80.1	1,882,724	82.2	1,696,220	82.2
Other	1,323,152	64.4	1,106,215	60.6	889,224	55.1	727,644	50.4
Total Departmental Expense	8,267,809	56.7	7,757,601	56.9	6,454,014	55.0	5,896,664	55.5
DEPARTMENTAL INCOME								
	6,303,082	43.3	5,888,028	43.1	5,274,549	45.0	4,732,890	44.5
UNDISTRIBUTED EXPENSES								
Administrative and General	1,929,402	13.2	1,898,195	13.9	1,885,815	16.1	1,573,661	14.8
Advertising and Marketing	149,703	1.0	152,786	1.1	147,595	1.3	159,772	1.5
Energy	283,035	1.9	272,494	2.0	226,691	1.9	210,751	2.0
Complimentary***	39,263	0.3	43,732	0.3	56,340	0.5	60,308	0.6
Total	2,401,403	16.5	2,367,207	17.3	2,316,441	19.8	2,004,493	18.9
HOUSE PROFIT								
	3,901,679	26.8	3,520,821	25.8	2,958,108	25.2	2,728,397	25.7
Fixed Charges								
Property Taxes	157,688	1.1	148,617	1.1	121,011	1.0	112,271	1.1
Rent Expense	18,790	0.1	19,873	0.1	15,916	0.1	12,272	0.1
Equipment Lease	16,105	0.1	18,225	0.1	17,028	0.1	23,334	0.2
Total	192,583	1.3	186,715	1.4	153,955	1.3	147,878	1.4
EBITDA								
	\$3,709,096	25.5 %	\$3,334,106	24.4 %	\$2,804,153	23.9 %	\$2,580,519	24.3 %
Rooms as a % of Gaming Rev		63.3 %		64.6 %		64.6 %		61.7 %
Food as a % of Gaming Rev		34.1		36.5		35.4		34.2
Food as a % of Rooms Rev		53.9		56.5		54.8		55.4
Beverage as a % of Gaming Rev		13.1		13.1		12.7		12.7
Beverage as a % of Rooms Rev		20.7		20.3		19.7		20.5
Beverage as a % of Food Rev		38.4		36.0		36.0		37.1
Other as a % of Gaming Rev		34.5		33.1		34.0		32.7
Other as a % of Rooms Rev		54.5		51.2		52.6		53.1

* Number of locations reduced to 23 due to closure of the Stardust Casino in December 2007

** Departmental expenses are expressed as a percentage of departmental revenues

*** Complimentary expenses that are not attributable to a specific department

Source: Nevada Gaming Control Board

A review of the previous financial statements reveals that house profit for the comparables over the four-year period reviewed ranged from 25.2% of total revenue in 2004/05 to 26.8% of total revenue in 2006/07, while EBITDA ranged from 23.9% of total revenue in 2004/05 to 25.5% of total revenue in 2006/07. It



should be noted that undistributed expenses are accounted for inconsistently among properties in the competitive set. Specifically, some complimentary and promotions expenses are not allocated to the departments.

Wynn Las Vegas Operating Statements

The financial results of the Wynn Las Vegas' operation serve as an important benchmark in our forthcoming forecast of income and expense. The Wynn Las Vegas is currently a very comparable property to the Plaza Las Vegas as proposed in that the properties' amenities and finishings are of a higher quality than options generally available at properties in the \$72 Million and Over submarket. Additionally, the principle focus of Wynn Las Vegas, similar to the proposed Plaza Las Vegas, is the high-end patron.

The following chart sets forth the historical operating data for the Wynn Las Vegas for 2006, 2007, and the trailing 12 months ending June 2008, and year-to-date through June 2007 and 2008 available from Wynn Las Vegas' SEC filings.

Comparable Statements of Income and Expense - Wynn Las Vegas

	Trailing 12 Months Ending June 30, 2008				2007				2006				YTD June 2008				YTD June 2007			
	\$ (000s)	%Gross	PAR	POR	\$ (000s)	%Gross	PAR	POR	\$ (000s)	%Gross	PAR	POR	\$ (000s)	%Gross	PAR	POR	\$ (000s)	%Gross	PAR	POR
Number of Rooms:	2,716				2,716				2,716				2,716				2,716			
Occupancy:	96.1%				96.0%				94.4%				96.2%				96.6%			
Average Rate:	\$300.00				\$300.00				\$287.00				\$300.00				\$310.00			
Days Open:	365				365				365				182				181			
Occupied Rooms:	952,333				951,686				935,825				475,528				474,882			
Number of Devices:	1,957				1,966				1,964				1,947				1,956			
Number of Tables:	140				141				142				139				138			
REVENUE																				
Gaming	555,644	40.6 %	\$204,582	\$583	642,327	44.3 %	\$236,497	\$675	535,561	41.4 %	\$197,187	\$572	245,798	37.3 %	\$90,500	\$517	332,481	45.0 %	\$122,416	\$700
Rooms	281,018	20.5	103,468	295	285,702	19.7	105,192	300	268,237	20.7	98,762	287	142,703	21.6	52,542	300	147,387	19.9	54,266	310
Food & Beverage	313,022	22.9	115,251	329	311,032	21.5	114,518	327	295,205	22.8	108,691	315	161,480	24.5	59,455	340	159,490	21.6	58,722	336
Other Income	219,275	16.0	80,735	230	209,508	14.5	77,138	220	194,600	15.0	71,649	208	109,317	16.6	40,249	230	99,550	13.5	36,653	210
Total	1,368,959	100.0	504,035	1,437	1,448,569	100.0	533,346	1,522	1,293,603	100.0	476,290	1,382	659,298	100.0	242,746	1,386	738,908	100.0	272,057	1,556
DEPARTMENTAL EXPENSES																				
Gaming	269,023	48.4	99,051	282	276,523	43.1	101,813	291	250,447	46.8	92,212	268	129,831	52.8	47,802	273	137,331	41.3	50,564	289
Rooms	75,769	27.0	27,897	80	75,808	26.5	27,912	80	71,170	26.5	26,204	76	38,409	26.9	14,142	81	38,448	26.1	14,156	81
Food & Beverage	190,964	61.0	70,311	201	192,497	61.9	70,875	202	185,382	62.8	68,256	198	97,435	60.3	35,874	205	98,968	62.1	36,439	208
Other Income	149,850	68.3	55,173	157	145,460	69.4	53,557	153	129,853	66.7	47,810	139	73,496	67.2	27,060	155	69,106	69.4	25,444	146
Total	685,606	50.1	252,432	720	690,288	47.7	254,156	725	636,852	49.2	234,482	681	339,171	51.4	124,879	713	343,853	46.5	126,603	724
DEPARTMENTAL INCOME	683,353	49.9	251,603	718	758,281	52.3	279,190	797	656,751	50.8	241,808	702	320,127	48.6	117,867	673	395,055	53.5	145,455	832
UNDISTRIBUTED EXPENSES																				
Administrative and General	227,164	16.6	83,639	239	205,830	14.2	75,784	216	195,055	15.1	71,817	208	124,134	18.8	45,705	261	102,800	13.9	37,850	216
Complimentary/Promo.	156,154	11.4	57,494	164	152,718	10.5	56,229	160	154,255	11.9	56,795	165	76,229	11.6	28,067	160	72,793	9.9	26,802	153
Provision for Doubtful Account	15,639	1.1	5,758	16	21,139	1.5	7,783	22	20,675	1.6	7,612	22	7,132	1.1	2,626	15	12,632	1.7	4,651	27
Management Fees	18,196	1.3	6,700	19	19,473	1.3	7,170	20	17,091	1.3	6,293	18	8,745	1.3	3,220	18	10,022	1.4	3,690	21
Total	417,153	30.5	153,591	438	399,160	27.6	146,966	419	387,076	29.9	142,517	414	216,240	32.8	79,617	455	198,247	26.8	72,992	417
EBITDA	\$266,200	19.4 %	\$98,012	\$280	\$359,121	24.8 %	\$132,224	\$377	\$269,675	20.8 %	\$99,291	\$288	\$103,887	15.8 %	\$38,250	\$218	\$196,808	26.6 %	\$72,462	\$414
Rooms as a % of Gaming Rev		50.6 %				44.5 %				50.1 %				58.1 %				44.3 %		
Food & Beverage as a % of Gaming Rev		56.3				48.4				55.1				65.7				48.0		
Food & Beverage as a % of Rooms Rev		111.4				108.9				110.1				113.2				108.2		
Other Income as a % of Gaming Rev		39.5				32.6				36.3				44.5				29.9		
Other Income as a % of Rooms Rev		78.0				73.3				72.5				76.6				67.5		

* Departmental expenses expressed as a percentage of departmental revenues



The Wynn Las Vegas' EBITDA increased significantly from roundly \$270 million, or 20.8% of total revenue, in 2006 to roundly \$359 million, to 24.8% of total revenue, in 2007. In the trailing 12 months ending June 2008, Wynn Las Vegas' net income declined substantially, to approximately \$266 million, or 19.4% of total revenue, reflecting the downturn being experienced by all properties in the Las Vegas market. In the year-to-date period through June 2008, EBITDA was roundly \$104 million, or 15.6% of total revenue, declining from roundly \$197 million, or 26.6% of total revenue, during the same period in 2007.

In the trailing 12 months ending June 2008, 40.6% of the Wynn Las Vegas' gross revenues was generated by its gaming operations, 20.5% from rooms, 22.9% from food and beverage, and 16.0% from other operations. Overall, the Wynn Las Vegas' departmental expenses for gaming, rooms, food and beverage, and other income in the trailing 12 months were at 48.4%, 27.0%, 61.0%, and 68.3% of departmental revenues, respectively. Total departmental expenses were projected to equate to 50.1% of total revenue, resulting in departmental income of 49.9% of total revenue. It should be noted that the Wynn Las Vegas' other income includes revenue generated by 74,000 square feet of retail space; as previously indicated, retail space planned for the subject property is considered in a separate section of this report.

Inflation Analysis

A general rate of inflation must be established that will be applied to most revenue and expense categories. The following table shows inflation estimates made by economists at some noted institutions and corporations.



Inflation Estimates

Name	Firm	Previous Projections through June 2008	Projected Increase in Consumer Price Index (Annualized Rate Versus 12 Months Earlier)	
			December 2008	June 2009
Scott Anderson	Wells Fargo & Co.	3.0 %	4.4 %	3.4 %
Paul Ashworth	Capital Economics	3.0	3.0	2.5
Nariman Behravesh	Global Insight	1.6	6.6	3.4
Richard Berner/David Greenlaw	Morgan Stanley	2.7	4.8	3.9
Ram Bhagavatula	Combinatorics Capital	2.0	3.2	2.2
Jay Brinkmann	Mortgage Bankers Association	—	4.3	3.0
Joseph Carson	AllianceBernstein	2.5	4.2	3.0
Mike Cosgrove	Econoclast	2.6	3.8	2.7
Lou Crandall	Wrightson ICAP	3.1	4.7	3.3
J. Dewey Daane	Vanderbilt University	3.0	4.5	4.3
Richard DeKaser	National City Corporation	2.3	3.0	1.6
Douglas Duncan	Fannie Mae	3.1	4.0	3.4
Brian Fabbri	BNP Paribas	—	4.8	2.6
Maria Fiorini Ramirez/Joshua Shapiro	MFR, Inc.	2.6	4.0	2.9
Stephen Gallagher	Societe Generale	3.0	4.6	3.4
Ethan S. Harris	Lehman Brothers	2.6	3.3	1.8
Maury Harris	UBS	2.6	4.0	2.4
Jan Hatzius	Goldman Sachs & Co.	3.2	4.2	3.4
Tracy Herrick	The Private Bank	3.2	4.3	4.5
Stuart Hoffman	PNC Financial Services Group	2.9	3.9	2.8
Peter Hooper/Joseph A. LaVorgna	Deutsche Bank Securities Inc.	3.0	4.3	3.4
Gene Huang	FedEx Corp.	2.8	3.7	3.4
William B. Hummer	Wayne Hummer Investments LLC	2.7	3.4	2.8
Saul Hymans/Joan Crary/Janet Wolfe	RSQE, U. of Michigan	2.7	3.7	3.0
Dana Johnson	Comerica Bank	2.2	2.8	1.8
Kurt Karl/Arun Raha	Swiss Re	2.5	6.1	2.7
Bruce Kasman	JP Morgan Chase & Co.	2.7	4.2	2.9
Paul Kasriel	The Northern Trust	2.5	3.6	2.3
Lawrence Kudlow	Kudlow & Co. LLC	2.0	—	—
Daniel Laufenberg	Ameriprise Financial	2.6	3.3	3.8
Edward Leamer	UCLA Anderson Forecast	1.9	3.7	2.1
Mickey D. Levy	Bank of America	2.9	2.9	2.4
John Lonski	Moody's Investors Service	2.4	3.3	2.4
Dean Maki	Barclays Capital	2.8	5.2	3.4
Jim Meil/Tianlun Jian	Eaton Corp.	3.2	3.8	3.2
Mark Nielson	MacroEcon Global Advisors	3.2	4.2	4.4
Michael P. Niemira	International Council of Shopping Centers	2.5	3.0	3.2
Nicholas S. Perna	Perna Associates	2.9	3.5	2.7
Joel Prakken/Chris Varvares	Macroeconomic Advisers	3.3	4.5	4.4
David Resler	Nomura Securities International Inc.	3.2	4.5	3.6
David Rosenberg	Merrill Lynch	2.6	—	—
John Ryding	Bear Stearns & Co. Inc.	3.5	—	—
Ian Shepherdson	High Frequency Economics	2.5	4.4	4.3
John Silvia	Wachovia Corp.	3.1	3.2	2.4
Allen Sinai	Decision Economics Inc.	3.3	3.8	3.4
James F. Smith	Western Carolina Univ. and Parsec Financial Mgmt.	(1.8)	(0.4)	1.0
Sung Won Sohn	California State University	2.0	3.5	3.3
Neal Soss	Credit Suisse	3.0	4.8	3.2
Stephen Stanley	RBS Greenwich Capital	2.9	4.2	3.3
Susan M. Sterne	Economic Analysis	2.7	2.8	2.5
Diane Swonk	Mesirow Financial	3.1	4.7	3.5
Bart van Ark	The Conference Board	2.8 *	4.6	4.0
Brian S. Wesbury/Robert Stein	First Trust Advisors, L.P.	3.3	4.5	4.2
William T. Wilson	National Bank of Kuwait	3.1	3.8	2.8
David Wyss	Standard and Poor's	2.4	6.6	4.5
Lawrence Yun	National Association of Realtors	3.0	2.9	2.3
		2.7 %	4.0 %	3.1 %
Actual Inflation for the Period		5.0 %		

*Projection submitted by Gail Fosler

Source: wsj.com, July 29, 2008



As the preceding table indicates, the financial analysts anticipated inflation rates ranging from (1.8)% to 3.8% (on an annualized basis) for the six-month period ending June 2008; the average estimate was 2.7%. The same group forecast 4.0% inflation for the twelve-month period ending December 2008 and 3.1% for the twelve-month period ending June 2009.

As a further check on these inflation projections, we have reviewed historical increases in the National Consumer Price Index (CPI). Because the value of real estate is predicated on cash flows over a relatively long period, inflation should be considered from a long-term perspective.

Consumer Price Index

Year	National Consumer Price Index	Percent Change from Previous Year
1997	160.5	—
1998	163.0	1.6 %
1999	166.6	2.2
2000	172.2	3.4
2001	177.1	2.8
2002	179.9	1.6
2003	184.0	2.3
2004	188.9	2.7
2005	195.3	3.4
2006	201.6	3.2
2007	207.3	2.8
Average Annual Compounded Change,		
	1997-2007:	2.6 %
	2002-2007:	2.9

Source: Bureau of Labor Statistics

Between 1997 and 2007, the national CPI increased at an average annual compounded rate of 2.6%, and between 2002 and 2007, the national CPI increased at a slightly higher average annual compounded rate of 2.9%. In consideration of these historical trends, the projections set forth above, and our assessment of probable property appreciation levels, we have applied an underlying inflation rate of 3.0% to all appropriate revenue and expense items throughout the projection period. This stabilized inflation rate takes into account normal, recurring inflation cycles. Inflation is likely to fluctuate above and below this level during the projection period.



Fixed and Variable Component Analysis

In forecasting revenues and expenses for a gaming property, HVS Consulting & Valuation uses a fixed and variable component model. The logic behind this model is based on the premise that gaming property revenue and expenses have a component that is fixed and another component that varies directly with gaming volume and facility use. Therefore, a projection can be made by taking a known level of revenue or expense and calculating the fixed component, as well as the variable portion. The fixed component is then held at a constant level, while the variable component is adjusted for the percentage change in the projected gaming or departmental revenue volume. Adding the fixed and variable components results in the projected revenue or expense figure for each category.

The following table illustrates the revenue and expense categories that can be projected using this fixed and variable component model. These percentages show the portion of each category that is typically fixed and variable. The last column describes the basis for calculating the percentage of variability.

Range of Fixed and Variable Ratios

Category	Percent Fixed	Percent Variable	Index of Variability	Selected Fixed Ratio
Revenues				
Food & Beverage	25 - 50%	50 - 75%	Gaming	25 %
Other Income	30 - 60	40 - 70	Rooms	50
Departmental Expenses				
Gaming	25 - 70	30 - 75	Gaming	25
Rooms	35 - 60	40 - 65	Rooms	35
Food & Beverage	35 - 60	40 - 65	Food & Beverage	55
Other Income	30 - 70	30 - 70	Other Income	70
Undistributed Operating Expenses				
Administrative and General	65 - 85	15 - 35	Total Revenue	65
Marketing	65 - 85	25 - 45	Total Revenue	65
POM	0	100	Total Revenue	50
Energy	55 - 75	25 - 45	Total Revenue	65
Fixed Expenses				
Property Taxes	100	0	Total Revenue	100
Reserve for Replacement	100	0	Total Revenue	100

The forecast of revenue and expense is accomplished through a step-by-step approach. Each category of revenue and expense is estimated separately and combined at the end in the final statement of income and expense.



Gaming Revenue

As delineated in the "Forecast of Gaming Revenue" section of the narrative, we have assumed that the property will feature 126 table games and 2,037 slot machines. Gaming revenue for table games and slot machines has been forecast through the 10-year projection period based on a market penetration model and reconciled with a WPUPD analysis. Additional gaming revenue is expected to be generated by the property's sports/racebook operations. Gaming revenue projections for the subject property is set forth in the following table.

Gaming Revenue Forecast (Projection by HVS Consulting & Valuation)

	2013	2014	2015	2016
Gaming Devices				
Win ('000s)	\$164,750	\$177,400	\$182,720	\$188,210
Growth Rate	---	7.7 %	3.0 %	3.0 %
Table Games				
Win ('000s)	\$347,300	\$373,270	\$384,460	\$396,000
Growth Rate	---	7.5 %	3.0 %	3.0 %
Table and Device Win ('000s)	\$512,050	\$550,670	\$567,180	\$584,210
Other Gaming Revenues @ 2.5% ('000s)	\$12,800	\$13,770	\$14,180	\$14,610
Total Gaming Win ('000s)	\$524,850	\$564,440	\$581,360	\$616,770
Growth Rate	---	7.5 %	3.0 %	3.0 %

Overall, gaming revenue is expected to be roundly \$524,850,000, or 43.5% of total revenue, in the projection year. Our forecast of gaming revenue reflects the historical performance of the Las Vegas Strip \$72 Million and Over submarket, the changes in supply expected for the market, and the anticipated performance and penetration of the proposed Plaza Las Vegas. Gaming revenues are anticipated to stabilize in 2015, at roundly \$581,360,000, or 43.6% of total revenue, and increase at a rate of 3.0% per year thereafter.

Rooms Revenue

Hotel revenue is determined by two variables: occupancy and average room rate. Occupancy and rate achievements at casino-hotels are largely influenced by the use of hotel rooms as marketing incentives for the casino. A significant proportion of hotel rooms are provided with highly discounted or complimentary rates to patrons to encourage casino play. As hotel rooms are largely used to generate demand for the casino, the rate and occupancy can be manipulated by management to maximize the number of visitors to the property. The rooms department records the revenue based on a negotiated



rate with the gaming department and the expense is recorded as a promotional allowance in the gaming department.

Occupancy and average rate for the proposed Plaza Las Vegas casino-resort component were forecast in the "Forecast of Hotel Occupancy and Average Rate" section of this report. The following chart details HVS Consulting and Valuation's occupancy and average rate projections for the subject property.

Forecast of Occupancy, Average Rate, and RevPAR - Proposed Plaza Las Vegas

<u>Year</u>	<u>Occupancy</u>	<u>Average Daily Rate</u>	<u>% Change</u>	<u>RevPAR</u>	<u>% Change</u>
2013	90.0 %	\$270.84	--	\$243.75	--
2014	93.0	278.96	3.0 %	259.44	6.4 %
2015	95.0	287.33	3.0	272.97	5.2
2016	95.0	295.95	3.0	281.15	3.0

Overall, the subject property's rooms revenue is forecast at roundly \$266,911,000 or 22.1% of total revenue, in the first projection year. In the stabilized year (2016), rooms revenue is forecast to increase to roundly \$307,864,000, or 22.4% of total revenue.

Subsequent to 2016, occupancy has been forecast at 95.0% throughout the remainder of the projection period and average rate has been forecast to increase at yearly inflationary levels of 3.0%.

Food and Beverage Revenue

Food revenue for the proposed Plaza Las Vegas' casino-resort component will be generated by in-room dining, restaurants, and banquet services. Beverage revenue are expected to be generated by the sale of alcoholic beverages in a hotel's restaurants and banquet rooms and the sale of alcoholic and nonalcoholic beverages in the bars and lounges. Complimentary beverages served in the casino are also customarily recorded as departmental revenue. As discussed in the "Description of the Real Estate" section of this report, the proposed Plaza Las Vegas facilities is expected to include 15 food and beverage outlets and 7 bars/lounges. Several food and beverage outlets will be fashioned after the world-renowned Palm Court, Oak Room & Bar, and Edwardian Room.

The composite \$72 Million and Over submarket income and expense statements reflect food and beverage revenues of 47.2% of gaming revenue



and 74.6% of rooms revenue in fiscal year 2006/07, declining from 49.6% of gaming revenue and 76.8% of rooms revenue in 2005/06. Food and beverage revenue for Wynn Las Vegas for the trailing 12 months ending June 30, 2008 reflects ratios of food and beverage revenue relative to gaming revenues and rooms revenue of 56.3% and 111.4%, respectively. The food and beverage facilities planned for the proposed Plaza Las Vegas are expected to be more in line with products available at the Wynn Las Vegas than those available at the composite properties. Moreover, condominium guests and residents are expected to contribute to food and beverage revenues. Accordingly, food and beverage has been forecast at 55.2% of gaming revenue and 108.5% of rooms revenue, or roundly \$289,505,000, in the first projection year, stabilizing at 55.0% of gaming revenues and 107.0% of rooms revenue, or \$329,351,000, in 2016.

Other Income

Other revenue at the proposed Plaza Las Vegas is expected to be derived from various sources, including showrooms, revenue-generating entertainment, spa, salon, business center, vending revenue, ATM commissions, laundry valet service, and other revenue sources not otherwise accounted for.

The composite \$72 Million and Over submarket income and expense statements reflect other revenues of 14.1% of total revenues (34.5% of gaming revenue and 54.5% of rooms revenue) in fiscal year 2006/07, increasing from 13.4% of total revenues (33.1% of gaming revenue and 51.2% of rooms revenue) in 2005/06. Other revenue for the Wynn Las Vegas for the trailing 12 months ending June 30, 2008 represented 16.0% of total revenue (39.5% of gaming revenues and 78.0% of rooms revenue).

As discussed previously in other sections of this report, major shopping mall components at casino-resorts, including the Forum Shops, the Grande Canal Shoppes, Palazzo Shoppes, and Miracle Mile, are owned and operated by outside third parties. Additionally, capitalization and discount rates for retail space are viewed differently by the financial industry and investors than gaming and hotel components. Accordingly, revenue for the retail space planned for the subject property is considered in a separate section of this report.

As the data for both the composite \$72 Million and Over submarket income and expense statements and the Wynn Las Vegas include in-house revenue from retail space (as previously indicated, Wynn Las Vegas' other income



includes revenue generated by 74,700 square feet of retail space), other income revenue for the subject property as a percentage of total revenue (as well as a percentage of gaming and rooms revenue) is projected below that of the comparables, at 10.3% of total revenue, or roundly \$124,781,000 in 2013, stabilizing at 10.1%, or roundly \$138,539,000 in 2016.

Gaming Expenses

Gaming expense generally consists of items relating to the operation and general upkeep of the casino areas, including the table games and gaming devices. Allocations for complimentary expenses such as room, food, and beverage for patrons, are expected to be substantial, the majority of which are included within this line item. Additionally, any comp credits and expenses expected due to utilization of a frequent player tracking system are included in this category.

Salaries, wages, and employee benefits also account for a significant portion of this category. The wages paid to dealers and personnel tend to be variable; however, they are offset by the relatively fixed payroll for pit and slot supervisors, pit and slot managers, the casino manager, the surveillance staff, casino cage personnel, change personnel, complimentary and promotions expense, and the casino host. Overall, salaries, wages, and employee benefits are somewhat dependent on management's scheduling and forecasting abilities. Other gaming expenses include gaming taxes, gaming equipment maintenance, gaming supplies, uniforms, and other miscellaneous departmental operating expenses for the casino and cage.

The composite data for the Las Vegas Strip \$72 Million and Over submarket indicated gaming department expense ratios ranging from a low of 56.4% of gaming revenue in 2004/05 to a high of 59.5% of gaming revenue in 2005/06. The gaming expense at Wynn Las Vegas was only 48.4% of gaming revenue in the trailing 12 months ending June 30, 2008; however, the higher complimentary/promotional allowance exhibited by the Wynn Las Vegas is an indication that less of this expense is being allocated to departments by the company. Given the increasing gaming-related expenses being exhibited by both properties in the Las Vegas Strip \$72 Million and Over submarket and Wynn Las Vegas, in part due to the increasingly competitive gaming environment on the Las Vegas Strip as well as nationwide, casino expenses have been forecast at \$318,383,000, or 60.7% of gaming revenue, in the first projection year, and \$359,292,000, or 60.0% of gaming revenue, in the stabilized year.



Rooms Expenses

Rooms expense consists of items related to the sale and upkeep of guestrooms and public space. Salaries, wages, and employee benefits account for a substantial portion of this category. Although payroll varies somewhat with occupancy (because managers can schedule housekeepers to work when demand requires), much of a hotel's payroll is fixed. Front desk personnel and the executive housekeeper are maintained at all times. As a result, salaries, wages, and employee benefits are only moderately sensitive to changes in occupancy.

Commissions and reservations are usually based on room sales, and thus are highly sensitive to changes in occupancy and average rate. While guest supplies vary 100% with occupancy, linen and other operating expenses are only slightly affected by volume.

The composite data for the Las Vegas Strip \$72 Million and Over submarket indicated room department expense ratios declining to a low of 30.8% of departmental revenue in 2006/07 from a high of 34.0% of departmental revenue in 2003/04. Room departmental expenses at Wynn Las Vegas was only 27.0% of rooms revenue in the trailing 12 months ending June 30, 2008, which was slightly above the 26.5% of rooms revenue exhibited in 2006 and 2007.

Rooms expenses as a percentage of rooms revenue has been projected within the range set by the Las Vegas Strip \$72 Million and Over submarket and Wynn Las Vegas for the subject property at \$81,630,000, or 30.6% of rooms revenue, in the first projection year, and \$92,359,000, or 30.0% of rooms revenue, in the stabilized year.

Food and Beverage Expenses

Food expense consists of those items necessary for the operation of a hotel's food and banquet facilities. Beverage expense consists of items necessary for the operation of a hotel's lounge and bar areas. The costs associated with beverage sales and payroll correlate highly with beverage revenues. Items such as china, linen, and uniforms are less dependent on volume. Although the other expense items are basically fixed, they represent a relatively insignificant factor.

The composite data for the Las Vegas Strip \$72 Million and Over submarket indicated that food and beverage expenses have been declining, from 82.2% of food and beverage revenues in 2003/04 to 80.7% of food and beverage revenues in 2006/07. The food and beverage expense ratio at the Wynn Las



Vegas has declined to 61.0% of food and beverage revenue in the trailing 12 months ending June 30, 2008, from 62.8% of food and beverage revenue in 2006.

As previously indicated, the food and beverage facilities planned for the proposed Plaza Las Vegas is expected to be more in line with products available at the Wynn Las Vegas. Accordingly, a stabilized food and beverage expense ratio of 60.0% has been projected for the subject property.

Other Income Expense

Other income expense consists of costs associated with generating other income revenue, and is dependent on the nature of the revenue sources. In the case of the subject property, other income expense includes expenses and costs incurred in connection with revenue generating entertainment, operation of retail outlets, spa, and salon, the operation of the business center, vending operations, and other miscellaneous expenses.

Other income expenses for the composite Las Vegas Strip \$72 Million and Over submarket have ranged from a low of 50.4% of other income revenue in 2003/04 to a high of 64.4% of other income revenue in 2005/06. Other income expense at the Wynn Las Vegas was 68.3% of other income revenue in the trailing 12 months ending June 30, 2008. A stabilized other income expense ratio of 60.0% has been projected for the subject property.

Administrative and General Expenses

Administrative and general expenses include items related to the management and operation of the property such as corporate/division allocations, management salaries and wages, human resources, finance, informational technology, legal, and other property service. Most administrative and general expenses are relatively fixed.

Composite industry data show administrative and general expenses ranging from a low of 13.2% of total revenue in 2006/07 to 16.1% in 2004/05. The composite industry data include property operations and maintenance expenses within this category, however. We have forecast property operations and maintenance expenses separately in this analysis. Our forecasted stabilized administrative and general expense of 7.0% plus the stabilized property operations and maintenance expense of 5.0% equate to a total of 12.0%, which is still below the composite data and the data from Wynn Las Vegas, which indicate administrative and general expenses of 16.6% of total revenues in the trailing 12 months ending June 30, 2008. However, it does appear that the Wynn Las Vegas' general marketing costs



are included in this category as well as property operations and maintenance expense.

Marketing Expenses

The marketing category is unique in that all of the expense items, with the exception of commissions, are entirely controlled by management. Most gaming properties establish an annual marketing budget, which sets forth all planned expenditures. If the budget is followed throughout the period, total marketing expenses can be accurately forecast. Although there is a lag period before results are realized, marketing expenditures are unusual because the benefits are often extended over a long period. Depending on the type and scope of the advertising program implemented, the lag time can be as short as a few weeks or as long as several years. However, the positive results of an effective marketing campaign tend to linger, and a property often enjoys the benefits of a concentrated sales effort for many months. It is important to note that any marketing costs specific to the subject's gaming operation are contained in gaming expenses.

Marketing costs for the Las Vegas Strip \$72 Million and Over submarket ranged from 1.0% to 1.5% of total revenue over the four fiscal years reviewed. The subject property will begin operations in a more competitive environment than current existing. Additionally, the proposed Plaza Las Vegas will not benefit from a multi-gaming property cross-marketing strategy such as that available to large gaming properties such as MGM-Mirage and Caesar's Entertainment, thus requiring additional marketing through traditional mediums. Accordingly, higher marketing costs have been forecast for the subject property, at \$30,994,000, or 2.6% of total revenue, in the first projection year, stabilizing at \$34,364,000, or 2.5% of total revenue.

Property Operations and Maintenance Expenses

Property operations and maintenance expense is another expense category that is largely controlled by management. Except for repairs that are necessary to keep the facility open and prevent damage (e.g., plumbing, heating, and electrical items), most maintenance can be deferred for varying lengths of time. Maintenance is an accumulating expense. If management elects to postpone performing a required repair, they have not eliminated or saved the expenditure; they have only deferred payment until a later date. A casino-resort facility that operates with a lower-than-normal maintenance budget is likely to accumulate a considerable amount of deferred maintenance.



The age of a facility has a strong influence on the required level of maintenance. A new or thoroughly renovated property is protected for several years by modern equipment and manufacturers' warranties. However, as a casino-hotel grows older, maintenance expenses escalate. A well-organized preventive maintenance system often helps delay deterioration, but most facilities face higher property operations and maintenance costs each year, regardless of the occupancy trend. The quality of initial construction can also have a direct impact on future maintenance requirements. The use of high-quality building materials and construction methods generally reduces the need for maintenance expenditures over the long term.

The size of the proposed property is mitigated by the new construction and contemporary systems expected to be incorporated into the property's operations. Accordingly, property operations and maintenance expense is forecast at \$61,599,000, or 5.1% of total revenue, in the first projection year, stabilizing at \$68,729,000, or 5.0% of total revenue, in 2016.

Energy Expense

Energy consumption at the subject property is expected to include water and space heating, air conditioning, lighting, cooking fuel, and other miscellaneous power requirements. Total energy cost depends on the source and quantity of fuel used. Electricity tends to be the most expensive source, followed by oil and gas.

Energy expenses for the composite Las Vegas Strip \$72 Million and Over submarket over the 2003/04 to 2006/07 period ranged from a low of 1.9% of total revenue to 2.0% of total revenue. Accordingly, a stabilized energy expense of 2.0% of total revenue has been projected for the subject property.

Property Taxes

As discussed previously in this report, property taxes at the subject property have been forecast at roundly \$20,503,000 in the first projection year, increasing to \$22,404,000 by the stabilized year.

Reserve for Replacement

Furniture, fixtures, and equipment (FF&E) are essential to the operation of a casino-hotel, and their quality often influences the class of a property. Personal property and real property are uniquely combined in a casino-hotel; unlike an office or other commercial building, a casino-hotel would have to close its doors without FF&E. Without FF&E, a casino-hotel could not generate table and slot gaming revenues, operate its facilities or rent its guestrooms, and thus would not be able to generate any income attributable



to the real property. Included in this category are all non-real estate items that are normally capitalized, not expensed.

Furniture, fixtures, and equipment are exposed to heavy use and must be replaced at regular intervals. The useful life of these items is determined by their quality and durability and the amount of guest traffic and use. Periodic replacement of FF&E is essential to maintain the quality, image, and income of a casino-hotel. Items specific to the casino operation include table game felts, slots, upholstered chairs, and surveillance equipment. The replacement of these items generally depends on the volume of business and quality of the materials, while replacing the most important item in the casino, the gaming devices, is more uncertain. Gaming devices, like other computer equipment, generally have an economic life of 5 to 7 years. However, with the advances in computerized gaming technology, devices may become obsolete within a few years. The replacement of technologically obsolete devices depends upon the competitive set, player preferences, and demand trends. In addition, softgoods in hotels typically must be replaced every 4 to 5 years, while casegoods can often last 8 to 12 years. However, hotel replacement schedules are heavily influenced by occupancy, as the more the rooms are utilized the faster the soft- and casegoods become dated and worn, and by the desired level of quality that the property wishes to portray.

Design and facility trends in Las Vegas casinos represent a dynamic environment. Casino hotels are constantly re-inventing their entertainment and restaurant outlets to remain fresh and attractive as competitive properties are redeveloped and new projects are built. Most casino visitors seek a full entertainment experience. The competition among casinos to provide appropriate dining and entertainment options mandates ongoing refurbishment of the venues on a regular basis.

Since capitalized expenditures are not included in the operating statement, but nevertheless affect an owner's cash flow, an appraisal should reflect these expenses in the form of an appropriate reserve for replacement. The annual deduction of a reserve for replacement from the projected income stream effectively provides for a return of FF&E in both the casino and the hotel components. There are no specific industry standards for the deduction of reserves in the casino-hotels industry. While a standard reserve deduction in the hotel industry typically equates to 3.0% to 4.0% of total revenues per year, the high revenue-generating capability of casino-hotels makes such a deduction for casino-hotels inappropriate.



That first step in establishing an appropriate reserve for replacement is to determine the inflated cost of FF&E to be replaced. We estimate that only 60.0% of the property's original FF&E will require replacement, on average, in seven years, given consideration to the nature of the subject property's FF&E, which is expected to include high-quality room furnishings, gaming tables and devices, etc., and the portion of FF&E for residential condominiums that will not be replaced. Based on the original budgeted cost of roundly \$274 million, and assuming an annual inflation rate of 3.0%, we project that a sum of \$201,900,000 will be required to replace FF&E at the end of the seven-year period. Our calculation of the FF&E replacement cost is set forth in the following table.

Calculation of FF&E Replacement Cost

Budgeted Cost of FF&E	\$273,635,235
Anticipated % of FF&E Requiring Replacement	<u>60.0%</u>
Anticipated FF&E Requiring Replacement	164,181,141
Assumed Inflation	<u>3.0%</u>
Inflated FF&E Replacement Cost	\$201,922,095

SAY: **\$201,900,000**

Accordingly, we have forecast a reserve equating to 2.0% of total revenues per year, which should be adequate to periodically replace gaming equipment and maintain the hotel in a competitive position. The sufficiency of the amount being reserved for replacement, assuming that reserved amounts will be invested in a sinking fund at a rate of 3.0%, is verified in the following table.

Verification of Adequacy of Reserve for Replacement of FF&E

Years Invested	<u>7</u>	<u>6</u>	<u>5</u>	<u>4</u>	<u>3</u>	<u>2</u>	<u>1</u>
FF&E Reserve	\$24,120,940	\$25,676,520	\$26,690,380	\$27,491,480	\$28,316,232	\$29,165,703	\$30,040,676
Sinking Fund Rate @ 3% per year	<u>1.229874</u>	<u>1.194052</u>	<u>1.159274</u>	<u>1.125509</u>	<u>1.092727</u>	<u>1.060900</u>	<u>1.030000</u>
Reserves Increased by Sinking Fund Rate	\$29,665,714	\$30,659,108	\$30,941,466	\$30,941,903	\$30,941,911	\$30,941,894	\$30,941,896
Sum of Invested Reserves	\$215,033,891						
SAY:	\$215,000,000						

The cost of any major refurbishment or renovation beyond the replacement of FF&E is inherently reflected in the applied discount and capitalization rates and EBITDA multiple.



Forecast of Income and Expense

A forecast of income and expense has been formulated based on the preceding analysis. The following table presents a detailed forecast through the stabilized year, including amounts per available room and per occupied room. For the purpose of comparison, this table also presents the developer's pro forma income and expenses for the subject property first year of operation. The second table illustrates our 10-year forecast of income and expense, presented with a lesser degree of detail. The forecast pertains calendar years beginning January 1, 2013 and is expressed in inflated dollars for each year.

Detailed Forecast of Income and Expense

Developer's Pro Forma																
Calendar Years Ending:	2013			2013			2014			2015			Stabilized			
Number of Rooms:	3,000			3,000			3,000			3,000			3,000			
Occupancy:	96.8%			93.0%			93.0%			95.0%			95.0%			
Average Rate:	\$284.67			\$270.84			\$278.96			\$287.33			\$296.95			
Occupied Rooms:	1,059,595			985,500			1,018,350			1,040,250			1,040,250			
	\$ (000s)	%Gross	PAR	POR	\$ (000s)	%Gross	PAR	POR	\$ (000s)	%Gross	PAR	POR	\$ (000s)	%Gross	PAR	POR
REVENUE																
Gaming	\$548,761	42.2 %	\$182,920	\$517.90	\$524,850	43.5 %	\$174,950	\$532.57	\$564,440	44.0 %	\$188,147	\$554.27	\$581,360	43.6 %	\$193,787	\$558.87
Rooms	301,631	23.2	100,544	284.67	266,911	22.1	88,970	270.84	284,082	22.1	94,694	278.96	298,897	22.4	99,632	287.33
Food & Beverage	352,315	27.1	117,438	332.50	289,505	24.0	96,502	293.76	305,543	23.8	101,848	300.04	319,758	24.0	106,586	307.39
Entertainment	76,797	5.9	25,599	72.48	0	0.0	0	0.00	0	0.0	0	0.00	0	0.0	0	0.00
Other Income	19,952	1.5	6,651	18.83	124,781	10.3	41,594	126.62	129,761	10.1	43,254	127.42	134,504	10.1	44,835	129.30
Total Revenues	1,299,456	100.0	433,152	1,226.37	1,206,047	100.0	402,016	1,223.79	1,283,826	100.0	427,942	1,260.69	1,334,519	100.0	444,840	1,282.88
DEPARTMENTAL EXPENSES *																
Gaming	338,145	61.6	112,715	319.13	318,383	60.7	106,128	323.07	338,665	60.0	112,888	332.56	348,819	60.0	116,273	335.32
Rooms	102,555	34.0	34,185	96.79	81,630	30.6	27,210	82.83	85,868	30.2	28,822	84.32	89,668	30.0	29,890	86.20
Food & Beverage	243,661	69.2	81,220	229.96	177,629	61.4	59,210	180.24	184,943	60.5	61,648	181.61	191,855	60.0	63,952	184.43
Entertainment	71,483	93.1	23,828	67.46	0	0.0	0	0.00	0	0.0	0	0.00	0	0.0	0	0.00
Other Income	13,620	68.3	4,540	12.85	75,709	60.7	25,236	76.82	78,203	60.3	26,068	76.79	80,702	60.0	26,901	77.58
Total Dept. Expenses	769,464	59.2	256,488	726.19	653,351	54.2	217,784	662.96	687,677	53.6	229,226	675.29	711,045	53.3	237,015	683.53
DEPARTMENTAL INCOME	529,993	40.8	176,664	500.18	552,696	45.8	184,232	560.83	596,149	46.4	198,716	585.41	623,474	46.7	207,825	599.35
UNDISTRIBUTED EXPENSES																
Administrative and General	53,742	4.1	17,914	50.72	86,784	7.2	28,928	88.06	90,407	7.0	30,136	88.78	93,417	7.0	31,139	89.80
Marketing	32,610	2.5	10,870	30.78	30,994	2.6	10,331	31.45	32,288	2.5	10,763	31.71	33,363	2.5	11,121	32.07
PDM	97,829	7.5	32,610	92.33	61,599	5.1	20,533	62.51	64,487	5.0	21,496	63.32	66,726	5.0	22,242	64.14
Energy	0	0.0	0	0.00	24,795	2.1	8,265	25.16	25,830	2.0	8,610	25.36	26,891	2.0	8,897	25.66
Total Operating Expenses	184,181	14.2	61,394	173.82	204,172	17.0	68,057	207.18	213,912	16.5	71,004	209.17	220,197	16.5	73,389	211.68
HOUSE PROFIT	345,812	26.6	115,271	326.36	348,524	28.8	116,175	353.65	383,137	29.9	127,712	376.23	403,277	30.2	134,426	387.67
FIXED EXPENSES																
Property Taxes	18,000	1.4	6,000	16.99	20,503	1.7	6,834	20.80	21,118	1.6	7,039	20.74	21,751	1.6	7,250	20.91
Reserve for Replacement	0	0.0	0	0.00	24,121	2.0	8,040	24.48	25,877	2.0	8,559	25.21	26,890	2.0	8,897	25.66
Total	18,000	1.4	6,000	16.99	44,624	3.7	14,875	45.28	46,994	3.6	15,598	45.95	48,442	3.6	16,147	46.57
NET INCOME	\$327,812	25.2 %	\$109,271	\$309.37	\$303,900	25.1 %	\$101,300	\$308.37	\$336,343	26.3 %	\$112,114	\$330.28	\$354,835	26.6 %	\$118,278	\$341.11
Rooms as a % of Gaming Rev	55.0 %				50.9 %				50.3 %				51.4 %			
Food & Beverage as a % of Gaming Rev	64.2				55.2				54.1				55.0			
Food & Beverage as a % of Rooms Rev	116.8				108.5				107.6				107.0			
Entertainment as a % of Gaming Rev	14.0				0.0				0.0				0.0			
Entertainment as a % of Rooms Rev	25.5				0.0				0.0				0.0			
Other Income as a % of Gaming Rev	3.6				23.8				23.0				23.1			
Other Income as a % of Rooms Rev	6.6				46.8				45.7				45.0			

* Departmental expenses expressed as a percentage of departmental revenues

Ten-Year Forecast of Income and Expense

Calendar Years Ending:	2013		2014		2015		2016		2017		2018		2019		2020		2021		2022			
Number of Rooms:	3000		3000		3000		3000		3000		3000		3000		3000		3000		3000		3000	
Occupied Rooms:	985,500		1,018,350		1,040,250		1,040,250		1,040,250		1,040,250		1,040,250		1,040,250		1,040,250		1,040,250		1,040,250	
Occupancy:	90.0%		93.0%		95.0%		95.0%		95.0%		95.0%		95.0%		95.0%		95.0%		95.0%		95.0%	
Average Rate:	\$270.84		\$278.96		\$287.33		\$295.95		\$304.83		\$313.98		\$323.39		\$333.10		\$343.09		\$353.38		\$363.38	
Number of Devices:	2,037		2,037		2,037		2,037		2,037		2,037		2,037		2,037		2,037		2,037		2,037	
Number of Tables:	126		126		126		126		126		126		126		126		126		126		126	
	\$ (000s)	% of Gross																				
REVENUE																						
Gaming	\$524,850	43.5 %	\$564,440	44.0 %	\$581,360	43.6 %	\$598,820	43.6 %	\$616,785	43.6 %	\$635,288	43.6 %	\$654,347	43.6 %	\$673,977	43.6 %	\$694,197	43.6 %	\$715,022	43.6 %	\$735,850	43.6 %
Rooms	266,911	22.1	284,082	22.1	298,897	22.4	307,864	22.4	317,100	22.4	326,613	22.4	336,411	22.4	346,504	22.4	356,899	22.4	367,606	22.4	378,666	22.4
Food & Beverage	289,505	24.0	305,543	23.8	319,758	24.0	329,351	24.0	339,232	24.0	349,408	24.0	359,891	24.0	370,687	24.0	381,808	24.0	393,262	24.0	405,000	24.0
Other Income	124,781	10.3	129,761	10.1	134,504	10.1	138,539	10.1	142,895	10.1	146,976	10.1	151,385	10.1	155,927	10.1	160,605	10.1	165,423	10.1	170,423	10.1
Total	1,206,047	100.0	1,283,826	100.0	1,334,519	100.0	1,374,574	100.0	1,415,812	100.0	1,458,285	100.1	1,502,034	100.1	1,547,095	100.1	1,593,509	100.1	1,641,313	100.1	1,690,423	100.1
DEPT. EXPENSES*																						
Gaming	318,383	60.7	338,665	60.0	348,819	60.0	359,292	60.0	370,071	60.0	381,173	60.0	392,608	60.0	404,386	60.0	416,518	60.0	429,013	60.0	441,913	60.0
Rooms	81,630	30.6	85,866	30.2	89,669	30.0	92,359	30.0	95,130	30.0	97,984	30.0	100,923	30.0	103,951	30.0	107,070	30.0	110,282	30.0	113,566	30.0
Food & Beverage	177,629	61.4	184,943	60.5	191,855	60.0	197,611	60.0	203,539	60.0	209,645	60.0	215,935	60.0	222,412	60.0	229,085	60.0	235,957	60.0	243,000	60.0
Other Income	75,709	60.7	78,203	60.3	80,702	60.0	83,123	60.0	85,617	60.0	88,186	60.0	90,831	60.0	93,556	60.0	96,363	60.0	99,254	60.0	102,326	60.0
Total	653,351	54.2	687,677	53.6	711,045	53.3	732,385	53.3	754,357	53.3	776,988	53.3	800,297	53.3	824,305	53.3	849,036	53.3	874,506	53.3	900,423	53.3
DEPT. INCOME	552,696	45.8	596,149	46.4	623,474	46.7	642,189	46.7	661,455	46.7	681,297	46.8	701,737	46.8	722,790	46.8	744,473	46.8	766,807	46.8	789,423	46.8
UNDISTRIBUTED EXPENSES																						
Administrative and General	86,784	7.2	90,407	7.0	93,417	7.0	96,220	7.0	99,107	7.0	102,080	7.0	105,142	7.0	108,297	7.0	111,546	7.0	114,892	7.0	118,326	7.0
Marketing	30,994	2.6	32,288	2.5	33,363	2.5	34,364	2.5	35,395	2.5	36,457	2.5	37,551	2.5	38,677	2.5	39,838	2.5	41,033	2.5	42,266	2.5
POM	61,599	5.1	64,487	5.0	66,726	5.0	68,729	5.0	70,791	5.0	72,914	5.0	75,102	5.0	77,355	5.0	79,675	5.0	82,066	5.0	84,513	5.0
Energy	24,795	2.1	25,830	2.0	26,691	2.0	27,491	2.0	28,316	2.0	29,166	2.0	30,041	2.0	30,942	2.0	31,870	2.0	32,826	2.0	33,766	2.0
Total	204,172	17.0	213,012	16.5	220,197	16.5	226,804	16.5	233,609	16.5	240,617	16.5	247,836	16.5	255,271	16.5	262,929	16.5	270,817	16.5	278,923	16.5
HOUSE PROFIT	348,524	28.8	383,137	29.9	403,277	30.2	415,385	30.2	427,846	30.2	440,680	30.3	453,901	30.3	467,519	30.3	481,544	30.3	495,990	30.3	510,823	30.3
FIXED EXPENSES																						
Property Taxes	20,503	1.7	21,118	1.6	21,751	1.6	22,404	1.6	23,076	1.6	23,768	1.6	24,481	1.6	25,216	1.6	25,972	1.6	26,752	1.6	27,556	1.6
Reserve for Replacement	24,121	2.0	25,677	2.0	26,690	2.0	27,491	2.0	28,316	2.0	29,166	2.0	30,041	2.0	30,942	2.0	31,870	2.0	32,826	2.0	33,766	2.0
Total	44,624	3.7	46,794	3.6	48,442	3.6	49,895	3.6	51,392	3.6	52,934	3.6	54,522	3.6	56,158	3.6	57,843	3.6	59,578	3.6	61,322	3.6
NET INCOME	\$303,900	25.1 %	\$336,343	26.3 %	\$354,835	26.6 %	\$365,490	26.6 %	\$376,453	26.6 %	\$387,746	26.6 %	\$399,379	26.7 %	\$411,361	26.7 %	\$423,701	26.7 %	\$436,413	26.7 %	\$449,423	26.7 %

* Departmental expenses expressed as a percentage of departmental revenues.



The subject property's operations are forecast to stabilize as of January 1, 2015. It is again noted that stabilized levels are intended to reflect the anticipated results of the property over its remaining economic life, given any changes in the life cycle of the casino-hotel. Thus, stabilized operations exclude from consideration any abnormal relationship between supply and demand, as well as any nonrecurring conditions that may result in unusually high or low levels of operating revenues and expenses. For example, although the subject property may generate revenues above the projected stabilized level, we believe it equally possible for new competition and temporary economic downturns to force revenues below this selected point of stability.

Capitalization of Net Income into Market Value Estimate

As stated previously, the subject property has been valued via three approaches, through the application of: 1) a 10-year, mortgage-equity discounted cash flow analysis; 2) an unleveraged 10-year discounted cash flow analysis; and 3) a multiplier to projected EBITDA.

1) 10-Year Mortgage Equity Discounted Cash Flow Analysis

The conversion of a property's forecasted net income into an estimate of value is based on the premise that investors typically purchase real estate with a small amount of equity cash (20% to 50%) and a large amount of mortgage financing (50% to 80%). The amounts and terms of available mortgage financing and the rates of return that are required to attract sufficient equity capital form the basis for allocating the net income between the mortgage and equity components and deriving a value estimate.

Other investment parameters used by the appraisers in the income capitalization approach include an overall capitalization rate and total property yield. An overall terminal capitalization rate is utilized to calculate the property's reversionary sales proceeds at the end of the assumed 10-year holding period in the discounted cash flow analysis. Once the value of the property is estimated via the mortgage-equity capitalization technique, the appraisers perform analyses to cross-check the appropriateness of the value estimate based upon other market derived parameters. The overall capitalization rate equating the subject's first-year net income to the estimated market value is compared with overall rates derived from comparable sales and investor surveys. The total property yield, which is the discount rate equating the property's forecasted net income before debt service to the estimated market value, is also compared with total property yields derived from comparable sales and investor surveys.



Mortgage Component

The appraisers have used financing data specific to the gaming industry in formulating an applicable interest rate, term, amortization period, and debt service constant for the valuation of the subject property. Our interviews with representatives from lending institutions indicate that financing is less than readily available even to those companies with a proven track record of successful operations.

We have found that investors view casinos and casino hotels as hybrid investments. Such an investment combines the attributes of traditional real estate with the business component inherent in a gaming enterprise. Therefore, investment collateral to secure the loan is largely constituted of the business and real estate value of the property as a going concern. Therefore, financed gaming investments typically have loan-to-value ratios, terms, amortization periods, and interest rates commensurate with the amount of risk inherent in the enterprise as a going concern.

The capital markets are currently in a state of uncertainty due to stricter loan criteria being mandated by the rating agencies. Some lenders are holding back on loan commitments until the market normalizes, though many lenders are still active. In the current market, casino-hotel projects are typically able to secure mortgage financing at interest rates ranging from 6.00% to 7.50%, depending on the property, location, affiliation, operator, and loan-to-value ratio. According to our discussions with lenders and brokers, current interest rates for lodging properties range from 300 to 400 basis points over the corresponding yield on U.S. Treasury notes. The average ten-year Treasury note yield for the week ending October 17, 2008 was 4.02, indicating an interest rate range from 7.02 to 8.02.

Spreads for short-term floating rate mortgages (three to five years) range from 250 to 400 basis points above LIBOR. As of September 2008, LIBOR was 3.12168. Even with a floor of 1.50 as specified by some lenders, the average floating rates generally range from 5.62 to 7.12.

Based on the preceding analysis of the current gaming and lodging industry mortgage market and adjustments for specific factors such as the proposed Plaza Las Vegas' location and conditions in the Las Vegas gaming and hotel market, it is our opinion that a 7.50% interest rate; applying a 30-year amortization and a 10-year term, the mortgage constant equates to 0.083906. In our opinion, a loan-to-value ratio of 65% is appropriate in today's financing market.

**Equity Component**

The remaining capital required for investment generally comes from the equity investor. The rate of return that an equity investor expects over a 10-year holding period is known as the equity yield. Unlike the equity dividend, which is a short-term rate of return, an equity yield specifically considers a long-term holding period (generally 10 years), annual inflation-adjusted cash flows, property appreciation, mortgage amortization, and proceeds from a sale at the end of the holding period.

To establish an appropriate equity yield rate, we have queried equity investors as to the rates of return specific to the gaming community. From this information we extrapolated an equity yield rate for the subject property utilizing an iterative calculation via the Simultaneous Valuation Formula⁴. Based on this analysis, we have derived an equity yield of 18.0% for use in the valuation of the subject property. This equity yield rate reflects the assumed debt parameters and the risk inherent in achieving the projected income stream given the uncertainty regarding additional competition and economic growth over the holding period.

Terminal Capitalization Rate

Inherent in this valuation process is the assumption of a sale at the end of the 10-year holding period. The estimated reversionary sales price as of this date is calculated by capitalizing the 11th year's net income by an overall terminal capitalization rate. An allocation for the seller's brokerage and legal fees is deducted from this sales price, and the net proceeds to the equity interest (also known as the equity residual) are calculated by deducting the outstanding mortgage balance from the reversion. Based on the risk associated with the uncertainty regarding sustaining the projected cash flow beyond the 10-year holding period and the underlying age of the improvements, we have applied a terminal capitalization rate of 10.0%. Our selection of the terminal capitalization rate also takes into account the subject property's location in the Las Vegas market and the proposed quality of improvements.

Valuation of Mortgage and Equity Components

The valuation of the mortgage and equity components is accomplished using an algebraic equation that calculates the exact amount of debt and equity that the hotel will be able to support based on the anticipated cash flow (as estimated by the forecast of income and expense) and the specific return

⁴Suzanne R. Mellen. "Simultaneous Valuation: A New Technique," *Appraisal Journal*. April 1983.



requirements demanded by the mortgage lender (interest) and the equity investor (equity yield).

Using the variables, it is our opinion that the prospective value in use of the fee simple and leased fee interests in the subject property via the income capitalization approach, as of January 1, 2013, will be roundly \$3,520,000,000.

Mathematical Proof of Value

The subject property's value in use is mathematically proven by calculating the yields to the mortgage and equity components during the projection period. If the mortgagee achieves a 7.50% yield and the equity yield is 10.0%, then \$3,520,000,000 is the correct rounded value by the income capitalization approach. Using the assumed financial structure set forth in the previous calculations, value in use can be allocated between the debt and equity as follows.

Mortgage Component (65%)	\$2,289,434,000
Equity Component (35%)	1,232,772,000
Total	<u>\$3,522,206,000</u>
Mortgage Component	\$2,289,434,000
Mortgage Constant	<u>0.083906</u>
Annual Debt Service	\$192,096,656

The 11-year forecast of net income and 10-year forecast of net income to equity are presented in the following table.

Ten-Year Forecast of Net Income and 10-Year Forecast of Net Income to Equity

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net Income Before											
Debt Service	\$303,900	\$336,343	\$354,835	\$365,490	\$376,453	\$387,746	\$399,379	\$411,361	\$423,701	\$436,413	\$449,504
Less: Debt Service	<u>192,097</u>										
Net Income to Equity	\$111,803	\$144,246	\$162,738	\$173,393	\$184,356	\$195,649	\$207,282	\$219,264	\$231,604	\$244,316	
Debt Coverage Ratio	1.58	1.75	1.85	1.90	1.96	2.02	2.08	2.14	2.21	2.27	
Cash-on-Cash	9.1 %	11.7 %	13.2 %	14.1 %	15.0 %	15.9 %	16.8 %	17.8 %	18.8 %	19.8 %	



The debt coverage ratio and cash-on-cash return calculated in the first projection year are both considered acceptable and attractive returns in the current market. The net proceeds to equity upon sale of the property were determined by deducting sales expenses (brokerage and legal fees) and the outstanding mortgage balance.

The equity residual at the end of the 10th year was calculated by deducting brokerage and legal fees and the mortgage balance from the reversionary value. The reversionary value was calculated as the 11th year's net income capitalized by the terminal capitalization rate. The calculation is shown as follows.

Reversionary Value (\$449,504,000 /0.1000)	\$4,495,040,000
Less:	
Brokerage and Legal Fees	44,950,000
Mortgage Balance	1,987,114,000
Net Sale Proceeds to Equity	<u>\$2,462,976,000</u>

The overall property yield (before debt service), the yield to the lender, and the yield to the equity position have been calculated by computer with the following results.

Overall Property Yields

Position	Value	Projected Yield (Internal Rate of Return) Over 10-Year Holding Period
Total Property	\$3,522,206,000	11.9 %
Mortgage	2,289,434,000	7.5 *
Equity	1,232,772,000	18.0

*Whereas the mortgage constant and value are calculated on the basis of monthly mortgage payments, the yield in this proof assumes single annual payments. As a result, the proof's derived yield is slightly less than that actually input.

We believe that these internal rates of return reasonably reflect the level of risk inherent in attaining the projected cash flows over the 10-year holding period. The discounted cash flow procedure substantiating the yield to each position is presented as follows.



Total Property Yield

Year	Net Income before Debt Service		Present Worth of \$1 Factor @ 11.9%	=	Discounted Cash Flow
2013	\$303,900,000	x	0.893401	=	\$271,505,000
2014	336,343,000	x	0.798166	=	268,457,000
2015	354,835,000	x	0.713082	=	253,027,000
2016	365,490,000	x	0.637068	=	232,842,000
2017	376,453,000	x	0.569158	=	214,261,000
2018	387,746,000	x	0.508486	=	197,163,000
2019	399,379,000	x	0.454282	=	181,431,000
2020	411,361,000	x	0.405856	=	166,953,000
2021	423,701,000	x	0.362592	=	153,631,000
2022	4,886,503,000 *	x	0.323940	=	1,582,936,000
Total Property Value					\$3,522,206,000

*10th year net income of \$436,413,000 plus sales proceeds of \$4,450,090,000

Mortgage Component Yield

Year	Total Annual Debt Service		Present Worth of \$1 Factor @ 7.5%	=	Discounted Cash Flow
2013	\$192,097,000	x	0.930621	=	\$178,769,000
2014	192,097,000	x	0.866055	=	166,366,000
2015	192,097,000	x	0.805968	=	154,824,000
2016	192,097,000	x	0.750051	=	144,082,000
2017	192,097,000	x	0.698012	=	134,086,000
2018	192,097,000	x	0.649585	=	124,783,000
2019	192,097,000	x	0.604517	=	116,126,000
2020	192,097,000	x	0.562576	=	108,069,000
2021	192,097,000	x	0.523545	=	100,571,000
2022	192,097,000	x	0.487221	=	93,594,000
Value of Mortgage Component					\$1,321,270,000



Equity Component Yield

Year	Net Income to Equity		Present Worth of \$1 Factor @ 18.0%	=	Discounted Cash Flow
2013	\$111,803,000	x	0.847458	=	\$94,748,000
2014	144,246,000	x	0.718184	=	103,595,000
2015	162,738,000	x	0.608631	=	99,047,000
2016	173,393,000	x	0.515789	=	89,434,000
2017	184,356,000	x	0.437109	=	80,584,000
2018	195,649,000	x	0.370432	=	72,475,000
2019	207,282,000	x	0.313925	=	65,071,000
2020	219,264,000	x	0.266038	=	58,333,000
2021	231,604,000	x	0.225456	=	52,217,000
2022	2,707,292,000 *	x	0.191064	=	517,267,000
Value of Equity Component					\$1,232,771,000
*10th year net income to equity of \$244,316,000 plus sales proceeds of					\$2,462,976,000

2) Discounted Cash Flow Analysis

The appraisers have also performed an unleveraged discounted cash flow analysis based on the financing parameters discussed earlier in this section. To establish an appropriate discount rate, we have considered investor interviews. The measured yields and other parameters vary from survey to survey, but can include equity yield rates (alternately known as “leveraged” yield rates), discount rates (alternately known as “free and clear” equity internal rates of return), terminal capitalization rates (alternately known as “exit” or “reversion” capitalization rates), and overall capitalization rates (calculated based on either historical, first year, or deflated stabilized year’s net income). The following table summarizes the range of equity yields, discount rates, terminal capitalization rates, and overall capitalization rates indicated by the investor surveys as well as recent hotel sales. The averages for each survey are listed directly underneath the ranges.



Summary of Investment Parameters

Source	Equity Yield Rate Average	Discount Rate Average	Terminal Rate Average	Overall Rate Average
HVS/Hotel Sales Full-Service Hotels	11.7% - 27.6% 20.00%	8.1% - 14.5% 11.10%	NR	1.7% - 9.3% 5.80%
Korpacz <i>Real Estate Investor Survey</i> Full-Service Hotels - 3rd Quarter 2007	NR	9.00% - 14.0% 11.02%	6.0% - 11.0% 8.98%	6.0% - 10.5% 8.30%
CRE/RERC Real Estate Report 1st Tier Hotels - Winter 2008	NR	9.0% - 12.3% 10.50%	7.5% - 10.5% 8.98%	7.0% - 9.8% 8.28%

NR = Not reported by Survey

We conclude that a 12.0% discount rate is appropriate to apply to the forecasted income stream and reversionary proceeds for the subject property. We believe that this discount rate is commensurate with the level of risk inherent in the subject property and the Las Vegas Strip \$72 Million and Over gaming submarket. Further, a terminal capitalization rate of 10.0% has been applied to the 11th year's net income to arrive at the reversionary proceeds figure, reflecting the speculation inherent in forecasting additional competition and economic growth over the 10-year holding period. The following table presents our discounted cash flow analysis.

Discounted Cash Flow Analysis ('000s)

Discount Rate: 12.0%
 Holding Period: 10 years
 Terminal Capitalization Rate: 10.0%
 Broker and Legal Fees: 1.0%

Calendar Years Ending:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Forecasted Net Income	\$303,900	\$336,343	\$354,835	\$365,490	\$376,453	\$387,746	\$399,379	\$411,361	\$423,701	\$436,413
Net Reversionary Proceeds										<u>\$4,450,090</u>
10th Year Net Income plus Reversionary Proceeds										\$4,886,503
Discount Factor @ 12.0%	<u>0.89286</u>	<u>0.79719</u>	<u>0.71178</u>	<u>0.63552</u>	<u>0.56743</u>	<u>0.50663</u>	<u>0.45235</u>	<u>0.40388</u>	<u>0.36061</u>	<u>0.32197</u>
Discounted Net Income	\$271,339	\$268,131	\$252,565	\$232,276	\$213,610	\$196,444	\$180,659	\$166,142	\$152,791	\$1,573,323
Cummulative Total	\$271,339	\$539,470	\$792,034	\$1,024,310	\$1,237,919	\$1,434,364	\$1,615,022	\$1,781,164	\$1,933,955	\$3,507,278

Reversion Analysis:

11th Year Net Income	\$449,504
Terminal Capitalization Rate	<u>10.0%</u>
Total Sale Proceeds	\$4,495,040
Less: Broker and Legal Fees @ 1.0%	\$44,950
Net Reversionary Proceeds	\$4,450,090

Indicated Value via Discounted Cash Flow Analysis**\$3,507,278****(Say)****\$3,510,000**



Using the variables, it is our opinion that the indication of value in use upon completion for the proposed Plaza Las Vegas' casino-resort component derived via the discounted cash flow analysis, as of January 1, 2013, will be roundly \$3,510,000,000.

3) EBITDA Multiple

In order to value the proposed Plaza Las Vegas' casino-resort component by the application of an EBITDA multiple, we have researched recent transactions involving gaming properties and companies in the United States. The following chart details these transactions including sales price, EBITDA, and the capitalization rates.

Recent Transactions Involving Gaming Companies and Properties

Year	Seller	Buyer	Sales Price (000,000)	Historical EBITDA (000,000)	Est. EBITDA Multiple
2008	* Trump Entertainment (Trump Marina)	Coastal Marina	\$316.0	31.0	10.0
	* MTR Gaming (Ramada Speedway Hotel and Casino)	Ganaste	18.2	2.5	7.4
2007	American Real Estate Properties Corp. (Stratosphere and 17 acres of undeveloped land, two off-Strip Arizona Charlie's casinos, and the Aquarius Casino Resort in Laughlin, NV)	Whitehall Street Real Estate Funds	1,300.0	86.3	15.1
	* 155 East Tropicana, LLC (Hooters Casino Hotel) Station Casinos	Hedwigs Las Vegas Top Tier, LLC Fertita Colony Partners	225.0 5,400.0	5.3 358.0	42.5 15.1
2006	Harrah's Entertainment	Apollo Management and Texas Pacific Group	\$27,800.0	\$2,430.0	11.4
	Aztar Corporation	Columbia Sussex	2,100.0	232.4	9.0
	Peter Morton (Hard Rock Las Vegas & 23 acres in LV)	Morton's Hotel Group	770.0	73.3	10.5
	Atlantic Coast Entertainment (Sands Atlantic City) Sands Regent	Pinnacle Entertainment Herbst Gaming	250.0 119.0	4.9 14.7	50.7 8.1
2005	Penn National Gaming (Hollywood Casino)	Eldorado Resorts	\$169.1	13.4	12.7
	Mandalay Resort Group	MGM Mirage	7,900.0	803.2	9.8
	Caesar's Entertainment Inc.	Harrah's Entertainment Inc.	9,400.0	1,060.0	8.9
	IC Holdings Colorado (Colorado Grande Casino)	CGC Holdings, LLC	6.5	1.0	6.4
	Argosy Gaming Co.	Penn National Gaming Inc.	2,200.0	268.5	8.2
	Penn National Gaming (Argosy Casino-Baton Rouge)	Columbia Sussex Corporation	150.0	20.0	7.5
	Harrah's Entertainment/Caesar's Entertainment (Harrah's East Chicago, Harrah's Tunica, Atlantic City Hilton, and Bally's Tunica)	Colony Capital, LLC	1,240.0	145.8	8.5
Harrah's Entertainment (Caesar's Tahoe) Motor City Detroit	Columbia Sussex Illitch Holdings	45.0 525.0	5.0 78.4	9.0 6.7	
	2004	Isle of Capri (Isle of Capri Vicksburg and Isle of Capri Bossier City)	Legends Gaming	\$240.0	52.6
Harrah's Entertainment (Reno Hilton)	Grand Sierra Resort Corp	150.0	18.3	8.2	
Park Place Entertainment (Las Vegas Hilton)	Colony Capital, Inc.	280.0	12.0	23.3	
Harrah's Entertainment (Harrah's Shreveport)	Boyd Gaming	190.0	44.0	4.3	
Coast Casinos	Boyd Gaming	1,280.0	105.5	12.1	
Grace Entertainment (St. Jo Frontier Casino, Mark Twain Casino, and Lakeside Casino Resort)		287.0	43.5	6.6	
Windosor Woodmont Black Hawk (Mountain High Casino)	Ameristar Casino	119.5	10.4	11.5	

Sources: Bear Stearns Equity Research; Company SEC Filings; HVS Gaming Services

*Sales in red have not closed yet



In the review of rates of return derived from the preceding transactions, the EBITDA multiples derived from historical net income ranged from 1.6 to 42.5, with the majority of the multiples clustered in the 6.0 to 11.0 range. For high-quality casino-hotels and multiple-property mergers, including MGM Mirage's purchase of the Mandalay Resort Group, Harrah's Entertainment's purchase of Caesar's Entertainment, and Apollo Management and Texas Pacific Group's purchase of Harrah's Entertainment, EBITDA multiples generally ranged from 8.0 to 12.0. The fact that the proposed subject property is a single asset, as opposed to a gaming company, limits the applicable multiple, because the upside in the investment is limited to the physical constraints of the improvements, as opposed to an investment in a gaming company, which would be considered to have significant upside potential beyond the constraints of a physical asset. However, the location of the subject site on the Las Vegas Strip is viewed as providing potential upside over the long term.

The following tables identify major publicly traded gaming companies that are within the universe of potential buyers of the proposed subject property and sets forth the respective properties' total enterprise value and multiples for the total enterprise value of each company based on estimated 2008 and 2009 EBITDA. Note that EBITDA multiples have declined as of mid-2008, as gaming stocks have suffered in the wake of the U.S. economic downturn. Multiples derived from stock prices are more volatile than multiples applied to individual properties, as real estate assets require a longer-term view than stocks that are traded on a daily basis and are more vulnerable to exogenous factors.

Selected EBITDA Multiples (Source: Deutsche Bank) – as of May 12, 2008

	EV/EBITDA	
	Current Year	Next Year
MGM Mirage	12.3 x	11.4 x
Wynn Resorts	19.2 x	13.6 x
Las Vegas Sands	29.3 x	19.7 x
Boyd Gaming	8.6 x	9.5 x
Melco PBL Entertainment	23.4 x	14.0 x

Source: Deutsche Bank (May 12, 2008)



Selected EBITDA Multiples (Source: Deutsche Bank) – as of October 21, 2008

	EV/EBITDA	
	2008	2009
MGM Mirage	6.7 x	6.8 x
Wynn Resorts	12.3 x	9.3 x
Las Vegas Sands	12.5 x	12.5 x
Boyd Gaming	5.4 x	5.5 x
Melco Crown	13.0 x	13.3 x

Source: Deutsche Bank (October 21, 2008)

As indicated, as of October 21, 2008, EBITDA multiples in 2008 for the gaming companies range from 5.4 to 13.0, with Boyd Gaming, the company without interests in the Macau SAR, People's Republic of China at the lower end of the range. This is an indication of the premium being placed on companies with gaming facilities in this region by the market. Note that these EBITDA multiples are for publicly traded stock in gaming companies with potential for future growth and expansion, as opposed to the proposed Plaza Las Vegas, which is a finite, single asset.

After consideration of market factors, including the proposed high quality of the Plaza Las Vegas facilities, the previously presented market-derived information, and the other potential risks as discussed throughout this report, we have applied a 10.5 EBITDA multiple to the first year's net income in order to determine a market value for the Sands Macao. This multiple takes into account the property's forecasted EBITDA as well as the risk associated with attaining such EBITDA. The 10.5 EBITDA multiple equates to an overall capitalization rate of 9.5%.

Application of EBITDA Multiple

First Year Forecasted EBITDA*		Multiplier	=	Value
\$328,020,940	x	10.5	=	\$3,444,219,870
				Say: \$3,440,000,000

*Reserve for replacement not deducted



The multiple is appropriate for the proposed Plaza Las Vegas, given that the property is a single asset, the changing dynamics of the competitive Las Vegas marketplace, the property's market positioning, and the development's anticipated high-quality construction.

Prospective Value in Use upon Completion Conclusion

We have derived value in use upon completion conclusions for the subject property's casino-resort component via the income capitalization approach utilizing three different valuation methodologies.

Prospective Value in Use upon Completion Conclusion - Casino-Resort Component

	<u>As Completed Value In Use Conclusions</u>
Mortgage-Equity 10-Year DCF	\$3,520,000,000
Discounted Cash Flow Analysis	3,510,000,000
EBITDA Multiple	3,440,000,000
Reconciled Value	3,500,000,000
Value Conclusion	<u><u>\$3,500,000,000</u></u>

After considering the strengths and weaknesses of the three income capitalization approaches utilized, and in recognition of the purpose of this appraisal, a reconciled value in use conclusions within the range of values indicated is appropriate. Accordingly, the reconciled opinion of value in use of the proposed Plaza Las Vegas' casino-resort component upon completion, anticipated to be January 1, 2013, via the income capitalization approach will be \$3,500,000,000.

Prospective Value in Use upon Stabilization Conclusion

The prospective value in use of the proposed Plaza Las Vegas' casino-resort component as of its projected date of stabilization, anticipated to be January 1, 2016, has been derived via a direct capitalization approach. In direct capitalization, net operating income is divided by an overall capitalization rate to indicate an opinion of value. The critical component of the direct capitalization approach is the selection of a reasonable capitalization rate. Frequently, comparisons are also made with respect to alternative investments, such as low-risk treasury bonds, and a judgment is made regarding the level of risk associated with the long-term ownership of the investment. Other factors affecting the capitalization rate include the lack or abundance of supply of comparable investments of this type.



The capitalization rate selected for the proposed Plaza Las Vegas to derive the implied value in use upon stabilization takes into consideration the reduction of risks inherent in the build-up of the casino-hotel's operating performance. A capitalization rate of 9.0% was considered appropriate based on a going-in rate based on first-year projected net operating income of 8.6% in method one, and a terminal rate of 10% utilized in both of the 10-year discounted cash flows.

Prospective Value in Use upon Stabilization Conclusion - Phase I Casino-Resort Component

Income	/	Rate	=	Value
\$365,490,000	/	9.0 %	=	\$4,061,000,000
		Rounded to:		<u>\$4,100,000,000</u>

Based on this procedure, the prospective value in use upon stabilization of the proposed Plaza Las Vegas' casino-resort component, assumed to be on January 1, 2016, will be \$4,100,000,000.



16. Income Capitalization Approach – Retail

The retail component of the Plaza Las Vegas was separately analyzed and valued via the discounted cash flow analysis utilizing the achievable rents estimates as previously discussed in the “Retail Demand, Sales Projections, and Achievable Rents” chapter of this report. The values in use derived herein are based on an evaluation and consideration of the factors specific to the current developers, including, but not limited to, Plaza branding, current management team, and entitlements granted by Clark County,

Potential Gross Income

The potential gross income (income before operating and fixed expenses) used in the Excel model are detailed in the following table. Any analysis of the value of a shopping center based on the discounted cash flow methodology is highly sensitive to the base rent assumptions, which have been discussed in detail in the “Retail Demand, Sales Projections, and Achievable Rents” chapter of this report.

Recoverable Expense Summary

At this early stage of the development there is no operating budget for the retail component of the proposed subject property. It is assumed that all the leases will be based on a triple net lease structure where by tenants pay their pro rata share of the CAM pool, management fee, promotion fees, etc. Food court tenants are expected to also pay an additional CAM charge for cleaning. Given the pass-through of these expenses, we have deducted an administrative overhead charge of only 5.0% for expenses.

Revenue and Expense Inflation Rates

Revenue rates are assumed to decrease over the short term, due to the faltering economy, and then rebound as economic conditions improve. This is assumed to decline by 5.0% in 2009, before leveling off in 2010. Local economists predict recovery by 2011, when we assume revenue will grow by 5.0%. For 2012 and thereafter a 3.0% revenue growth rate has been projected. Expenses, as outlined above, are increased at a flat annual rate of 3.0% per year, reflecting administrative overhead costs.

Lease-Up and Stabilized Vacancy

Based on our research, we project the majority of the retail space will be preleased prior to opening. However, as was the case at the Shoppes at the



Palazzo, we project that there will be vacancies and that it will take time for all of the space to be fully leased. We have estimated the lease-up period to be two years, with 50.0% of space being vacant in year one, 25.0% in year two, after which the retail component will have achieved stability. For each year thereafter we estimate a 5.0% vacancy.

A structural vacancy rate of 5.0% was used in the Excel model, reflecting actual conditions for the Las Vegas Strip. While several malls are nearly 100% occupied, several tenants in various locations are on short-term leases consisting of 12 months or less. Furthermore, ULI reports that the median vacancy rate for all regional shopping centers in the U.S. is 5.0%. Given the historical volatility of retail and the potential for turnover, a 5.0% rate is considered reasonable.

Lease Terms

Most retailers along the Las Vegas Strip are committed to long-term leases, ranging between 10 to 20 years. Short term space is also available, and often offered up for new retailers to break into the Las Vegas market. Economic conditions tend to influence these practices. Las Vegas' transformation into a shopping destination means tenants are more likely to sign long-term leases in order to secure a presence, than accept short-term leases and potentially be bumped. A 15-year term has been assumed in our analysis.

Discount Rate

The appraisers performed a discounted cash flow analysis based on the parameters discussed in this section. We conclude that an 8.5% discount rate is appropriate to apply to the forecasted income stream and the reversionary proceeds for the leased retail. We believe that this discount rate is commensurate with the level of risk associated with owning and operating a contemporary enclosed shopping mall in Las Vegas given the economic challenges facing the country.

According to the second-quarter 2008 *Korpacz Real Estate Investor Survey* published by PricewaterhouseCoopers, LLP, discount rates for national regional malls broadly range from 7.0% to 11.0% based on the investor survey responses received. The 8.5% discount rate utilized in the Excel model for the proposed retail component accounts for the risk factor associated with the estimated revenue streams, it being understood that the rents used in the model have been estimated based on gross revenue streams only, with no additional revenues assumed for percentage rents that may be achieved from luxury or designer-oriented retailers. The 8.5% discount factor also accounts



for a projected overall 95% occupancy, with the prospect of future retailer sales growth derived from the opening of new hotels in 2011 and 2012.

Terminal Cap Rate

According to the second-quarter 2008 *Korpacz Real Estate Investor Survey* published by PricewaterhouseCoopers, LLP, the terminal capitalization rate for national regional malls broadly ranges from 6.0% to 10.0% based on the responses received. The selection of a 6.5% terminal cap rate utilized in the Excel model accounts for the subject property's ideal location directly on the Las Vegas Strip, which will ensure a steady stream of patronage from visitors.

Discounted Cash Flow Analysis

The following tables of prospective cash flows use the assumptions described previously. As noted, the subject will be delivered in two phases. Phase I will be 249,037 square feet and Phase II is estimated to be approximately 350,000 square-feet. Phase I is expected to deliver at the beginning of 2013, while Phase II is expected to deliver in 2017. Based on first-year (2013) potential base (net) rental revenue of \$395.3 million (before vacancy factor), and effective gross revenues (net operating income plus receipt of recoverable expenses) of \$19.8 million, \$18.7 million in cash flow before debt service and taxes is anticipated for the Phase I retail component in 2013. The following tables also show the assumptions regarding the assumed proceeds from the sale of the property in the 11th year, and the present value of these revenue and sales proceeds assumptions.

Proposed Plaza Las Vegas Phase I Retail Component Schedule of Prospective Cash Flow - Beginning January 1, 2013

<i>Discounted Cash Flow Model</i>	1	2	3	4	5	6	7	8	9	10	11
Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Base Sales Per Square Foot	\$1,587	\$1,635	\$1,684	\$1,735	\$1,787	\$1,840	\$1,895	\$1,952	\$2,011	\$2,071	\$2,133
Gross Sales Revenue	\$395,314,267	\$407,173,695	\$419,388,906	\$431,970,573	\$444,929,691	\$458,277,581	\$472,025,909	\$486,186,686	\$500,772,287	\$515,795,455	\$531,269,319
% Rent to the Property	\$39,531,427	\$40,717,370	\$41,938,891	\$43,197,057	\$44,492,969	\$45,827,758	\$47,202,591	\$48,618,669	\$50,077,229	\$51,579,546	\$53,126,932
Vacancy Allowance	(\$19,765,713)	(\$10,179,342)	(\$2,096,945)	(\$2,159,853)	(\$2,224,648)	(\$2,291,388)	(\$2,360,130)	(\$2,430,933)	(\$2,503,861)	(\$2,578,977)	(\$2,656,347)
Effective Gross Income	\$19,765,713	\$30,538,027	\$39,841,946	\$41,037,204	\$42,268,321	\$43,536,370	\$44,842,461	\$46,187,735	\$47,573,367	\$49,000,568	\$50,470,585
Expenses											
Administrative	(\$988,286)	(\$1,526,901)	(\$1,992,097)	(\$2,051,860)	(\$2,113,416)	(\$2,176,819)	(\$2,242,123)	(\$2,309,387)	(\$2,378,668)	(\$2,450,028)	(\$2,523,529)
Net Operating Income	\$18,777,428	\$29,011,126	\$37,849,849	\$38,985,344	\$40,154,905	\$41,359,552	\$42,600,338	\$43,878,348	\$45,194,699	\$46,550,540	\$47,947,056
Reserves	(\$49,807)	(\$51,302)	(\$52,841)	(\$54,426)	(\$56,059)	(\$57,740)	(\$59,473)	(\$61,257)	(\$63,095)	(\$64,987)	(\$66,937)
Net Cash Flow	\$18,727,620	\$28,959,824	\$37,797,008	\$38,930,918	\$40,098,846	\$41,301,811	\$42,540,866	\$43,817,092	\$45,131,604	\$46,485,552	\$47,880,119
Discount Factor	0.921658986	0.849455287	0.782908098	0.721574284	0.665045423	0.612945091	0.564926351	0.520669448	0.479879675	0.442285415	0.407636327
Discounted Net Cash Flow	\$17,260,480	\$24,600,076	\$29,591,584	\$28,091,550	\$26,667,554	\$25,315,742	\$24,032,456	\$22,814,221	\$21,657,740	\$20,559,882	\$19,517,676
<i>Discounted Value of the Cash Flow</i>	\$240,591,283										
<i>Discounted Residual Value</i>	\$346,902,174										
<i>Total Net Present Value (1/1/2013)</i>	\$587,493,458										
<i>Rounded</i>	\$587,000,000										
<i>Net Present Value Per SF</i>	\$2,359.06										

Proposed Plaza Las Vegas Phase II Retail Component Schedule of Prospective Cash Flow - Beginning January 1, 2017

<i>Discounted Cash Flow Model</i>	1	2	3	4	5	6	7
Year	2017	2018	2019	2020	2021	2022	2023
Base Sales Per Square Foot	\$1,787	\$1,840	\$1,895	\$1,952	\$2,011	\$2,071	\$2,133
Gross Sales Revenue	\$625,310,262	\$644,069,570	\$663,391,657	\$683,293,407	\$703,792,209	\$724,905,975	\$746,653,154
% Rent to the Property	\$62,531,026	\$64,406,957	\$66,339,166	\$68,329,341	\$70,379,221	\$72,490,598	\$74,665,315
Vacancy Allowance	<u>(\$31,265,513)</u>	<u>(\$16,101,739)</u>	<u>(\$3,316,958)</u>	<u>(\$3,416,467)</u>	<u>(\$3,518,961)</u>	<u>(\$3,624,530)</u>	<u>(\$3,733,266)</u>
Effective Gross Income	\$31,265,513	\$48,305,218	\$63,022,207	\$64,912,874	\$66,860,260	\$68,866,068	\$70,932,050
Expenses							
Administrative	<u>(\$1,563,276)</u>	<u>(\$2,415,261)</u>	<u>(\$3,151,110)</u>	<u>(\$3,245,644)</u>	<u>(\$3,343,013)</u>	<u>(\$3,443,303)</u>	<u>(\$3,546,602)</u>
Net Operating Income	\$29,702,237	\$45,889,957	\$59,871,097	\$61,667,230	\$63,517,247	\$65,422,764	\$67,385,447
Reserves	<u>(\$78,786)</u>	<u>(\$81,149)</u>	<u>(\$83,584)</u>	<u>(\$86,091)</u>	<u>(\$88,674)</u>	<u>(\$91,334)</u>	<u>(\$94,074)</u>
Net Cash Flow	\$29,623,452	\$45,808,808	\$59,787,513	\$61,581,139	\$63,428,573	\$65,331,430	\$67,291,373
Discount Factor	0.921658986	0.849455287	0.782908098	0.721574284	0.665045423	0.612945091	0.564926351
Discounted Net Cash Flow	\$27,302,721	\$38,912,534	\$46,808,128	\$44,435,366	\$42,182,882	\$40,044,579	\$38,014,670
<i>Discounted Value of the Cash Flow</i>	\$239,686,211						
<i>Discounted Residual Value</i>	<u>\$675,663,009</u>						
<i>Total Net Present Value (1/1/2017)</i>	\$915,349,219						
<i>Rounded (1/1/2017)</i>	\$915,000,000						
<i>Net Present Value Per SF</i>	\$2,615.28						



Prospective Value in Use upon Completion Conclusion

For Phase I of the proposed Plaza Las Vegas retail component, using the Excel model cash flow assumptions and a discount rate of 8.5%, the resulting present value as of January 1, 2013, is roundly \$587,000,000, which equates to \$2,359.06 per square foot. For Phase II, using the same Excel model cash flow assumptions and the same discount rate, the resulting present value as of January 1, 2017, is roundly \$915,000,000, which equates to \$2,615.28 per square foot. The prospective values in use for the proposed Plaza Las Vegas retail components are set forth in the following table.

Prospective Value in Use upon Completion Conclusion - Retail Component

	<u>Value Conclusion</u>	<u>Rounded to:</u>
Phase I Retail Component (January 1, 2013)	\$587,493,458	\$587,000,000
Phase II Retail Component (January 1, 2017)	915,349,219	915,000,000

Prospective Value in Use upon Stabilization Conclusion

The prospective value in use of the proposed Plaza Las Vegas' Phase I retail component as of its projected date of stabilization, anticipated to be January 1, 2016, has also been derived via a direct capitalization approach. As previously discussed, the critical component of the direct capitalization approach is the selection of a reasonable capitalization rate. The second-quarter 2008 *Korpacz Real Estate Investor Survey* published by PricewaterhouseCoopers, LLP reported Class A+ and A regional mall cap rates of 4.75% to 7.00%. Accordingly, a capitalization rate of 6.0% was utilized, with the following results.

Prospective Value in Use upon Stabilization Conclusion - Phase I Retail Component

Income	/	Rate	=	Value
\$38,985,344	/	6.0 %	=	\$649,755,738
		Rounded to:		<u>\$650,000,000</u>

Based on this procedure, the prospective value in use upon stabilization of the proposed Plaza Las Vegas' casino-resort component, assumed to be on January 1, 2016, will be \$650,000,000.



17. Cost Approach

In the cost approach, the cost of all improvements, depreciated to reflect value loss from physical, functional and external causes, is added to land value and entrepreneurial profit to derive a total value opinion. Based on the IFRS guidelines in developing an opinion of value in use, the cost approach has not been utilized as a valuation approach in this appraisal. However, the project development costs are a critical component of the residual analysis employed in deriving a current value in use of the subject property “as is.” The costs incurred and anticipated to be incurred in constructing and developing the subject improvements will be set forth for the residual analysis.

Proposed Plaza Las Vegas Development Budget

The development costs for all components of the subject property including the casino, hotel, meeting and function space, retail, and residential condominiums, have been provided by EL AD IDB Las Vegas LLC. It is beyond our expertise to assess the costs incurred, or to be incurred, in constructing the appraised property's improvements. Accordingly, the total development budget for the subject property as currently proposed, including the development timeline, has been estimated by the subject property's developers and is set forth in the following table.

Summary of Development Cost (Without Developer's Profit) ('000,000s)

	9/30/2008	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Subtotal	TOTAL
Project Cost (as of September 30, 2008)	\$1,355													\$1,355
Phase I														
Hard costs				\$305	\$813	\$914							\$2,032	
Soft cost reserve		\$20	\$6										26	
FF&E and OS&E						274							274	
Pre-opening costs			3	5	6	56							70	
Design			38	11	10	3							62	
Other soft costs			14	19	24	28							85	
Financing closing costs					35								35	
Interest costs reserves		11	4										15	
Additional interest			45	48	91	208							391	
Subtotal														\$2,990
Phase II														
Building 1 construction costs							\$225	\$230					455	
Building 5 construction costs									\$261	\$267			528	
Building 6 construction costs											\$196	\$200	396	
Subtotal														\$1,379
Annual Cost	\$1,355	\$31	\$110	\$387	\$979	\$1,483	\$225	\$230	\$261	\$267	\$196	\$200		
TOTAL DEVELOPMENT COST (w/o Developer's Profit)														\$5,724



Of the \$1.355 billion expended on the project to date, approximately \$1.24 billion of this amount was spent for the subject site. This equates to approximately \$36 million per acre for the ±34.5-acre site, the highest price paid per acre for a parcel this size on the Las Vegas Strip. Note that the summary of the development costs was provided by EL AD IDB Las Vegas LLC and no independent validation of the costs/budgets was performed by the appraisers.

For informational purposes, the total development budget for the proposed Phase I component of Plaza Las Vegas—excluding the cost of development of the Phase I residential condominium component (estimated at \$157 million based on 314,000 square feet at a cost of \$500 per square foot) and Phase II improvements (which are expected to contain additional residential condominium and retail square footage)—has been compared against development costs/budgets of comparable casino-hotel assets in the following table.

Comparison of Construction Costs

Property	Date of Construction/ Opening	Interest	Location	Development Cost/Budget	Approximate Gaming Square Footage	Cost Per Casino Sq. Ft.	Estimated No. of Gaming Positions	Cost Per Gaming Position	Number of Guestrooms	Cost per Guestroom
Proposed Plaza Las Vegas	2013	Fee Simple/Leased	Las Vegas Strip	\$4,188,391,667 *	115,000	\$36,421	2,793	\$1,499,603	3,000	\$1,396,131
Cosmopolitan	2010	Fee Simple	Las Vegas Strip	3,500,000,000	70,000	50,000	1,710	2,046,784	3,000	1,166,667
Fontainebleau Resort	2010	Fee Simple	Las Vegas Strip	2,900,000,000	100,000	29,000	2,278	1,273,047	2,899	1,000,345
CityCenter	2009	Fee Simple	Las Vegas Strip	8,600,000,000 **	165,000	52,121	3,755	2,290,280	4,800	1,791,667
Encore at Wynn Las Vegas	2009	Fee Simple	Las Vegas Strip	2,300,000,000	72,000	31,944	1,642	1,400,731	2,034	1,130,777
Palazzo	2008	Fee Simple	Las Vegas Strip	1,900,000,000	105,000	18,095	2,137	889,097	3,066	619,700
Wynn Las Vegas	2005	Fee Simple	Las Vegas Strip	2,700,000,000	109,900	24,568	2,776	972,622	2,716	994,109
Borgata	2003	Fee Simple/Leased	Atlantic City	1,035,000,000	122,000	8,484	3,800	272,368	2,010	514,925

*Does not include Phase II development costs or Phase I condominium component costs estimated at \$157 million (314,000 square feet at \$500 a square foot)

**After net residential proceeds of \$2.7 billion

Source: SEC, Published Reports, HVS Consulting and Valuation



Because none of the projects are specifically similar in terms of facilities (i.e., casino square footage, number of gaming units, number of hotel rooms, facilities, amenities, etc.), a direct comparison of these projects with the subject property as proposed is difficult. A comparison of these projects is further limited by the respective dates of construction, the price paid for land, and any ancillary infrastructure costs where incurred. However, the total development costs for each project divided by a few primary units of comparison can help to assess the reasonableness of the subject property's development cost.

Overall, the development costs for the proposed Plaza Las Vegas as provided by EL AD IDB Las Vegas LLC appear to be reasonable and somewhat in line with the development costs of the properties currently under construction, based on development cost per casino square footage and development cost per guestroom, given that the subject property is anticipated to be positioned as the premier luxury resort offering luxury-tier accommodations, high-end retail, and a VIP-oriented casino—components that are all expected to be appropriately sized, finished, and furnished to luxury standards. Additionally, the future construction date of the subject property adds additional expenses, including holding costs.

**Value in Use “As Is”
Value – Residual
Approach**

The estimated cost remaining to develop the subject property provided by the developers will be deducted from the prospective value in use of the subject property derived in previous sections of this report to compute the "as is" residual value in use of the vacant land in the following "Residual Land Valuation Conclusion" section of this report.



18. Residual Land Valuation Conclusion

The components of both phases of the proposed Plaza Las Vegas were valued in use previously in this report. In this section, the "as is" value of the land is derived based on the indications of value in use derived previously via a residual analysis.

METHODOLOGY

According to the *Appraisal of Real Estate*,¹ "residual land value can be found by estimating the value of the proposed use (land and improvements) and subtracting the cost of labor, capital and entrepreneurial coordination expended to create the improvements." The residual "as is" value in use for the subject property land has been derived using the following steps: 1) the prospective casino hotel, retail, and residential condominium component values in use are discounted to the date of value at appropriate rates; 2) the remaining cost of development are also discounted to the date of value by an appropriate rate; 3) the present value of the remaining development costs is deducted from the present value of the casino hotel, retail, and residential condominium components to derive a net residual value to the land and 4) the estimated value of the leased fee interest based on the value of the discounted annual rental payments is deducted from the residual land value to reflect the leasehold and fee simple interests being appraised.

Prospective In Use Values

The prospective value in use opinions for the proposed Plaza Las Vegas' components based on the available data, our analysis, and our experience in the gaming, hotel, meeting and convention, retail, and residential industries, without adjustment for the time value of money, derived previously in this report, are summarized in the following table.

¹ Appraisal Institute. *The Appraisal of Real Estate Appraisal*. 12th ed. Chicago: Author, 2001. p. 315.



Prospective As Completed Value in Use Summary - Phase I and Phase II

	Casino-Resort Component	Retail Component	Residential Component	Total
Phase I Improvements - as of January 1, 2013	\$3,500,000,000	587,000,000	\$453,000,000	\$4,540,000,000
Phase II Improvements - as of January 1, 2015	-	-	\$2,309,000,000	\$2,309,000,000
Phase II Improvements - as of January 1, 2017	-	915,000,000	-	\$915,000,000

Risks

The evaluation of risk is important in the development of appropriate discount rates to employ in the land residual analysis. Casino-resorts, retail malls, and condominium developments face considerable risks to their generation of operating income and condominium sales proceeds. The following are among the risks that have been considered in the selection of appropriate discount rates:

- The risk of further decline in local and national economic conditions. As of the date of this appraisal the United States and many of the countries that generate demand to Las Vegas are in an economic recession. Visitation to Las Vegas and the amount spent per visitor are in decline, resulting in deteriorating revenue and net income levels for Las Vegas casino hotels. While this is perceived as a cyclical downturn, and Las Vegas has historically rebounded from such downturns relatively quickly, the duration and magnitude of the downturn are uncertain at this time. Thus, the subject development's future performance may be affected if market conditions do not rebound as quickly and strongly as they have in the past.
- The risk of obtaining financing for the development of the proposed improvements within the next twelve months, to insure construction by 2010 and opening by 2013. The United States is currently experiencing a financial crisis that has curtailed lending on major development projects. The investment banking firms that were responsible for financing the recently constructed casino hotels in Las Vegas are in a state of transition, and it is uncertain what the future source of debt financing for large-scale casino hotel projects will be. If



financing cannot be secured at favorable rates, the start of construction and opening of the property as proposed may be delayed or rendered infeasible.

- **Development risk.** These types of projects are vulnerable to potential cost overruns, resulting from increases in labor and construction materials, infrastructure costs, financing costs, development changes, etc. Construction costs have risen significantly in recent years due to the high demand for construction resources. While it is anticipated that construction costs will decline over the near to mid-term due to the significant reduction in development activity, there are still risks associated with constructing a mixed-use development of the complexity and magnitude of the subject property. However, we understand that the subject project will be constructed on the basis of a guaranteed fixed price, mitigating some of these risks. Other development risks are the potential delayed completion of the subject property due to natural disasters, remedial soil and environmental conditions or strikes.
- **Execution risk.** The overall design and ambience created at a casino-hotel have an impact on the asset's ability to generate income, particularly at the high end of the market, where the subject property will be positioned. It is challenging to design and construct a mixed-use project that is well received by the targeted market. In addition, creating a management team that will deliver a level of service commensurate with the high quality of the improvements is equally challenging. Our projections assume that the owner/developer will have top management talent to assemble a skilled management team. Any changes in the key personnel currently employed by the subject property developers may negatively impact the ability of the property to achieve projected financial objectives.
- **Market demand risk.** The performance of the subject property is highly dependent upon visitation to Las Vegas, and the amount of expenditures per visitor. At the current time the Las Vegas market is experiencing a decline in visitation as well as expenditure per visitor due to current national and international economic conditions. While it is anticipated that the market will have rebounded from this cyclical downturn by the time the subject property opens, there is still uncertainty regarding the date and velocity of the recovery. In the future, the availability of commercial flights and other infrastructure



may not progress at a sufficient pace to accommodate the increased visitation to Las Vegas that will be necessary to absorb the new supply.

- Market supply risk. Significant increases in guestroom inventory, gaming supply, retail outlets, and residential condominiums are planned for the Las Vegas market. Increased competition can have a material effect on the performance of the subject property's proposed casinos and related operations. In addition, the sales price and pace of the subject property's residential condominiums may be impacted by increases in supply. Significant increases in competition from other gaming markets, both internationally and in the United States, may also have a negative impact upon the projected performance of the subject property.

The discount rates that have been employed in the land residual analysis reflect market rates of return for a project that is successfully completed and operated as envisioned by the subject developer. Given the many risks outlined above, it is evident that a number of factors could potentially cause the project to underperform, relative to the projections. Due to current economic conditions, there is a greater risk that the project will underperform as opposed to outperform the projected net operating income and residential condominium sales proceeds. For this reason, the appraisers have performed "base" case discounted cash flow analyses and "sensitivity" scenarios. The "base" case reflects our best estimates of market rates of return for the projections that have been prepared for the subject property to the current developers in use. Sensitivity cases, which employ higher discount rates for the casino-hotel, retail, and residential condominium components, provide a basis for consideration of the impact of the underperformance of the projected net operating income and residential condominium sales proceeds.

Discount Rates

Paragraph 55 of the International Accounting Standard 36 of the International Financial Reporting Standards² states that the discount rate employed in determining value in use "shall be a pre-tax rate (rates) that reflect(s) current market assessments of (a) the time value of money and (b) the risks specific to the asset for which the future cash flow estimates have not been adjusted." "This rate is estimated from the rate implicit in current market transactions for similar assets or from the weighted cost of capital of a listed entity that has

² International Accounting Standard 36 of the International Financial Reporting Standards, *Impairment of Assets* (IAS 36), para. 55.



a single asset (or a portfolio of assets) similar in terms of service potential and risks to the asset under review.” The discount and terminal capitalization rates utilized in the valuation of the casino hotel, retail space and residential condominiums were developed and discussed in the previous sections pertaining to each use. The rates were “market derived,” in that they reflected the rates of return required by investors for the uses under consideration. In developing an opinion of the value in use of the subject land, discount rates must be employed to bring the projected future “as complete” values, as well as the interim construction costs to build the improvements, back to the date of value.

One of the factors that is typically considered a cost of construction is the payment of financing fees and interest on a construction loan. According to International Accounting Standard 36³, estimates of future cash flows shall not include: (a) cash inflows or outflows from financing activities; or (b) income tax receipts or payments....Because the time value of money is considered by discounting the estimated future cash flows, these cash flows exclude cash inflows or outflows from financing activities.” The appraisers were not able to obtain full clarity on this issue because different accountants we interviewed in order to understand this issue had differing opinions on whether or not construction financing should be considered in the project’s construction costs. Thus, the appraisers have developed opinions of value in use under scenarios in which construction financing is deducted as a cost of development and in which the construction is not deducted as a cost of development. The discount rates employed where financing costs are not deducted as a cost of development have been increased to reflect the need to build in the cost of financing into the discount rate.

Accordingly, using the procedure and variables set forth above, residual value in use for the subject property's land has been derived under six scenarios:

- 1) Base Case With Financing Costs (a best estimate scenario to the current developers in use with financing costs included);
- 2) Base Case Without Financing Costs (a best estimate scenario to the current developers in use without financing costs included);

³ International Accounting Standard 36 of the International Financial Reporting Standards, *Impairment of Assets* (IAS 36), para. 50.



- 3) Sensitivity Case No. 1 With Financing Costs (a sensitivity scenario with financing costs included);
- 4) Sensitivity Case No. 1 Without Financing Costs (a sensitivity scenario without financing costs);
- 5) Sensitivity Case No. 2 With Financing Costs (a sensitivity scenario with financing costs included); and
- 6) Sensitivity Case No. 2 Without Financing Costs (a sensitivity scenario without financing costs).

The discount rates selected for each of these scenarios are set forth in the following table.

Discount Rates (Base Case)

	Base Case With Financing Costs Deducted	Base Case Without Financing Costs Deducted
Phase I Hotel and Casino Components	10.0 %	12.0 %
Phase I Retail Component	6.5 %	8.5 %
Phase I Residential Component	15.0 %	17.0 %
Phase II Retail Component	8.0 %	10.0 %
Phase II Residential Component	20.0 %	22.0 %
Phase I Development Cost	6.0 %	6.0 %
Phase II Development Cost	20.0 %	22.0 %



Discount Rates (Sensitivity Scenarios)

	Sensitivity Case No. 1 With Financing Costs Deducted	Sensitivity Case No. 1 Without Financing Costs Deducted	Sensitivity Case No. 2 With Financing Costs Deducted	Sensitivity Case No. 2 Without Financing Costs Deducted
Phase I Hotel and Casino Components	11.0 %	13.0 %	12.0 %	14.0 %
Phase I Retail Component	7.5 %	9.5 %	8.5 %	10.5 %
Phase I Residential Component	16.0 %	18.0 %	17.0 %	19.0 %
Phase II Retail Component	9.0 %	11.0 %	10.0 %	12.0 %
Phase II Residential Component	22.5 %	25.0 %	25.0 %	27.0 %
Phase I Development Cost	7.0 %	7.0 %	8.0 %	8.0 %
Phase II Development Cost	22.5 %	25.0 %	25.0 %	27.0 %

For the Base Case with Financing analysis, the value in use for the casino-hotel component is discounted at 10.0%, 200 basis points below the 12% overall discount rate used in the component's valuation. This is considered an appropriate rate for the interim holding of the land and project completion based on the appraisers' familiarity with the overall cost of capital employed by various gaming companies in their internal analyses. Similarly, the Phase I retail component has been discounted at 6.5%, which is 200 basis points below the 8.5% discount used to value the retail component, reflecting the lower risk of interim holding of the vacant land and completing the retail space. Developers who we surveyed in order to determine appropriate discount rates indicated that they do not expect to receive their full anticipated yield on the improved project during the interim land holding and construction periods.

The Phase II retail component value in use has been discounted at a higher rate (8.0%), which is more in line with the rate used to value the component (8.5%) due to the risk of speculating about future market conditions and income generation as of 2017. The discounting of the condominium sales proceeds reflects the significantly higher risk associated with this use. Prior to the current downturn in the residential market, condominium developers who the appraisers surveyed required internal rates of return from 20% to 35% on condominium developments, a yield that includes a developer's profit. Parties that we surveyed for this appraisal indicated that the minimum internal rate of return for high-rise condominium projects is now 25%, with upward adjustments from there, depending upon the risks of the individual



project. These rates of return reflect the discount rates employed in the sellout of the condominium units; lower rates of return would be anticipated in the land holding and construction phases of the project. However, given the significantly higher risks of generating profit from the development and sale of condominiums, a 15% discount rate has been employed to discount the prospective future value in use of the “as complete” Phase I residential component. Given the risk associated with speculating about the condition of the residential condominium market as of the date Phase II will be completed, assumed to be January 1, 2017, a 20% discount rate has been employed to discount the prospective future value in use of the “as complete” Phase II residential component. Note that this compares to the 15.0% discount rate used in valuing the residential components (which also considers a 10.0% developer's profit in deriving the residential condominium value in use). The higher rate is applied to the Phase II residential condominiums given the uncertainty of forecasting sales price and pace at a later date in the future.

The Phase I development costs, a cash outflow, have been discounted at a “safe” rate of 6% rate because these costs must be expended to construct the proposed improvements, and there can be no risk in assuring that the funds will be available to develop the asset that is to generate the projected cash flow. This is particularly the case given the three-year time frame over which the project will be constructed before any cash flow is generated. Discounting the construction costs at a higher rate of return would unduly minimize the out-of-pocket costs that the developer must pay. The Phase I development costs constitute the bulk of the expense of developing the entire site; infrastructure costs are expended in constructing the podium which will also serve as the base for the Phase II improvements. The outstanding development costs for Phase II have been discounted at rates in line with the discount rates utilized to value the Phase II residential component, in keeping with traditional discounted cash flow methodology, where cash outflows are deducted from cash inflows to derive a net income that is discounted at one overall discount rate. Given that this cash flow is projected in the future, when the majority of the project is already complete and generating a return to the developers, this methodology is considered appropriate.

It should be noted that the estimated remaining development costs were provided by the property's developers. Soft costs provided by the developers were adjusted downward to avoid double counting of costs for the marketing of residential condominiums that are considered in the sellout of expenses as



discussed in the "Projection of Condominium Sale Proceeds" section of this report.

Present Value of Ground Lease

As previously indicated, ownership of the leased fee on the leased portion of the subject site is currently held by Tishmar LLC and Tish's Castle Inc. EL AD IDB Las Vegas LLC has provided a copy of the lease dated April 16, 1998 between Tish's Castle Inc. and Ruffin Gaming LLC, which provides for a ninety-nine (99) year lease beginning August 1, 1998 and expiring July 31, 2097 at annual rent of \$3,000,000 initially with periodic step-ups to \$5,500,000 annually in the seventy-first year to the end of the term. EL AD IDB Las Vegas LLC representatives have indicated that an assignment of the lease has been entered into that vests appropriate rights for development of the subject site.

The net present value of the fiscalized rental payments, using a discount rate of 7.5%, is roundly \$49 million as set forth in the following tables. A discount rate of 7.5% is considered acceptable for valuing the cash flow to the leased fee, given the low potential for default by the lessee.



Leasehold Valuation

Discount Rate: 7.50%
 NPV of Fiscalized Rent: \$49,266,327

Year ending July 31	Rental Payment (‘000s)	Discount Factor @ 7.5%	Discounted Rent (‘000s)	Fiscalized Discounted Rent Beginning October 1 (‘000s)
2009	3,500	0.930233	3,256	3,085
2010	3,500	0.865333	3,029	2,870
2011	3,500	0.804961	2,817	2,670
2012	3,500	0.748801	2,621	2,484
2013	3,500	0.696559	2,438	2,432
2014	3,750	0.647962	2,430	2,303
2015	3,750	0.602755	2,260	2,142
2016	3,750	0.560702	2,103	1,993
2017	3,750	0.521583	1,956	1,854
2018	3,750	0.485194	1,819	1,724
2019	3,750	0.451343	1,693	1,604
2020	3,750	0.419854	1,574	1,492
2021	3,750	0.390562	1,465	1,388
2022	3,750	0.363313	1,362	1,291
2023	3,750	0.337966	1,267	1,260
2024	4,000	0.314387	1,258	1,192
2025	4,000	0.292453	1,170	1,109
2026	4,000	0.272049	1,088	1,031
2027	4,000	0.253069	1,012	959
2028	4,000	0.235413	942	892
2029	4,000	0.218989	876	830
2030	4,000	0.203711	815	772
2031	4,000	0.189498	758	718
2032	4,000	0.176277	705	668
2033	4,000	0.163979	656	679
2034	4,500	0.152539	686	651
2035	4,500	0.141896	639	605
2036	4,500	0.131997	594	563
2037	4,500	0.122788	553	524
2038	4,500	0.114221	514	487
2039	4,500	0.106252	478	453
2040	4,500	0.098839	445	422
2041	4,500	0.091943	414	392
2042	4,500	0.085529	385	365
2043	4,500	0.079562	358	367
2044	5,000	0.074011	370	351
2045	5,000	0.068847	344	326
2046	5,000	0.064044	320	303
2047	5,000	0.059576	298	282
2048	5,000	0.055419	277	263
2049	5,000	0.051553	258	244
2050	5,000	0.047956	240	227



Leasehold Valuation (Cont.)

2051	5,000	0.044610	223	211
2052	5,000	0.041498	207	197
2053	5,000	0.038603	193	183
2054	5,000	0.035910	180	170
2055	5,000	0.033404	167	158
2056	5,000	0.031074	155	147
2057	5,000	0.028906	145	137
2058	5,000	0.026889	134	127
2059	5,000	0.025013	125	119
2060	5,000	0.023268	116	110
2061	5,000	0.021645	108	103
2062	5,000	0.020135	101	95
2063	5,000	0.018730	94	89
2064	5,000	0.017423	87	83
2065	5,000	0.016208	81	77
2066	5,000	0.015077	75	71
2067	5,000	0.014025	70	66
2068	5,000	0.013046	65	66
2069	5,500	0.012136	67	63
2070	5,500	0.011290	62	59
2071	5,500	0.010502	58	55
2072	5,500	0.009769	54	51
2073	5,500	0.009088	50	47
2074	5,500	0.008454	46	44
2075	5,500	0.007864	43	41
2076	5,500	0.007315	40	38
2077	5,500	0.006805	37	35
2078	5,500	0.006330	35	33
2079	5,500	0.005888	32	31
2080	5,500	0.005478	30	29
2081	5,500	0.005095	28	27
2082	5,500	0.004740	26	25
2083	5,500	0.004409	24	23
2084	5,500	0.004102	23	21
2085	5,500	0.003815	21	20
2086	5,500	0.003549	20	18
2087	5,500	0.003302	18	17
2088	5,500	0.003071	17	16
2089	5,500	0.002857	16	15
2090	5,500	0.002658	15	14
2091	5,500	0.002472	14	13
2092	5,500	0.002300	13	12
2093	5,500	0.002139	12	11
2094	5,500	0.001990	11	10
2095	5,500	0.001851	10	10
2096	5,500	0.001722	9	9
2097	5,500	0.001602	9	2



**Residual Value in Use
Analysis**

The residual “as is” value in use for the subject property land for the base case and sensitivity scenarios is derived by discounting the prospective component values and remaining costs of development using appropriate rates and deducting the estimated value of the leased fee interest based on the value of the discounted annual rental payments. The discounting procedures for each of the scenarios are set forth in the following tables.

Base Case - Residual Land Value in Use Analysis With Financing Costs Deducted as Development Expenses ('000s)

Amounts in Thousands ('000s)	Sep-08	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
PHASE I IMPROVEMENTS														
Casino and Hotel Component Future Value						\$3,520,000								
Casino and Hotel Component Discount Factor (10%)		0.9764541	0.8876855	0.8069869	0.7336244	0.6669313	0.6063012	0.5511829	0.5010753	0.4555230	0.4141119	0.3764653	0.3422412	0.3111284
Casino and Hotel Component Present Value (Discounted at 10%)	\$2,347,598													
Phase I Retail Component Future Value						587,000								
Phase I Retail Component Discount Factor (6.5%)		0.9843796	0.9243001	0.8678874	0.8149177	0.7651810	0.7184798	0.6746289	0.6334544	0.5947928	0.5584909	0.5244046	0.4923987	0.4623462
Phase I Retail Component Present Value (Discounted at 6.5%)	\$449,161													
Phase I Residential Component Future Value						453,000								
Phase I Residential Component Discount Factor (15%)		0.9656629	0.8397069	0.7301799	0.6349390	0.5521209	0.4801051	0.4174827	0.3630284	0.3156769	0.2745017	0.2386971	0.2075627	0.1804893
Phase I Residential Component Present Value (Discounted at 15%)	\$250,111													
PHASE II IMPROVEMENTS														
Phase II Retail Component Future Value										\$915,000				
Phase II Retail Component Discount Factor (8%)		0.9809437	0.9082812	0.8410011	0.7787047	0.7210229	0.6676138	0.6181609	0.5723712	0.5299733	0.4907160	0.4543667	0.4207099	0.3895462
Phase II Retail Component Present Value (Discounted at 8%)	\$484,926													
Phase II - Residential Component Future Value								\$2,309,000						
Phase II - Residential Component Discount Factor (20%)		0.9554428	0.7962023	0.6635019	0.5529183	0.4607652	0.3839710	0.3199759	0.2666465	0.2222055	0.1851712	0.1543093	0.1285911	0.1071593
Phase II - Residential Component Present Value (Discounted at 20%)	\$738,824													
DEVELOPMENT COSTS														
Phase I														
Hard costs				(304,800)	(812,800)	(914,400)								
Soft cost reserve		(20,000)	(6,000)											
FF&E and OS&E							(274,000)							
Pre-opening costs			(3,000)	(4,500)	(6,300)	(56,000)								
Design			(38,000)	(11,000)	(10,000)	(3,000)								
Other soft costs			(14,300)	(18,400)	(22,800)	(25,800)								
Financing closing costs					(35,000)									
Interest costs reserves		(11,250)	(3,750)											
Additional interest			(\$44,792)	(\$47,500)	(\$91,000)	(\$208,000)								
Total Phase I Development Costs Future Value		(\$31,250)	(\$109,842)	(\$386,200)	(\$977,900)	(\$1,481,200)								
Phase I Development Cost Discount Factor (6%)		0.9855384	0.9297532	0.8771256	0.8274770	0.7806387								
Phase I Development Cost Present Value (Discounted at 6%)	(\$2,437,141)													
Phase II														
Building 1 Construction Costs							(219,114)	(224,728)						
Building 5 Construction Costs									(256,438)	(262,957)				
Building 6 Construction Costs											(191,166)	(196,053)		
Total Phase II Development Costs Future Value							(\$219,114)	(\$224,728)	(\$256,438)	(\$262,957)	(\$191,166)	(\$196,053)		
Phase II Development Cost Discount Factor (20%)							0.3839710	0.3199759	0.2666465	0.2222055	0.1851712	0.1543093		
Phase II Development Cost Present Value (Discounted at 20%)	(\$348,501)													
TOTAL AS IS VALUE (9/30/08) - Prior to Deduction for Leasehold	\$1,484,978													
Less Value of Leased Fee Interest:	(\$49,266)													
TOTAL AS IS VALUE (9/30/08)	\$1,435,711													
Rounded to:	\$1,440,000													

Base Case - Residual Land Value in Use Analysis Without Financing Costs Deducted as Development Expenses ('000s)

Amounts in Thousands ('000s)	Sep-08	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
PHASE I IMPROVEMENTS														
Casino and Hotel Component Future Value						\$3,520,000								
Casino and Hotel Component Discount Factor (12%)		0.9720654	0.8679156	0.7749246	0.6918970	0.6177651	0.5515760	0.4924786	0.4397130	0.3926009	0.3505365	0.3129790	0.2794456	0.2495050
Casino and Hotel Component Present Value (Discounted at 12%)	\$2,174,533													
Phase I Retail Component Future Value						\$67,000								
Phase I Retail Component Discount Factor (8.5%)		0.9798116	0.9030521	0.8323061	0.7671024	0.7070068	0.6516192	0.6005707	0.5535214	0.5101580	0.4701917	0.4333564	0.3994068	0.3681169
Phase I Retail Component Present Value (Discounted at 8.5%)	\$415,013													
Phase I Residential Component Future Value						\$453,000								
Phase I Residential Component Discount Factor (17%)		0.9615094	0.8218029	0.7023956	0.6003382	0.5131095	0.4385552	0.3748335	0.3203705	0.2738209	0.2340350	0.2000299	0.1709657	0.1461246
Phase I Residential Component Present Value (Discounted at 17%)	\$232,439													
PHASE II IMPROVEMENTS														
Phase II Retail Component Future Value										\$915,000				
Phase II Retail Component Discount Factor (10%)		0.9764541	0.8876855	0.8069869	0.7336244	0.6669313	0.6063012	0.5511829	0.5010753	0.4555230	0.4141119	0.3764653	0.3422412	0.3111284
Phase II Retail Component Present Value (Discounted at 10%)	\$416,804													
Phase II - Residential Component Future Value								\$2,309,000						
Phase II - Residential Component Discount Factor (22%)		0.9515027	0.7799203	0.6392789	0.5239991	0.4295075	0.3520553	0.2885699	0.2365327	0.1938793	0.1589174	0.1302602	0.1067707	0.0875169
Phase II - Residential Component Present Value (Discounted at 22%)	\$666,308													
DEVELOPMENT COSTS														
Phase I														
Hard costs				(304,800)	(812,800)	(914,400)								
Soft cost reserve		(20,000)	(6,000)											
FF&E and OS&E						(274,000)								
Pre-opening costs			(3,000)	(4,500)	(6,300)	(56,000)								
Design			(38,000)	(11,000)	(10,000)	(3,000)								
Other soft costs			(14,300)	(18,400)	(22,800)	(25,800)								
Financing closing costs														
Interest costs reserves														
Additional interest														
Total Phase I Development Costs Future Value		(\$20,000)	(\$61,300)	(\$338,700)	(\$851,900)	(\$1,273,200)								
Phase I Development Cost Discount Factor (6%)		0.9855384	0.9297532	0.8771256	0.8274770	0.7806387								
Phase I Development Cost Present Value (Discounted at 6%)	(\$2,072,624)													
Phase II														
Building 1 Construction Costs							(219,114)	(224,728)						
Building 5 Construction Costs									(256,438)	(262,957)				
Building 6 Construction Costs											(191,166)	(196,053)		
Total Phase II Development Costs Future Value							(\$219,114)	(\$224,728)	(\$256,438)	(\$262,957)	(\$191,166)	(\$196,053)		
Phase II Development Cost Discount Factor (22%)							0.3520553	0.2885699	0.2365327	0.1938793	0.1589174	0.1302602		
Phase II Development Cost Present Value (Discounted at 22%)	(\$309,545)													
TOTAL AS IS VALUE (9/30/08) - Prior to Deduction for Leasehold		\$1,522,927												
Less Value of Leased Fee Interest:		(\$49,266)												
TOTAL AS IS VALUE (9/30/08)		\$1,473,661												
Rounded to:		\$1,470,000												

Sensitivity Case No. 1 - Residual Land Value in Use Analysis With Financing Costs Deducted as Development Expenses ('000s)

Amounts in Thousands ('000s)	Sep-08	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
PHASE I IMPROVEMENTS														
Casino and Hotel Component Future Value						\$3,520,000								
Casino and Hotel Component Discount Factor (11%)		0.9742474	0.8777004	0.7907210	0.7123613	0.6417669	0.5781684	0.5208724	0.4692545	0.4227518	0.3808574	0.3431148	0.3091124	0.2784797
Casino and Hotel Component Present Value (Discounted at 11%)	\$2,259,020													
Phase I Retail Component Future Value						587,000								
Phase I Retail Component Discount Factor (7.5%)		0.9820823	0.9135649	0.8498278	0.7905375	0.7353837	0.6840779	0.6363515	0.5919549	0.5506557	0.5122379	0.4765004	0.4432562	0.4123313
Phase I Retail Component Present Value (Discounted at 7.5%)	\$431,670													
Phase I Residential Component Future Value						453,000								
Phase I Residential Component Discount Factor (16%)		0.9635750	0.8306681	0.7160932	0.6173217	0.5321739	0.4587706	0.3954919	0.3409413	0.2939149	0.2533749	0.2184266	0.1882988	0.1623266
Phase I Residential Component Present Value (Discounted at 16%)	\$241,075													
PHASE II IMPROVEMENTS														
Phase II Retail Component Future Value										\$915,000				
Phase II Retail Component Discount Factor (9%)		0.9786860	0.8978771	0.8237404	0.7557252	0.6933258	0.6360787	0.5835585	0.5353748	0.4911695	0.4506142	0.4134075	0.3792730	0.3479569
Phase II Retail Component Present Value (Discounted at 9%)	\$449,420													
Phase II - Residential Component Future Value								\$2,309,000						
Phase II - Residential Component Discount Factor (22.5%)		0.9505303	0.7759431	0.6334230	0.5170800	0.4221061	0.3445764	0.2812869	0.2296219	0.1874465	0.1530175	0.1249123	0.1019692	0.0832402
Phase II - Residential Component Present Value (Discounted at 22.5%)	\$649,491													
DEVELOPMENT COSTS														
Phase I														
Hard costs				(304,800)	(812,800)	(914,400)								
Soft cost reserve		(20,000)	(6,000)											
FF&E and OS&E						(274,000)								
Pre-opening costs			(3,000)	(4,500)	(6,300)	(56,000)								
Design			(38,000)	(11,000)	(10,000)	(3,000)								
Other soft costs			(14,300)	(18,400)	(22,800)	(25,800)								
Financing closing costs					(35,000)									
Interest costs reserves	(11,250)	(3,750)												
Additional interest		(\$44,792)	(\$47,500)	(\$91,000)	(\$208,000)									
Total Phase I Development Costs Future Value	(\$31,250)	(\$109,842)	(\$386,200)	(\$977,900)	(\$1,481,200)									
Phase I Development Cost Discount Factor (7%)		0.9832276	0.9189043	0.8587891	0.8026066	0.7500996								
Phase I Development Cost Present Value (Discounted at 7%)	(\$2,359,241)													
Phase II														
Building 1 Construction Costs							(219,114)	(224,728)						
Building 5 Construction Costs									(256,438)	(262,957)				
Building 6 Construction Costs											(191,166)	(196,053)		
Total Phase II Development Costs Future Value							(\$219,114)	(\$224,728)	(\$256,438)	(\$262,957)	(\$191,166)	(\$196,053)		
Phase II Development Cost Discount Factor (22.5%)							0.3445764	0.2812869	0.2296219	0.1874465	0.1530175	0.1249123		
Phase II Development Cost Present Value (Discounted at 22.5%)	(\$300,630)													
TOTAL AS IS VALUE (9/30/08) - Prior to Deduction for Leasehold	\$1,370,806													
Less Value of Leased Fee Interest:	(\$49,266)													
TOTAL AS IS VALUE (9/30/08)	\$1,321,539													
Rounded to:	\$1,320,000													

Sensitivity Case No. 1 - Residual Land Value in Use Analysis Without Financing Costs Deducted as Development Expenses ('000s)

Amounts in Thousands ('000s)	Sep-08	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
PHASE I IMPROVEMENTS														
Casino and Hotel Component Future Value						\$3,520,000								
Casino and Hotel Component Discount Factor (13%)		0.9699077	0.8583254	0.7595800	0.6721947	0.5948625	0.5264270	0.4658646	0.4122696	0.3648403	0.3228675	0.2857235	0.2528527	0.2237634
Casino and Hotel Component Present Value (Discounted at 13%)	\$2,093,916													
Phase I Retail Component Future Value						587,000								
Phase I Retail Component Discount Factor (9.5%)		0.9775669	0.8927551	0.8153015	0.7445676	0.6799704	0.6209775	0.5671028	0.5179021	0.4729699	0.4319360	0.3944621	0.3602394	0.3289857
Phase I Retail Component Present Value (Discounted at 9.5%)	\$399,143													
Phase I Residential Component Future Value						453,000								
Phase I Residential Component Discount Factor (18%)		0.9594658	0.8131066	0.6890734	0.5839605	0.4948818	0.4193913	0.3554164	0.3012003	0.2552545	0.2163174	0.1833198	0.1553558	0.1316574
Phase I Residential Component Present Value (Discounted at 18%)	\$224,181													
PHASE II IMPROVEMENTS														
Phase II Retail Component Future Value										\$915,000				
Phase II Retail Component Discount Factor (11%)		0.9742474	0.8777004	0.7907210	0.7123613	0.6417669	0.5781684	0.5208724	0.4692545	0.4227518	0.3808574	0.3431148	0.3091124	0.2784797
Phase II Retail Component Present Value (Discounted at 11%)	\$386,818													
Phase II - Residential Component Future Value								\$2,309,000						
Phase II - Residential Component Discount Factor (25%)		0.9457416	0.7565933	0.6052746	0.4842197	0.3873758	0.3099006	0.2479205	0.1983364	0.1586691	0.1269353	0.1015482	0.0812386	0.0649909
Phase II - Residential Component Present Value (Discounted at 25%)	\$572,448													
DEVELOPMENT COSTS														
Phase I														
Hard costs				(304,800)	(812,800)	(914,400)								
Soft cost reserve		(20,000)	(6,000)											
FF&E and OS&E						(274,000)								
Pre-opening costs			(3,000)	(4,500)	(6,300)	(56,000)								
Design			(38,000)	(11,000)	(10,000)	(3,000)								
Other soft costs			(14,300)	(18,400)	(22,800)	(25,800)								
Financing closing costs														
Interest costs reserves														
Additional interest														
Total Phase I Development Costs Future Value		(\$20,000)	(\$61,300)	(\$338,700)	(\$851,900)	(\$1,273,200)								
Phase I Development Cost Discount Factor (7%)		0.9832276	0.9189043	0.8587891	0.8026066	0.7500996								
Phase I Development Cost Present Value (Discounted at 7%)	(\$2,005,633)													
Phase II														
Building 1 Construction Costs							(219,114)	(224,728)						
Building 5 Construction Costs									(256,438)	(262,957)				
Building 6 Construction Costs											(191,166)	(196,053)		
Total Phase II Development Costs Future Value							(\$219,114)	(\$224,728)	(\$256,438)	(\$262,957)	(\$191,166)	(\$196,053)		
Phase II Development Cost Discount Factor (25%)							0.3099006	0.2479205	0.1983364	0.1586691	0.1269353	0.1015482		
Phase II Development Cost Present Value (Discounted at 25%)	(\$260,377)													
TOTAL AS IS VALUE (9/30/08) - Prior to Deduction for Leasehold	\$1,410,497													
Less Value of Leased Fee Interest:	(\$49,266)													
TOTAL AS IS VALUE (9/30/08)	\$1,361,231													
Rounded to:	\$1,360,000													

Sensitivity Case No. 2 - Residual Land Value in Use Analysis With Financing Costs Deducted as Development Expenses ('000s)

Amounts in Thousands ('000s)	Sep-08	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
PHASE II IMPROVEMENTS														
Casino and Hotel Component Future Value						\$3,520,000								
Casino and Hotel Component Discount Factor (12%)		0.9720654	0.8679156	0.7749246	0.6918970	0.6177651	0.5515760	0.4924786	0.4397130	0.3926009	0.3505365	0.3129790	0.2794456	0.2495050
Casino and Hotel Component Present Value (Discounted at 12%)	\$2,174,533													
Phase I Retail Component Future Value						587,000								
Phase I Retail Component Discount Factor (8.5%)		0.9798116	0.9030521	0.8323061	0.7671024	0.7070068	0.6516192	0.6005707	0.5535214	0.5101580	0.4701917	0.4333564	0.3994068	0.3681169
Phase I Retail Component Present Value (Discounted at 8.5%)	\$415,013													
Phase I Residential Component Future Value						453,000								
Phase I Residential Component Discount Factor (17%)		0.9615094	0.8218029	0.7023956	0.6003382	0.5131095	0.4385552	0.3748335	0.3203705	0.2738209	0.2340350	0.2000299	0.1709657	0.1461246
Phase I Residential Component Present Value (Discounted at 17%)	\$232,439													
PHASE II IMPROVEMENTS														
Phase II Retail Component Future Value										\$915,000				
Phase II Retail Component Discount Factor (10%)		0.9764541	0.8876855	0.8069869	0.7336244	0.6669313	0.6063012	0.5511829	0.5010753	0.4555230	0.4141119	0.3764653	0.3422412	0.3111284
Phase II Retail Component Present Value (Discounted at 10%)	\$416,804													
Phase II - Residential Component Future Value								\$2,309,000						
Phase II - Residential Component Discount Factor (25%)		0.9457416	0.7565933	0.6052746	0.4842197	0.3873758	0.3099006	0.2479205	0.1983364	0.1586691	0.1269353	0.1015482	0.0812386	0.0649909
Phase II - Residential Component Present Value (Discounted at 25%)	\$572,448													
DEVELOPMENT COSTS														
Phase I														
Hard costs				(304,800)	(812,800)	(914,400)								
Soft cost reserve		(20,000)	(6,000)											
FF&E and OS&E						(274,000)								
Pre-opening costs			(3,000)	(4,500)	(6,300)	(56,000)								
Design			(38,000)	(11,000)	(10,000)	(3,000)								
Other soft costs			(14,300)	(18,400)	(22,800)	(25,800)								
Financing closing costs						(35,000)								
Interest costs reserves		(11,250)	(3,750)											
Additional interest			(\$44,792)	(\$47,500)	(\$91,000)	(\$208,000)								
Total Phase I Development Costs Future Value		(\$31,250)	(\$109,842)	(\$386,200)	(\$977,900)	(\$1,481,200)								
Phase I Development Cost Discount Factor (8%)		0.9809437	0.9082812	0.8410011	0.7787047	0.7210229								
Phase I Development Cost Present Value (Discounted at 8%)	(\$2,284,691)													
Phase II														
Building 1 Construction Costs							(219,114)	(224,728)						
Building 5 Construction Costs									(256,438)	(262,957)				
Building 6 Construction Costs											(191,166)	(196,053)		
Total Phase II Development Costs Future Value							(\$219,114)	(\$224,728)	(\$256,438)	(\$262,957)	(\$191,166)	(\$196,053)		
Phase II Development Cost Discount Factor (25%)							0.3099006	0.2479205	0.1983364	0.1586691	0.1269353	0.1015482		
Phase II Development Cost Present Value (Discounted at 25%)		(\$260,377)												
TOTAL AS IS VALUE (9/30/08) - Prior to Deduction for Leasehold		\$1,266,170												
Less Value of Leased Fee Interest:		(\$49,266)												
TOTAL AS IS VALUE (9/30/08)		\$1,216,903												
Rounded to:		\$1,220,000												

Sensitivity Case No. 2 - Residual Land Value in Use Analysis Without Financing Costs Deducted as Development Expenses ('000s)

Amounts in Thousands ('000s)	Sep-08	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
PHASE I IMPROVEMENTS														
Casino and Hotel Component Future Value						\$3,520,000								
Casino and Hotel Component Discount Factor (14%)		0.9677736	0.8489242	0.7446704	0.6532196	0.5729997	0.5026313	0.4409047	0.3867585	0.3392618	0.2975981	0.2610509	0.2289921	0.2008702
Casino and Hotel Component Present Value (Discounted at 14%)	\$2,016,959													
Phase I Retail Component Future Value						587,000								
Phase I Retail Component Discount Factor (10.5%)		0.9753476	0.8826675	0.7987941	0.7228906	0.6541997	0.5920359	0.5357791	0.4848680	0.4387945	0.3970991	0.3593657	0.3252178	0.2943148
Phase I Retail Component Present Value (Discounted at 10.5%)	\$384,015													
Phase I Residential Component Future Value						453,000								
Phase I Residential Component Discount Factor (19%)		0.9574437	0.8045746	0.6761131	0.5681623	0.4774473	0.4012162	0.3371565	0.2833248	0.2380880	0.2000740	0.1681294	0.1412852	0.1187271
Phase I Residential Component Present Value (Discounted at 19%)	\$216,284													
PHASE II IMPROVEMENTS														
Phase II Retail Component Future Value										\$915,000				
Phase II Retail Component Discount Factor (12%)		0.9720654	0.8679156	0.7749246	0.6918970	0.6177651	0.5515760	0.4924786	0.4397130	0.3926009	0.3505365	0.3129790	0.2794456	0.2495050
Phase II Retail Component Present Value (Discounted at 12%)	\$359,230													
Phase II - Residential Component Future Value								\$2,309,000						
Phase II - Residential Component Discount Factor (27%)		0.9419960	0.7417292	0.5840387	0.4598730	0.3621047	0.2851218	0.2245054	0.1767759	0.1391936	0.1096013	0.0863002	0.0679529	0.0535062
Phase II - Residential Component Present Value (Discounted at 27%)	\$518,383													
DEVELOPMENT COSTS														
Phase I														
Hard costs				(304,800)	(812,800)	(914,400)								
Soft cost reserve		(20,000)	(6,000)											
FF&E and OS&E						(274,000)								
Pre-opening costs			(3,000)	(4,500)	(6,300)	(56,000)								
Design			(38,000)	(11,000)	(10,000)	(3,000)								
Other soft costs			(14,300)	(18,400)	(22,800)	(25,800)								
Financing closing costs														
Interest costs reserves														
Additional interest														
Total Phase I Development Costs Future Value		(\$20,000)	(\$61,300)	(\$338,700)	(\$851,900)	(\$1,273,200)								
Phase I Development Cost Discount Factor (8%)		0.9809437	0.9082812	0.8410011	0.7787047	0.7210229								
Phase I Development Cost Present Value (Discounted at 8%)	(\$1,941,528)													
Phase II														
Building 1 Construction Costs							(219,114)	(224,728)						
Building 5 Construction Costs									(256,438)	(262,957)				
Building 6 Construction Costs											(191,166)	(196,053)		
Total Phase II Development Costs Future Value							(\$219,114)	(\$224,728)	(\$256,438)	(\$262,957)	(\$191,166)	(\$196,053)		
Phase II Development Cost Discount Factor (27%)							0.2851218	0.2245054	0.1767759	0.1391936	0.1096013	0.0863002		
Phase II Development Cost Present Value (Discounted at 27%)	(\$232,732)													
TOTAL AS IS VALUE (9/30/08) - Prior to Deduction for Leasehold	\$1,320,610													
Less Value of Leased Fee Interest:	(\$49,266)													
TOTAL AS IS VALUE (9/30/08)	\$1,271,344													
Rounded to:	\$1,270,000													



CONCLUSION

The base case and sensitivity scenarios based on the prospective values in use derived for the subject property's components have been considered and are set forth in the following tables.

As Is Value In Use Residual Land Values With Financing Costs - Base Case (September 30, 2008)

	<u>Value in Use Residual Land Value</u>
Base Case As Is Value in Use (With Financing Costs)	\$1,440,000,000
Base Case As Is Value in Use (Without Financing Costs)	\$1,470,000,000

As Is Value In Use Residual Land Values Without Financing Costs - Sensitivity Case No. 1 (September 30, 2008)

	<u>Value in Use Residual Value</u>
Sensitivity Case No. 1 As Is Value in Use (With Financing Costs)	1,320,000,000
Sensitivity Case No. 1 As Is Value in Use (Without Financing Costs)	1,360,000,000

As Is Value In Use Residual Land Values Without Financing Costs - Sensitivity Case No. 2 (September 30, 2008)

	<u>Value in Use Residual Value</u>
Sensitivity Case No. 2 As Is Value in Use (With Financing Costs)	1,220,000,000
Sensitivity Case No. 2 As Is Value in Use (Without Financing Costs)	1,270,000,000

As indicated in the following tables, with financing costs the As Is Value in Use Residual Values ranged from \$1,220,000,000 to \$1,440,000,000 and the As



Is Value in Use Residual Values ranged from \$1,270,000,000 to \$1,470,000,000 without financing costs.



19. Sales Comparison Approach

The sales comparison approach estimates the value of a property by comparing it to similar properties recently sold or being offered in the open market. Market value is indicated by the price at which comparable, equally desirable properties have sold, or for which they can be purchased. The sales comparison approach is based on the principle of substitution, which asserts that when a property is replaceable; its value is limited to the cost of acquiring an equally desirable substitute (assuming that no costly delay is incurred in making the substitution).

This methodology is a reliable approach in the valuation of vacant land, single-family homes, and some income-generating properties, such as industrial buildings, where sales data pertaining to a relatively homogenous universe of comparable properties are available. The applicability of this approach is dependent upon the availability of adequate recent, comparable data. The unique characteristics of the major land transactions on the Las Vegas Strip, including assemblage and deal-specific considerations, make this approach difficult to employ, even in the valuation of the subject vacant site. The IFRS requires that the value in use of the subject property be developed based on projected future cash flows to the owning entity. Thus, the sales comparison approach, which is based on comparable sales and assumes a sale of the property to a third party, is not considered applicable. However, the appraisers believe that a review and analysis of comparable land sales in the determination of market value, while not an objective of this appraisal, does provide context for understanding the risks that will be faced by the subject development. In addition, an analysis of comparable retail and casino-hotel sales provides insight into market rates of return employed in the determination of value in use.

LAND VALUATION VIA SALES COMPARISON APPROACH

The sales comparison approach is typically the most appropriate technique for valuing land. This technique compares the sales data to the subject site and adjusts for discrepancies in the real property rights conveyed, financing terms, conditions of sale, date of sale, and physical attributes such as size, topography, configuration, location, existing entitlement, accessibility,



availability of off-site improvements, and removal of non-contributory existing improvements.

According to area real estate professionals and brokers, land values along the Las Vegas Strip corridor increased from the mid-1990s until 2007. Land sale activity came to a virtual halt when financing for new development throughout Las Vegas came to a standstill after the events of September 11, 2001 and the downturn in economy. Land sales in the area began increasing by 2003 and resumed a frenetic pace from 2004 through late 2007. In 2004 through 2006, the market for land for casino-resort, condominium, and hotel condominium projects, and mixed-use development was one of the most active real estate markets in Las Vegas. A number of land parcels along Las Vegas Boulevard South (the Strip) were transferred for stand-alone construction or as part of assemblages of larger sites. Land sales began to slow in 2006 as the condominium market began to show softness and construction costs were forcing quite a few developers to postpone their projects. The transactions of large sites on the Las Vegas Strip in 2007 were largely for gaming and hotel development. Since that time, sales of real estate for development has slowed due to the declining national and worldwide economy, and tightening of the credit market.

Comparable Land Transactions

Comparable sales of land located in the proximity of the subject property on Las Vegas Boulevard are primarily considered in determining a fair market value of the subject site. In an attempt to locate comparable land sales for the subject property, we have used several sources, including real estate brokers, local appraisers, and county records. The following data pertain to comparable land sales that have occurred on Las Vegas Boulevard or in the vicinity of the Las Vegas Strip corridor since 2005.

Comparable Land Sales

Sale	Existing Use	Property	Sale Date	Price	Acres	Price/Acre	Buyer	Seller	Gaming Enterprise	
									District	Proposed Use
1	Timeshare Site	3896 Swenson Street	Jul-08	\$10,500,000	± 5.4	\$1,958,955	BVP Las Vegas Swenson Place, LLC	Omni Family Limited Partnership	C-2	Hotel Use
2	Harbor Island Apt./Vacant Land	Harmon Avenue & Koval Lane	Jun-08	751,336,000	± 58.9	12,753,964	Sapir TIC, LLC	A I Nevada TIC LLC	Yes	Casino Hotel Mixed Use
3	MUD-1	W. Tropicana Avenue & Wynn Avenue	Oct-07	35,000,000	± 15.0	2,333,333			M-1	Casino Hotel Mixed Use
4	La Concha Motel	2955 S. Las Vegas Boulevard	Oct-07	180,000,000	± 5.4	33,149,171	Triple Five Development	Doumani and Majestic Resorts	Yes	Condo Hotel
5	Vacant Land	NW Tropicana Avenue & Paradise Road	Sep-07	5,136,036	± 2.6	1,945,468	Sussex Financial Group, Inc.	Makena Entertainment	C-2	Hotel Use
6	Holy Cow Casino	2423 S. Las Vegas Boulevard	Sep-07	47,000,000	± 2.1	22,926,829	Aspen Highland Holdings, LLC	Rinkai America, Inc.	Yes	Unannounced
7	Vacant Land	SE Rochelle Avenue & Koval Lane	Aug-07	85,000,000	± 10.5	8,095,238	A I Nevada TIC LLC	D.R. Horton Inc.	Yes	Casino Hotel Mixed Use
8	Vacant Land	SEC Corner of Harmon Avenue & Koval Lane	Aug-07	264,596,000	± 24.5	10,813,077	A I Nevada TIC LLC	Edge-Star Partners LLC	Yes	Casino Hotel Mixed Use
9	Harbor Island Apartments	370 E. Harmon Avenue	Aug-07	275,404,000	± 23.9	11,503,926	A I Nevada TIC LLC	Edge Las Vegas Development	Yes	Casino Hotel Mixed Use
10	New Frontier Casino	3120 S. Las Vegas Boulevard	Aug-07	1,240,000,000	± 34.5	35,900,405	El AD (DB Las Vegas)	Ruffin Gaming LLC	Yes	Casino Hotel Mixed Use
11	Harley Davidson Café	SEC Corner of Harmon Avenue & Las Vegas Boulevard	Jul-07	328,300,000	± 17.9	18,351,034	FX Luxury Realty	Africa Israel USA	Yes	Casino Hotel Mixed Use
12	Vacant Land	NWC of Circus Circus & Las Vegas Boulevard	May-07	131,600,000	± 7.7	17,202,614	Vintage Land Holdings LLC	Concord Wlshre Acquisitions	Yes	Casino Hotel Mixed Use
13	Vacant Land	SWC of Las Vegas Boulevard & Sahara Avenue	May-07	444,448,000	± 25.8	17,200,000	Vintage Land Holdings II LLC	Gordon Gaming Co.	Yes	Casino Hotel Mixed Use
14	Westward Ho Casino	2900 S. Las Vegas Boulevard	Oct-06	276,864,000	± 15.2	18,190,807	WH Investment CO	Centex/Westward HO LLC	Yes	Assemblage
15	Vacant Land	Koval Lane (behind Paris & Bally's)	Jul-06	200,000,000	± 11.5	17,331,023	Koval Investment Co. LLC	Richard Tam Enterprises LP	Yes	Hold for Development
16	Harbor Island Apartments	370 E. Harmon Avenue	Jun-06	201,623,000	± 23.9	8,422,013	Edge Las Vegas Development	Related-Centra Ventures LLC	Yes	
17	Westward Ho Casino	2900-2620 Las Vegas Boulevard	Sep-05	145,500,000	± 15.2	9,559,790	Centex/Westward HO LLC	Archon	Yes	Casino Hotel Mixed Use
18	Imperial Palace	3535 S. Las Vegas Boulevard	Aug-05	368,000,000	± 18.5	19,891,892	Harrah's	Imperial Palace	Yes	Harrah's (Assemblage)
19	Klondike Hotel & Casino	5191 S. Las Vegas Boulevard	Sep-05	23,750,000	± 5.3	4,489,603	Royal Palm Communities	Kazama Katsumi Family Partners	Yes	Casino Hotel Mixed Use
20	Adjacent parcel for assemblage		May-05	42,000,000	± 5.3	8,000,000			Yes	
				65,750,000	± 10.5	6,238,140				
21	Closed Key Largo Casino	377 E. Flamingo Road	May-05	22,900,000	± 8.2	2,809,816	Flamingo 2005 LLC	Robert L. Mayer Trust of 1982	Yes	Casino Hotel Mixed Use
22	Algiers Hotel	2845 Las Vegas Boulevard	Mar-05	96,400,000	± 3.6	26,777,778	Krystle Towers LLC	Turnberry Associates	Yes	Assemblage for Proposed Fontainebleau
23	Cable Center Shops	3755 Las Vegas Boulevard	Jan-05	91,000,000	± 4.5	20,267,302	Metroflag Cable LLC	Margel LLC	Yes	Assemblage for Mixed Use



In general, sales of properties that have frontage on Las Vegas Boulevard, compared to properties that are located within the Las Vegas Strip corridor but not on Las Vegas Boulevard, warrant a premium price due to the presence of pedestrian traffic. The length of frontage on Las Vegas Boulevard, relative to the depth of the site, is also a significant consideration. In addition, transactions on northern South Las Vegas Boulevard, in the vicinity of the Venetian and Grand Canal Shoppes, Treasure Island, the Mirage, the Fashion Show Mall, and the Wynn Las Vegas, including the subject site, are currently considered superior to the properties south of Tropicana Boulevard along South Las Vegas Boulevard proximate to the Mandalay Bay Casino Resort and McCarran International Airport. The south Tropicana Boulevard area offers significantly less pedestrian traffic and is within walking distance of only a limited number of casino resorts. The Wynn Las Vegas, generally considered to be the highest-end casino-resort currently in operation on the Las Vegas Strip, is located directly across Las Vegas Boulevard from the subject site. The site of Boyd Gaming's Echelon project, currently in abeyance, is located north across Desert Inn Road. The Trump International Hotel & Tower is located to the west of the subject site. The subject site enjoys a premier, 100% location in the heart of this prominent cluster of casino-hotels.

The functional utility of land encompasses several factors, including size, off-site availability, topography, configuration, use, and capacity. Traditionally, land sales that are smaller on a per-unit basis (in this case, acres) sell for more per acre, while larger parcels sell for less per acre. While this phenomenon generally holds true in Las Vegas, sales of large, assembled sites on the Las Vegas Strip often sell for a significant premium because large sites are required to support the development of major casino hotels. Additionally, premiums are often paid when a particular site is being purchased in order to assemble a larger parcel, or a purchase of a contiguous property is necessary in order to expand an existing site. For example, comparable sale number 18, equating to \$20 million per acre, represented the purchase of the Imperial Palace Casino-Hotel by Harrah's Entertainment and, at the time of purchase, it was anticipated that the improvements would be demolished and the land utilized to redevelop Harrah Entertainment's existing adjacent casino-hotels.

Current listings of comparable properties provide insight as to the current expectations of sellers in the current economic environment.



Current Listings of Comparable Real Property

Listing	Existing Use	Property		Price	Acres	Price/Acre
1	Seville Apartments/Vacant	499 Sierra Vista Drive	Listing	\$7,847,000 ±	1.3	\$5,900,000
2	Americana Motel/Bar	5201 & 5285 Dean Martin Drive	Listing	60,000,000 ±	7.5	8,000,000
3	Vacant Land	406 E. Naples Drive	Listing	1,350,000 ±	0.5	2,934,783
4	Office Building	1555 E. Flamingo Avenue	Listing	7,900,000 ±	4.7	1,666,667
5	Vacant Land	2423 S. Las Vegas Boulevard	Listing	25,000,000 ±	2.1	12,195,122
6	Vacant Land	552 Sierra Vista Drive	Listing	51,000,000 ±	4.9	10,515,464
7	Apartments/Vacant	Sierra Vista Drive	Listing	28,406,845 ±	4.5	6,284,700
8	McCarran Village	372 E. Tropicana Avenue	Listing	18,405,000 ±	4.1	4,500,000
9	Closed Key Largo Casino	377 E. Flamingo Road	Listing	79,000,000 ±	8.2	9,693,252
10	Clarion Emerald Springs	325 E. Flamingo Road	Listing	62,480,000 ±	5.7	11,000,000
11	Park Plaza Project	2635 Karen Court	Listing	68,000,000 ±	7.9	8,618,504
12	Former Klondike Casino Hotel	5191 S. Las Vegas Boulevard	Listing	189,000,000 ±	10.5	18,000,000

The potential value placed on entitlements and assemblage is exhibited by the listing of the ±10.5-acre site located at 5191 S. Las Vegas Boulevard, the site of the former Klondike Casino Hotel, for \$190.8 million. This two-parcel site was purchased for a total of \$65.7 million, or \$6.2 million per acre, in 2005 (see comparable land sales 19 and 20). The purchaser, Royal Palm Communities, proceeded to obtain entitlements for the Paramount Las Vegas consisting of a luxury hotel and resort, which includes 1,800 hotel rooms, 120,000 square feet of convention and meeting space, an 80,000-square-foot casino, six to eight restaurants, 20,000 square feet of specialty retail, and a 1,200-seat theater. The current listing price represents a 190% increase from the purchase price of roundly \$6.2 million per acre to \$18.0 million per acre. This potential increase reflects the significant land appreciation in Las Vegas that occurred from 2005 to 2007, and also the value enhancement of assemblage and entitlements. However, the site is currently listed for \$18.0 million per acre and has not sold, and thus the final sale price is uncertain at this time. Based on discussions with brokers and others in the industry, land transactions have slowed significantly and values of Las Vegas Strip land that must be sold in the current market will likely evidence a decline of roundly 25-25% from the peak of the market. Most land owners who are not under duress will choose to hold onto their land assets instead of selling under the current depressed market condition.

Additionally, the ±2.1-acre site located at 2423 S. Las Vegas Boulevard, the site of the former Holy Cow Casino, is currently listed at \$25,000,000, or roundly \$12.2 million an acre. This site was purchased at the top of the



market in September 2007 for \$47,000,000, nearly twice its listed price, confirming the decline in land values in the market area.

It should also be noted that an Option Agreement entered into between Sahara Las Vegas Corp., a subsidiary of Archon, and LTVI LLC in mid-2006 for the sale of approximately 27.1 acres located at 2601 S. Las Vegas Boulevard, the site of the former Wet 'n Wild Amusement Park, for approximately \$16.6 million per acre was terminated in June 2008. The termination of this contract reflects the lack of financing for these types of transactions in the current market and the resultant downward pressure on land values that is prevalent in the market at this point in time.

Entitlements

As previously indicated, entitlements may impact the fair market value of a site. According to representatives of the Clark County Planning Department, several forms, documents, and reports must be completed and submitted to the Planning Department for projects designated as "high impact"¹ in order to obtain a development agreement hearing and to become fully entitled. The process is initiated with the filing of the appropriate copies of the following:

- 1) Pre-submittal Form;
- 2) Project Description;
- 3) Site Plan;
- 4) Elevations;
- 5) Color Elevations;
- 6) Floor Plans;
- 7) Assessor's Parcel Map;
- 8) Landscape Plan;
- 9) Traffic Impact Analysis;
- 10) Vicinity Map; and

¹Pursuant to Section 30.08.030 of the Clark County Unified Development Code (UDC), "high impact" projects are developments that includes any of the following: **1)** Projects with 500 or more dwelling units; **2)** Projects with a minimum 1,200-unit resort condominium, hotel-condominium, hotel or resort hotel accommodations (combination of all); **3)** Projects generating 8,000 or greater average daily trips (ADTs); as defined by the Institute of Transportation Engineers or its successor; **4)** development reaching the above thresholds by successive additions to the overall development subsequent to March 1, 2006; and **5)** industrial and commercial projects encompassing more than 300 acres.



11) Regional Infrastructure Services Evaluation (RISE) Reports.

Clark County Comprehensive Planning RISE Reports that must be completed and submitted in support of a “high impact” project include:

- 1) Water Supply Report;
- 2) Wastewater Treatment Report;
- 3) Transportation Report;
- 4) Geotechnical Report;
- 5) Flood Control and Drainage;
- 6) Fire Protection and Emergency Services Report;
- 7) Police Services Report;
- 8) Educational Services;
- 9) Neighborhood, Economic, and Employment;
- 10) Parks and Trails; and
- 11) Air Quality and Environmental Management.

The entitlement process takes approximately 150 days and includes a Pre-Submittal Conference, responses from appropriate agencies to RISE reports, negotiation of a development agreement, and a development agreement hearing. Once approved, entitlements remain valid for two to three years depending on the length of extensions granted.

According to EL AD IDB Las Vegas LLC representatives, the subject site has received special use permits that allow the construction and development of the proposed Plaza Las Vegas as described herein. The costs of the design, plans, implosion and removal of existing improvements, and other pre-development work, including the costs incurred in the entitlement process to date, as provided by subject property developers, is approximately \$115 million. These costs were incurred subsequent to the purchase of the subject site and reflect a significant enhancement of value.

Land Value Conclusion

While the potential market value derived via a sales comparison approach is beyond the scope of this appraisal, and is not influential in deriving a value in use opinion, it is important that a reader of this report recognize the current conditions for Las Vegas Strip land.



REGIONAL CENTER SALES

As stated earlier in this report, the subject property is expected to feature a large retail element in addition to the hotel, casino, and other amenities. The retail element will be the size of a traditional regional shopping center. The sales of large regional centers in Las Vegas and across the country were examined. These are presented in the following table.

List of Comparable National Regional Center Sales

Listing	Date	Property	Location	Size (SF)	Price	\$/PSF	Cap Rate	Include Anchors
1	January-08	Palazzo Shoppes	Las Vegas, NV	383,683	\$491,088,000	\$1,280	6.00%	Yes
2	January-08	Westfield North Bridge	Chicago, IL	547,318	515,000,000	941	5.52%	Yes
3	August-07	Broward Mall	Plantation, FL	271,685	225,000,000	828	5.30%	No
4	August-07	Westland Mall	Hialeah, FL	215,340	175,000,000	813	5.00%	No
5	January-07	Deptford Mall	Deptford, NJ	343,559	240,000,000	699	6.17%	No
6	July-07	Lakeshore Mall	Gainesville, GA	518,000	265,800,000	513	n/a	No
7	November-07	Oakland Mall	Troy, MI	500,888	205,000,000	409	8.17%	No
8	October-07	Westfield West County	St. Louis, MO	1,093,971	357,900,000	327	6.17%	Yes
9	February-08	Sunrise Mall	Sacramento, CA	324,098	100,000,000	309	n/a	No
10	October-07	Westfield Chesterfield	St. Louis, MO	1,180,375	301,900,000	256	6.00%	Yes
11	August-07	Kileen Mall	Kileen, TX	386,845	102,500,000	265	6.14%	Yes
12	January-07	Southland Mall	South Miami, FL	662,647	145,000,000	219	6.06%	Yes
13	July-07	University Mall	Tampa, FL	662,593	144,700,000	218	7.05%	Yes
14	October-07	Westfield South County	St. Louis, MO	909,531	186,700,000	205	6.32%	Yes
15	August-07	Westfield Mid-Rivers	St. Louis, MO	985,994	185,300,000	188	6.31%	Yes
16	November-04	Grand Canal Shoppes	Las Vegas, NV	407,077	766,000,000	1,882	n/a	No

As shown in the foregoing table, the sales price per square foot ranges from \$188 to \$1,882, with an average of \$584 and a median of \$327. This range is wide, considering the differing locations, market conditions, and other variable. However, we feel that the two most comparable of these sales are the recent 2008 Palazzo Shoppes transaction and the 2004 Grand Canal Shoppes transaction. These sale transactions are for two regional centers considered to be direct competitors to the subject property retail. As such, their respective sale prices of \$1,280 per square foot for the Palazzo Shoppes, and \$1,882 per square foot for the Grand Canal Shoppes, represent the highest prices paid for regional centers in the country. This is deemed appropriate due to their locations, which front directly onto the Las Vegas Strip.

The Palazzo Shoppes was sold incomplete. Additionally, only 75% of the center was leased at the time of sale. Since the center was not stabilized, the



price per square foot is lower than would be expected for a fully stabilized asset. We note that the sale price shown is an estimate, since the actual sale price was negotiated to be based on center performance over the trailing 30 months after closing. The initial portion of the sale was based on a static 6% capitalization rate and was contracted in mid- to late 2007. The sale transaction for the Grand Canal Shoppes represents a fully leased and stabilized asset.

However, since the Palazzo Shoppes sale was consummated, the grantee, General Growth Properties has seen its share price fall by 73% from its peak as investors have become increasingly wary of whether the company will be able to meet its debt obligations. The following excerpt is taken from *Reuters* (11/11/2008):

The Chicago-based retail property company has \$1.13 billion in debt coming due, including \$900 million in secured mortgage debt on the two of its Las Vegas shopping centers due on November 28 and \$58 million of corporate debt due on December 1. It also faces another \$3.07 billion due next year, the company said on Monday in a filing with the U.S. Securities and Exchange Commission.

"In the event that we are unable to extend or refinance our debt or obtain additional capital on a timely basis and on acceptable terms, we will be required to take further steps to acquire the funds necessary to satisfy our short term cash needs, including seeking legal protection from our creditors," the real estate investment trust said in the filing.

"Our potential inability to address our 2008 or 2009 debt maturities in a satisfactory fashion raises substantial doubts as to our ability to continue as a going concern."

Furthermore, several sources, including *BusinessWeek*, reported in October 2008 that the company could be forced to sell. There is speculation among analyst and investment bankers that the company is already looking to parcel out parts of their portfolio fairly quickly in order to raise cash and reduce debt. This suggests that given the current economic conditions they might be forced to sell below what they consider to be market value of the assets.

Given that the current downturn is acutely impacting consumer spending, retail sales are expected to show continued declines in the next year. Coupled with the near impossibility of obtaining debt financing on retail



centers, there are few comparable sales from which to extract useful information. Furthermore, given the change in the market since the Palazzo contract was consummated, even that price appears high given that it was based on a static cap rate that is at least 100 to 200 basis points below what it would trade at today. Due to current market conditions, owners of retail centers will only sell their assets if under duress. Most owners are waiting until market conditions and retail sales revenue improve and financing once again becomes available for these transactions. We anticipate a recovery of the market by the time the subject property opens in 2013, with a return to more normalized investment conditions.

**APPLICABILITY OF
SALES COMPARISON
APPROACH TO
CASINO-RESORTS**

The sales comparison approach has limited utility in the valuation of casino-resorts. This is primarily due to the large managerial or business component of gaming and lodging operations. Investors are not only purchasing real property but business opportunities as well, when acquiring a casino. Directly comparable facilities with similar physical characteristics may sell for widely disparate prices, due to differences in profitability, market orientation, reputation, and a particular buyer's specific intentions. Variables such as management philosophy, market orientation, and location require the appraiser to make a number of substantial adjustments to account for these factors. In addition, the secrecy within the gaming industry is reflected in the dearth of available operating information, which precludes appraisers from obtaining the data most relevant to the comparison of transactions. Sales of comparable casino hotels do provide an indication of market rates of return, and for that reason are considered relevant in the determination of value in use.

Given the aforementioned caveats, the appraisers have compiled a list of gaming-related transactions for informational purposes. The following tables present gaming-related transactions since 2000. Because of the wide disparity of facilities, a comparison on a per-room, per-device, or per-square-foot basis is not relevant.



Gaming-Related Transactions

Year	Seller	Buyer	Sales Price (000,000)	Historical EBITDA (000,000)	Est. EBITDA Multiplier
2008	* Trump Entertainment (Trump Marina)	Coastal Marina	\$270.0	31.0	8.7
	* MTR Gaming (Ramada Speedway Hotel and Casino)	Ganaste	18.2	2.5	7.4
	Gregg Covin (Gold Spike)	Stephen Siegal/John Tippens	21.0	N/A	N/A
	Tropicana Entertainment, LLC (Casino Aztar)	Eldorado Resorts	245.0	N/A	N/A
2007	* Millennium Gaming and Oaktree Capital Management (Cannery Resorts)	Crown Ltd.	\$1,750.0	N/A	N/A
	Nevada Gold Casinos (43% interest in Isle of Capri - Black Hawk Colorado Central Station)	Isle of Capri Casinos, Inc.	64.6	N/A	N/A
	* Marnell & Sher Gaming (Saddle West Hotel and Casino)	Golden Gaming	N/A	N/A	N/A
	* Columbia Properties Vicksburg (Horizon Casino Hotel)	Nevada Gold Casinos	35.0	N/A	N/A
	Tamares (Gold Spike)	Gregg Covin	15.6	N/A	N/A
	Stockman's Casino, Inc. (Stockman's Casino and HI Express)	Full House Resorts, Inc.	25.5	N/A	N/A
	American Real Estate Properties Corp. (Stratosphere and 17 acres of undeveloped land, two off-Strip Arizona Charlie's casinos, and the Aquarius Casino Resort in Laughlin, NV)	Whitehall Street Real Estate Funds	1,300.0	86.3	15.1
	Columbia Sussex (Casino Aztar)	Isle of Capri Casinos, Inc.	45.0	N/A	N/A
	* 155 East Tropicana, LLC (Hooters Casino Hotel)	Hedwigs Las Vegas Top Tier, LLC	225.0	5.3	42.5
	Doc Holliday Casino	Global Casinos, Inc.	3.9	N/A	N/A
	Gordon Gaming Corp. (Sahara Hotel and Casino)	SBE Entertainment Group, LLC and Stockbridge	N/A	N/A	N/A
	Zia Partners LLC (Zia Park Racetrack and Black Gold Casino)	Penn National	200.0	N/A	N/A
	Station Casinos	Fertita Colony Partners	5,400.0	358.0	15.1
	MTR Gaming Group (Binion's Hotel and Gambling Hall)	TLC Casino Enterprises	32.0	N/A	N/A
	Veneto Hotel & Casino (Panama)	Silver Entertainment, LLC	N/A	N/A	N/A
2006	Harrah's Entertainment	Apollo Management and Texas Pacific Group	\$27,800.0	\$2,430.0	11.4
	Pinacle Entertainment (Double Eagle and Gold Creek)	Southwest Casino Corp.	12.6	N/A	N/A
	Harrah's Entertainment (Flamingo Hilton & 7.7 acres in AC)	American Casino & Entertainment	170.0	N/A	N/A
	Aztar Corporation	Columbia Sussex	2,100.0	232.4	9.0
	Mississippi Belle II	Wild Rose Entertainment	46.3	N/A	N/A
	Boyd Gaming (South Coast Casino)	Michael Gaughan	576.5	N/A	N/A
	Peter Morton (Hard Rock Las Vegas & 23 acres in LV)	Morton's Hotel Group	770.0	73.3	10.5
	Atlantic Coast Entertainment (Sands Atlantic City)	Pinnacle Entertainment	250.0	4.9	50.7
	MGM Mirage (Colorado Belle and Edgewater)	Anthony Marnell, et al. and Sher Gaming	200.0	N/A	N/A
	Sands Regent	Herbst Gaming	119.0	14.7	8.1
	MGM Mirage (Whiskey Pete's, Buffalo Bills, and Primm Valley)	Herbst Gaming	400.0	N/A	N/A
2005	Penn National Gaming (Hollywood Casino)	Eldorado Resorts	\$169.1	13.4	12.7
	Caesar's Entertainment Inc. (Bally's Casino New Orleans)	Columbia Sussex Corporation	24.0	N/A	N/A
	Mandalay Resort Group	MGM Mirage	7,900.0	803.2	9.8
	Caesar's Entertainment Inc.	Harrah's Entertainment Inc.	9,400.0	1,060.0	8.9
	MGM Mirage (MotorCity Casino (53%))	Marian Ilitch	525.0	N/A	N/A
	IC Holdings Colorado (Colorado Grande Casino)	CGC Holdings, LLC	6.5	1.0	6.4
	President Casinos, Inc. (President Casino Broadwater Resort)	Broadwater Development, LLP	82.0	N/A	N/A
	Argosy Gaming Co.	Penn National Gaming Inc.	2,200.0	268.5	8.2
	Penn National Gaming (Argosy Casino-Baton Rouge)	Columbia Sussex Corporation	150.0	20.0	7.5
	Poster Financial Group (Golden Nugget Las Vegas)	Landry's Restaurants	345.0	N/A	N/A

Sources: SEC, HVS Gaming Services, Published Reports

*Sales in red have not closed yet



Gaming-Related Transactions (Cont.)

Year	Seller	Buyer	Sales Price (000,000)	Historical EBITDA (000,000)	Est. EBITDA Multiplier
2005, cont'd.					
	Harrah's Entertainment/Caesar's Entertainment (Harrah's East Chicago, Harrah's Tunica, Atlantic City Hilton, and Bally's Tunica)	Colony Capital, LLC	\$1,240.0	145.8	8.5
	Harrah's Entertainment (Caesar's Tahoe)	Columbia Sussex	45.0	5.0	9.0
	Trump Entertainment Resorts (Trump Indiana Riverboat)	Majestic Star Casino, LLC	253.0	N/A	N/A
	Ralph Engelstad and Betty Engelstad Trust (Imperial Palace)	Harrah's Entertainment	370.0	N/A	N/A
	Motor City Detroit	Illitch Holdings	525.0	78.4	6.7
	Westward Ho (14-acre parcel)	Centex Destination Properties/Tharaldson Cos.	145.5	N/A	N/A
	Barrick Gaming (Plaza, Las Vegas Club, Gold Spike, Western Hotel, Nevada, and Queen of Hearts)	Tamares Group	N/A	N/A	N/A
	Saddle West Casino LP	Anthony Marnell, III, et al.	21.8	N/A	N/A
2004	Isle of Capri (Isle of Capri Vicksburg and Isle of Capri Bossier City)	Legends Gaming	\$240.0	52.6	4.6
	Harrah's Entertainment (Reno Hilton)	Grand Sierra Resort Corp	150.0	18.3	8.2
	Park Place Entertainment (Las Vegas Hilton)	Colony Capital, Inc.	280.0	12.0	23.3
	Harrah's Entertainment (Harrah's Shreveport)	Boyd Gaming	190.0	44.0	4.3
	Moulin Rouge Hotel & Casino	Moulin Rouge Development Corporation	12.1	N/A	N/A
	Coast Casinos	Boyd Gaming	1,280.0	105.5	12.1
	Grace Entertainment (St. Jo Frontier Casino, Mark Twain Casino, and Lakeside Casino Resort)		287.0	43.5	6.6
	Alliance Gaming Corp. (Rail City Casino)	The Sands Regent	37.9	N/A	N/A
	Windsor Woodmont Black Hawk (Mountain High Casino)	Ameristar Casino	119.5	10.4	11.5
2003	MGM Mirage (Golden Nugget Casinos - Las Vegas and Laughlin)	Poster Financial group	\$215.0	27.0	8.0
	International Game Technologies (Colorado Central Station Casino)	Isle of Capri Black Hawk, LLC	74.0	10.7	6.9
	International Game Technologies (Colorado Grande Casino)	Isle of Capri Black Hawk, LLC	10.0	2.6	3.8
	Horseshoe Gaming (Indiana, Mississippi, and Louisiana)	Harrah's Entertainment	1,450.0	201.4	7.2
	Jack Gaughan, et al. (Gold Spike, Western, LV Club, Plaza)	Barrick Gaming Corp.	82.0	N/A	N/A
2002	Hilton Group (Bullwhackers Casino)	Penn National Gaming, Inc.	\$6.5		1.6
	Hollywood Casinos	Penn National Gaming, Inc.	792.7	102.6	7.7
	Elsinore Corp. (Four Queens Hotel & Casino)	SummerGate, Inc.	22.0	N/A	N/A
	Revanche, LLC (Maxim Hotel & Casino)	Columbia Sussex Corp.	38.0	N/A	N/A
	Independent (State Line & Silver Smith Casinos)	Generation 2000/Peppermill	30.0	N/A	N/A
	Isle of Capri (Isle of Capri)	Boyd Gaming	7.5	N/A	N/A
	Isle of Capri (Lady Luck Hotel & Casino)	AMX Nevada, LLC	11.0	N/A	N/A
2001	Sun International Hotels (Resorts Atlantic City)	Colony Capital, Inc.	\$140.0	10.5	13.3
	CRC Holdings (Casino Rouge and Casino Rama)	Penn National Gaming	160.0	30.6	5.2
	Colony Capital, Inc. (Harveys)	Harrah's Entertainment	675.0	110.0	6.1
	Capital One, LLC (Delta Downs Racino)	Boyd Gaming	130.0	N/A	N/A
	Park Place Entertainment (Flamingo Reno)	RFC Reno, LLC	8.0	N/A	N/A
	Anchor Gaming	International Game Technologies	1,365.0	N/A	N/A
2000	Empress Entertainment	Horseshoe Gaming	\$609.0	98.0	6.2
	Lady Luck Gaming Corp./Gemini Inc.	Isle of Capri	420.0	72.0	5.8
	Mirage Resorts	MGM Grand	6,400.0	572.8	11.2
	Starwood Hotels (Desert Inn)	Steve Wynn	270.0	12.0	22.5
	Players International	Harrah's Entertainment	425.0	N/A	7.1

Sources: SEC, HVS Gaming Services, Published Reports

*Sales in red have not closed yet



It is important to note that a number of the transactions presented involve the purchase of gaming companies with multiple assets. As evidenced in a number of the transactions, gaming companies are predominantly acquired based on strategic and economic motivations, reflecting the purchaser's opinion of the property's income potential. Additionally, these purchases often include the stock in one company in exchange for assets.

The EBITDA multiples range from a low of 1.6 to a high of 23.3, with the majority of multiples clustering around 6.0 to 11.0. The multiple is a factor of the potential upside in the asset or company being acquired; a lower multiple indicates greater risk and less upside, while a higher multiple indicates the perception of lower risk and greater upside. The fact that the subject property is a single asset, as opposed to gaming companies, limits the applicable multiple, because the upside in the investment is limited to the physical constraints of the improvements, as opposed to an investment in a gaming company, which would be considered to have significant upside potential beyond the constraints of a physical asset.

As IFRS requires that a property be valued based on projected future cash flows, we have not concluded a value via the sales comparison approach but have, however, utilized the sales comparison approach as a guide in selecting the EBITDA multiple, and inversely, our capitalization rate, in our income capitalization approach. A discussion of EBITDA multiples is presented in that section of our report.



20. Reconciliation of Value Indications

The reconciliation, which is the last step in the appraisal process, involves summarizing and correlating the data and procedures employed throughout the analysis. The relative significance, applicability, and defensibility of each indicated value are considered, and the greatest weight is given to that approach deemed most appropriate for the property being appraised.

The purpose of this report is to develop an opinion of the subject property's "prospective" value in use upon completion of Phase I, "prospective" value in use of the subject property upon stabilization of Phase I operations, and the "as is" value of land. Accordingly, the values derived herein are based on an evaluation and consideration of the factors which influence the value of subject property specifically to the current developers, including, but not limited to, Plaza branding, current management team, and entitlements granted by Clark County.

Income Capitalization Approach

Three income capitalization approaches have been utilized in deriving the prospective value in use of the casino-resort component upon completion: 1) a mortgage-equity capitalization process, 2) the application of an EBITDA multiplier, and 3) a traditional discounted-cash-flow analysis. Traditional discounted-cash-flow analysis has also been used to derive the value in use of the subject property's retail component and sell-out of the residential condominium units planned for the subject property upon completion.

A direct capitalization approach was utilized in deriving prospective values in use upon stabilization for the Phase I casino-resort and retail components.

Sales Comparison Approach

The sales comparison approach estimates the value of a property by comparing it to similar properties recently sold or being offered in the open market. The strength of this approach is that it measures value based on the investment decisions made by actual buyers and sellers. Although we have investigated a number of sales of vacant land, casino-resorts, and shopping malls for assessing current market conditions and determining market rates of return, employment of the sales comparison approach to value would be



inappropriate in developing an opinion of value in use, because continued ownership by the current owning entity is a basic premise of the value in use definition and a sale to a third party is not assumed.

Cost Approach

The total development budget for the subject property as currently proposed has been estimated by the subject property's developers and has been set forth in this report as a key component of the valuation. The estimated remaining costs of development were utilized in deriving a residual as is value in use.

Value Conclusion

Careful consideration has been given to the strengths and weaknesses of the three approaches to value discussed above. In recognition of the purpose of this appraisal, we have given primary weight to the value indicated by the income capitalization approach.

Prospective As Completed Values in Use - Phase I and Phase II

Based on the available data, our analysis, and our experience in the gaming, hotel, meeting and convention, retail, and resort residential industries, our opinion of the prospective as completed values in use of the appraised components are set forth in the following table.

Prospective As Completed Value in Use Summary - Phase I and Phase II

	Casino-Resort Component	Retail Component	Residential Component	Total
Phase I Improvements - as of January 1, 2013	\$3,500,000,000	587,000,000	\$453,000,000	\$4,540,000,000
Phase II Improvements - as of January 1, 2015	-	-	\$2,309,000,000	\$2,309,000,000
Phase II Improvements - as of January 1, 2017	-	915,000,000	-	\$915,000,000

Prospective As Stabilized Values in Use - Phase I Components

Utilizing a direct income capitalization approach, prospective as stabilized value in use of the subject property's Phase I components were developed and are set forth in the following table.



Prospective As Completed and Prospective As Stabilized Value in Use Summary - Phase I

	Casino-Resort Component	Retail Component	Residential Component	Total
As Completed Value: Phase I Improvements - as of January 1, 2013	\$3,500,000,000	587,000,000	\$453,000,000	\$4,540,000,000
As Stabilized Value: Phase I Improvements - as of January 1, 2016	\$4,100,000,000	650,000,000	-	\$4,750,000,000

As Is Value in Use Residual Land Values - Base Case and Sensitivity Case
(With and Without Financing Costs)

In order to derive an "as is" residual land value for the subject property, the projects' discounted remaining development costs and value of the leased fee interest were deducted from the discounted value of the subject property's proposed components under six scenarios:

- 1) Base Case With Financing Costs (a best estimate scenario to the current developers in use with financing costs included);
- 2) Base Case Without Financing Costs (a best estimate scenario to the current developers in use without financing costs included);
- 3) Sensitivity Case No. 1 With Financing Costs (a sensitivity scenario with financing costs included);
- 4) Sensitivity Case No. 1 Without Financing Costs (a sensitivity scenario without financing costs);
- 5) Sensitivity Case No. 2 With Financing Costs (a sensitivity scenario with financing costs included); and
- 6) Sensitivity Case No. 2 Without Financing Costs (a sensitivity scenario without financing costs).

As indicated in the following tables, with financing costs the As Is Value in Use Residual Values ranged from \$1,220,000,000 to \$1,440,000,000 and the As Is Value in Use Residual Values ranged from \$1,270,000,000 to \$1,470,000,000 without financing costs.



As Is Value In Use Residual Land Values With Financing Costs - Base Case (September 30, 2008)

	<u>Value in Use Residual Value</u>
Base Case As Is Value in Use (With Financing Costs)	\$1,440,000,000
Base Case As Is Value in Use (Without Financing Costs)	\$1,470,000,000

As Is Value In Use Residual Land Values Without Financing Costs - Sensitivity Case No. 1 (September 30, 2008)

	<u>Value in Use Residual Value</u>
Sensitivity Case No. 1 As Is Value in Use (With Financing Costs)	\$1,320,000,000
Sensitivity Case No. 1 As Is Value in Use (Without Financing Costs)	\$1,360,000,000

As Is Value In Use Residual Land Values Without Financing Costs - Sensitivity Case No. 2 (September 30, 2008)

	<u>Value in Use Residual Value</u>
Sensitivity Case No. 2 As Is Value in Use (With Financing Costs)	\$1,220,000,000
Sensitivity Case No. 2 As Is Value in Use (Without Financing Costs)	\$1,270,000,000

We hereby certify that we have no undisclosed interest in the property, and our employment and compensation are not contingent upon our findings and valuation.



21. Statement of Assumptions and Limiting Conditions

1. This report is to be used in whole and not in part.
2. No responsibility is assumed for matters of a legal nature, nor do we render any opinion as to title, which is assumed to be marketable and free of any deed restrictions and easements. The property is valued as though free and clear unless otherwise stated.
3. We assume that there are no hidden or unapparent conditions of the subsoil or structures, such as underground storage tanks, that would render the property more or less valuable. No responsibility is assumed for these conditions or for any engineering that may be required to discover them.
4. We have not considered the presence of potentially hazardous materials such as asbestos, mold, urea formaldehyde foam insulation, any form of toxic waste, polychlorinated biphenyls (PCB), pesticides, or lead-based paints. The appraisers are not qualified to detect hazardous substances, and we urge the client to retain an expert in this field if desired.
5. The Americans with Disabilities Act (ADA) became effective on January 26, 1992. We have conducted no specific compliance survey to determine whether the subject property will be operating in accordance with the various detailed requirements of the ADA. It is possible that the proposed property will not conform to the requirements of the act, and this could have an unfavorable effect on value. Because we have no direct evidence regarding this issue, our estimate of value does not consider possible non-compliance with the ADA.
6. We have made no survey of the property, and we assume no responsibility in connection with such matters. Sketches, photographs, maps, and other exhibits are included to assist the reader in visualizing the property. It is assumed that the use of the land and the proposed



improvements will be within the boundaries of the property described and that there is no encroachment or trespass unless noted.

7. All information, financial operating statements, estimates, and opinions obtained from parties not employed by HVS Consulting & Valuation are assumed to be true and correct. We can assume no liability resulting from misinformation.
8. Unless noted, we assume that there are no encroachments, zoning violations, or building violations encumbering the subject property.
9. The property is assumed to be in full compliance with all applicable federal, state, local, and private codes, laws, consents, licenses, and regulations (including a liquor license where appropriate) and that all licenses, permits, certificates, franchises, and so forth can be freely renewed or transferred to a purchaser.
10. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless specified otherwise.
11. None of this material may be reproduced in any form without our written permission, and the report cannot be disseminated to the public through advertising, public relations, news, sales, or other media.
12. We are not required to give testimony or attendance in court by reason of this analysis without previous arrangements, and only when our standard per diem fees and travel costs are paid prior to the appearance.
13. If the reader is making a fiduciary or individual investment decision and has any questions concerning the material presented in this report, it is recommended that the reader contact us.
14. We take no responsibility for any events or circumstances that take place subsequent to either the date of value or the date of our field inspection, whichever occurs first.
15. It is assumed that the subject property's capital improvements design will be of highest quality, sufficient to compete with other upper-end products on Las Vegas Strip. In line with current ownership's plan to develop the Plaza brand, the proposed Plaza Las Vegas will be designed to capture the look and feel of the existing Plaza in Manhattan, New York, including re-imaged and recreated historic architecture, rooms, and food and beverage outlets, and will be completed in a workmanlike and timely manner. It is further assumed that the subject property's Phase I improvements will be completed and opened by January 1, 2013, Tower 1



by January 1, 2015, Tower 5 by January 1, 2017, and Tower 6 by January 1, 2019. Any significant departure from this opening date will affect the values derived herein.

16. This analysis assumes that the development and planning of the proposed Plaza Las Vegas prior to opening have been competently managed. Among the items assumed to occur are the employment of management and executive positions, the hiring and training of hotel staff, the establishment and implementation of operating policies and procedures, and the production and execution of a sales and marketing plan. The projections in this analysis are dependent upon a typical preopening process. Any variance from industry preopening planning and process for a casino-hotel of this nature may materially affect the values set forth in this report.
17. The quality of a gaming facility's on-site management has a direct effect on a property's economic viability and value. The financial forecasts presented in this analysis assume responsible ownership and assembly of an upper management team with the operations and marketing experience and talent to operate the proposed Plaza Las Vegas with sufficient competency to compete with world-class gaming properties/companies currently operating in the Las Vegas Strip market. Any departure from this assumption may have a significant impact on the projected operating results and the value estimate.
18. The estimated operating results presented in this report are based on an evaluation of the overall economy and neither take into account nor make provision for the effect of any sharp rise or decline in local or national economic conditions. To the extent that wages and other operating expenses may advance during the economic life of the property, we expect that the prices of food, beverages, and services will be adjusted to at least offset those advances. We do not warrant that the estimates will be attained, but they have been prepared on the basis of information obtained during the course of this study and are intended to reflect the expectations of a typical casino buyer.
19. This analysis assumes continuation of all tax code provisions as well as current Nevada gaming statutes as stated or interpreted on either the date of value or the date of our field inspection, whichever occurs first.
20. Many of the figures presented in this report were generated using sophisticated computer models that make calculations based on numbers carried out to three or more decimal places. In the interest of simplicity,



most numbers have been rounded to the nearest tenth of a percent. Thus, these figures may be subject to small rounding errors.

21. Although this analysis employs various mathematical calculations to provide value indications, the final estimate is subjective and may be influenced by our experience and other factors not specifically set forth in this report.
22. Any distribution of the total value between the land and improvements or between partial ownership interests applies only under the stated use. Moreover, separate allocations between components are not valid if this report is used in conjunction with any other analysis.
23. Approximately 16.16 acres of the subject site consists of a leasehold interest in assessor's parcel number 162-09-403-004, owned by Tishmar LLC and/or Tish's Castle Inc. EL AD IDB Las Vegas LLC has provided a copy of the lease between Tish's Castle Inc. and Ruffin Gaming LLC, which provides for a ninety-nine (99) year lease beginning August 1, 1998 and expiring July 31, 2097 at annual rent of \$3,000,000 initially with periodic step-ups to \$5,500,000 annually in the seventy-first year to the end of the term. A synopsis of the terms of the ground lease is attached hereto. An assignment of the ground lease was entered into on August 10, 2007 between Ruffin Las Vegas, LLC and EL AD IDB Las Vegas LLC.
24. This study was prepared by HVS Consulting & Valuation, a division of M&R Valuation Services, Inc. All opinions, recommendations, and conclusions expressed during the course of this assignment are rendered by the staff of M&R Valuation Services, Inc., as employees rather than as individuals.
25. It is agreed that our liability to the client is limited to the amount of the fee paid as liquidated damages. Our responsibility is limited to the client, and use of this report by third parties shall be solely at the risk of the client and/or third parties. The use of this report is also subject to the terms and conditions set forth in our engagement letter with the client.
26. HVS Consulting & Valuation does understand and acknowledge that EL AD IDB Las Vegas, LLC, Discount Investment Company (DIC), IDB Holdings, El Ad US Holding, Inc., Property and Building Company, LTD and IDB Development Corporation, LTD (the latter two being two publicly held Israeli companies) are the intended users of the report as well. In addition, HVS understands that the ultimate deliverable prepared by HVS will be attached to an Israeli public filing by the public entities mentioned above. Our reports or any of the data, contents,



observations, and conclusions (i.e. "contents") therein cannot be used or quoted in any marketing material, prospectus, or any other document that may be offered to individuals, entities, and/or organizations (i.e., third parties) considering a purchase of the real estate that is the subject, or ancillary subject, of this assignment. Any such use of the contents of the HVS report product by said third parties will be at their sole risk; said third party users understand and acknowledge that there exists no client or fiduciary relationship between them and M&R Valuation, Inc. d/b/a HVS. Furthermore, EL AD IDB Las Vegas LLC and the other intended users shall indemnify and hold M&R Valuations, Inc. and its owners and employees harmless from claims, demands, liabilities, judgments, liens, encumbrances, costs and expenses, including attorney's fees, arising out of, related to, or in connection with this assignment which might be brought by their shareholders and/or these third parties.



22. Certification

We, the undersigned appraisers, hereby certify:

1. that the statements of fact presented in this report are true and correct to the best of our knowledge and belief;
2. that the reported analyses, opinions, and conclusions presented in this report are limited only by the assumptions and limiting conditions set forth and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
3. that Shannon S. Okada, Gregory Otten, and David Fuller, MAI, personally inspected the property described in this report; that Suzanne R. Mellen, CRE, MAI, FRICS, participated in the analysis and reviewed the findings but did not personally inspect the property;
4. that no one other than those listed above prepared the analyses, conclusions, and opinions concerning the real estate that are set forth in this appraisal report;
5. that the appraisers have extensive experience in the valuation of casinos, retail, and condominiums and believe that they are competent to undertake this appraisal;
6. that we have no current or contemplated interests in the real estate that is the subject of this report;
7. that we have no personal interest or bias with respect to the subject matter of this report or the parties involved;
8. that this report sets forth all of the limiting conditions (imposed by the terms of this assignment) affecting the analyses, opinions, and conclusions presented herein;
9. that the fee paid for the preparation of this report is not contingent upon our conclusions or the occurrence of a subsequent event directly related to the intended use of this appraisal;



10. that this report has been prepared in accordance with, and is subject to, the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
11. that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;
12. that this report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (as adopted by the Appraisal Foundation);
13. that as of the date of this report, Suzanne R. Mellen, CRE, MAI, FRICS, has completed the requirements of the continuing education program of the Appraisal Institute;
14. that our engagement in this assignment was not contingent upon developing or reporting predetermined results; and
15. that this appraisal is not based on a requested minimum value, a specific value, or the approval of a loan.

A handwritten signature in black ink, appearing to read "Shannon S. Okada", written over a horizontal line.

Shannon S. Okada
Vice President/Associate Director Gaming
M&R Valuation Services, Inc.

A handwritten signature in black ink, appearing to read "Gregory Otten", written over a horizontal line.

Gregory Otten
Project Manager

A handwritten signature in black ink, appearing to read "David Fuller", written over a horizontal line.

David Fuller, MAI
Managing Director



A handwritten signature in black ink, which appears to read "Suzanne R. Mellen". The signature is written in a cursive style and is positioned above a horizontal line.

Suzanne R. Mellen, CRE, MAI, FRICS
Managing Director
M&R Valuation Services, Inc.

SSO: GO: DF: SRM: leg



Addenda

Proposal for Appraisal Services
Legal Description
Ground Lease



Proposal for Appraisal Services

The Plaza

Las Vegas, Nevada

Submitted to:

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Chief Financial Officer
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October 6, 2008



Proposal for Appraisal Services

Pursuant to our conversation, we are pleased to submit this proposal for services of the HVS Consulting & Valuation division of M&R Valuation Services, Inc. in connection with The Plaza, Las Vegas, Nevada. This proposal sets forth a description of the objectives and scope of the assignment, along with the methodology to be employed, an estimate of the time requirements and a schedule of professional fees.

Objective

The preliminary objective of this assignment is to perform market research to assess the potential for the proposed mixed-use project known as The Plaza in Las Vegas, Nevada and to estimate the property's "value in use" (as defined by the International Valuation Standards of the International Financial Reporting Standards). The economics of the project will then be analyzed and a valuation of the site, and the improved project, as of the date of completion as well as the date of stabilization, will be developed (Phase One). A self-contained appraisal report setting forth the basis for our "value in use" conclusions will then be prepared (Phase Two). Our research, analysis and appraisal will be performed in accordance with the standards stipulated by the Uniform Standards of Professional Appraisal Practice (USPAP), noting conformance with the International Valuation Standards of the International Financial Reporting Standards.

In order to accomplish the objectives described above, our work will be conducted in two phases, which include the following steps:

Phase One: Market Research and Valuation

1. An inspection of the site will be made to determine the suitability of the land for the proposed development. The physical orientation of the subject site with respect to topography, view corridors, access to highways, and proximity to local demand generators will be analyzed. We will also review the supportive nature of surrounding land uses as they relate to the subject property.
2. Architectural plans or preliminary conceptual drawings for the proposed improvements will be reviewed, if available.
3. The Las Vegas gaming industry will be reviewed and analyzed with emphasis placed on the following areas: current and future market supply, growth trends, operating parameters, and factors impacting future demand. A detailed supply and demand analysis of the Las Vegas gaming submarket in which the proposed property will most likely compete will be prepared. In



addition, current legislative issues impacting gaming in the state will be reviewed and analyzed.

4. The market orientation of comparable casino hotel facilities will be evaluated to determine their competitive position with respect to the subject. Those properties displaying similar market attributes will receive a physical inspection along with selective management interviews to estimate levels of play, admissions, orientation, and other pertinent operational characteristics. The competitive factors that will be specifically reviewed include location, type, and quality of facilities; physical condition; management expertise; and gaming inventory levels and mix.
5. The demand for gaming in the market area will be examined, primarily through secondary and tertiary market research sources. Areas to be examined include the following: definition of the market, area population, existing visitor base by segment, and new visitors expected. Seasonality, weekly demand fluctuations, vulnerability to economic trends and changes in travel patterns, and other related factors will be analyzed.
6. Through interviews with the Gaming Control Board, gaming operators, developers, government officials, and others, we will ascertain the estimated number of potentially competitive projects under construction, proposed, or rumored.
7. A similar analysis will be performed in our research of the retail market. The supply of and demand for retail space will be investigated based on retail leasing data and interviews with local retail leasing agents. Existing competitive retail facilities will be inspected and retail space both proposed and under construction will be identified, to assess current and future supply trends. Retail sales trends, visitation trends, and retail sales per visitor will be researched and analyzed to gauge the direction of the market. Retail rental rates, concessions, CAM charges, and absorption rates will be explored.
8. The existing supply of residential and hotel condominium units in the Las Vegas market will be researched to ascertain the type of products currently being developed, converted and sold. Those properties displaying similar market characteristics will receive a physical inspection, where feasible, along with selective management interviews to determine: size, design and quality of units offered; unit pricing; ownership interests transferred; annual maintenance costs; sales and administrative costs; and other pertinent operational characteristics. Other specifics that will be researched include the history and success of the development, targeted market segments,



sales price and pace of the units and overall financial performance of the development.

9. The potential for future condominium development will be assessed to determine the prognosis of the market over the short- and long-term. Through interviews with hotel operators, developers, government officials, and others, we will ascertain whether any potentially competitive projects are under construction, proposed, or rumored.
10. Statistical data relating to general economic and demographic trends often foreshadow future potential for market areas and neighborhoods. Interviews with local chambers of commerce, economic development agencies, demand generators, and other related organizations, along with an investigation of the subject's primary market area, will reveal patterns reflecting growth, stability, or decline and the impact upon the demand for gaming, lodging, retail and condominium facilities.
11. Sales of comparably zoned land will be researched to provide an indication of the subject's land via the sales comparison approach. The entitlement of each site as of the time of sale will be investigated, to the extent possible.
12. Once our market research is complete we will proceed with our analysis, as outlined in steps 12 through 24. Market-wide gaming supply levels will first be quantified by table games and gaming devices to determine the proposed casino hotel's fair share. Any additions to supply will be analyzed to determine estimated opening dates, number of tables games, number of gaming devices, and ancillary facilities.
13. A market-wide analysis of win per unit levels will be undertaken to ascertain capacity utilization levels by gaming devices and banking table games. A forecast of market-wide gaming win will be projected based on the prevalent demand trends and the proposed changes in supply.
14. The potential market penetration of the proposed subject property will be analyzed and factors such as location, market mix, competitiveness, management, and physical plant will be addressed. A win per unit forecast of gaming revenues will be presented based on the proposed casino hotel's projected penetration and utilization levels. This analysis will be prepared for each year to derive a 10-year forecast of gaming win.
15. Based on the data and information gathered during the fieldwork phase, along with our extensive library of actual hotel operating statements, financing statistics, area hotel trends, and investor requirements, we will perform a lodging supply and demand analysis for the subject property to determine its market orientation and competitive penetration. This



analysis will result in quantification and documentation of probable future trends in the subject's occupancy, average rate, and overall rooms revenues. A similar procedure will be used to project food, beverage, and other revenues.

16. Using aggregate income and expense statements published by the State Gaming Control Board, and actual income and expense statements from comparable casino hotel facilities, we will develop expense estimates corresponding to the level of activity and quality of operations indicated by the gaming win, occupancy level, and average rate projected for the subject property.
17. A forecast of income and expense representing future expectations of net income available for debt service will be made for a series of build-up years and a stabilized year. Our projected income statements conform with the Uniform System of Accounts for Hotels and include a detailed line-by-line account of all revenue and expense sources.
18. The current market for casino hotel transfers, mortgage rates, and hostelry equity investment requirements will be researched. Using these market indicators as a base and adjusting for potential investment benefits and risks displayed by the subject property, we will formulate appropriate capitalization and discount rates.
19. Following the recommended procedures set forth in the textbook, *Hotels and Motels—Valuations and Market Studies*,¹ which we authored for the Appraisal Institute, an estimate of Value in Use will be developed via the income capitalization approach.
20. In valuing the sell-out of the residential condominiums, the subject's unit sales prices will be estimated by comparing the property's location, proposed unit mix, amenities offered, quality of accommodations and facilities, brand, unit views and location, etc., with the attributes of competitive existing condominium developments. The prices of the comparable residential and hotel condominium units will be adjusted upwards or downwards based upon the relative quality of each attribute to reflect the anticipated pricing of the subject's units. Appreciation trends will be noted.
21. Based upon the proposed unit mix and anticipated pace of development, the sales history of comparable projects, and anticipated future condominium supply and demand trends, we will estimate the pace of unit sales. Gross

¹Stephen Rushmore and Erich Baum. *Hotels and Motels—Valuations and Market Studies*. Chicago: Appraisal Institute, 2001.



unit sales revenue will be calculated based upon the number of units and the estimated unit prices.

22. Sales and administrative costs will be estimated to derive a forecast of net unit sales revenue. The "value in use" of the condominium units will be calculated as the present value of the condominium net sales revenue, discounted at an appropriate rate.
23. The development cost of the project will be estimated based upon cost estimates provided by you or an alternate source. An estimate of land value will be derived through a land residual analysis. The development costs and a developer's profit will be deducted from the combined value of the casino hotel, retail space and the discounted net condominium unit sales proceeds to derive a residual value to the land.
24. Sales of comparable land will be researched and analyzed to provide an indication of the site's "value in use" as currently entitled via the sales comparison approach.

At the conclusion of Phase One we will communicate our opinions of value to you verbally; supporting data, analysis, and projections will be presented on computer printouts for your review and discussion purposes.

**Phase Two:
Self-Contained
Appraisal Report**

Following authorization by you or your lender, a self-contained appraisal report setting forth the "as is" value of the land, as well as the prospective value of the proposed project "as complete" and "as stabilized", will be prepared. Conforming to the Standards of the Appraisal Institute (MAI), USPAP and International Financial Reporting Standards ("IFRS"); see attached Schedule Three; the report will contain the following sections:

1. Purpose of the feasibility study and appraisal and definition of value;
2. Description of the site and proposed physical improvements;
3. Review of the area and neighborhood;
4. Analysis of the markets for casino hotels, retail space, and residential condominiums;
5. Examination of existing and proposed competition for each use;
6. Forecast of income and expense for the proposed casino hotel operation;
7. Development of appropriate discount and capitalization rates;
8. Discounted cash flow analysis and valuation of the casino hotel as of the date the improvements are complete and operational, as well as upon stabilization;



9. Argus projection of retail revenue and expense and discounted cash flow analysis and retail valuation, as complete and as stabilized;
10. Forecast of condominium unit sales price, pace and sales administrative and marketing expense;
11. Discounted cash flow analysis of the condominium net sales proceeds;
12. Presentation of estimated development costs and land residual analysis;
13. Review and analysis of comparable land sales;
14. Value reconciliation; and
15. Signed MAI certification.

Graphics such as photographs, maps, surveys, plans and charts will be included in the report to assist in visualizing our findings.

Requested Information

To aid us in performing this assignment, we request that you provide us with the following information (where applicable):

1. Site plan, survey, and/or legal description;
2. Pertinent leases, management contracts, etc.;
3. Architectural plans or renderings, if available;
4. Project programming, setting forth square footage of facilities by use;
5. Developer pro-formas;
6. Development timeline;
7. The latest real property tax bills;
8. Information pertaining to the subject site's zoning and entitlements for casino hotel and condominium development;
9. Development budget and land acquisition cost;
10. Relevant informational sections from past appraisals, market and feasibility studies, and prospectuses; and
11. Contact person to arrange for site inspection.

Please note that our work is dependent upon procuring the requested information from you or individuals in your organization. If there is a delay in receiving any portion of the requested data from you, we retain the right to extend the timing on this assignment by the additional time it takes us to obtain the information. However, HVS is aware of the time sensitive nature of the deadline discussed under the timing caption. If we are required to



expend significant additional time to pursue obtaining the requested information from you and individuals either internal or external to your organization, we retain the right to charge you for the additional time it takes us to procure the information at our hourly rates.

Timing

Phase One: Market Research and Valuation will be completed by October 31, 2008, provided we receive a complete copy of this executed agreement, the requested retainer, and all requested information by not later than Friday, October 10, 2008. At this time we will present you with our data, analysis and value conclusions in chart form, and upon your request, we will provide you with a letter of value (restricted appraisal report) setting forth our value conclusions and noting that our self-contained appraisal report is in process. After your review of our findings and upon your authorization we will proceed with Phase Two: Self-Contained Appraisal Report, which will take an additional 2 to 5 days to prepare.

Professional Fees

The fee for this assignment will be \$ [REDACTED], payable \$ [REDACTED] upon execution of this agreement, \$ [REDACTED] upon communication of our value conclusions and the balance upon submission of the appraisal report.

In addition to our professional fees, you agree to reimburse us for out-of-pocket expenses incurred while traveling on your behalf, and for STR and other area data research expenses. You will be billed for these expenses upon completion of our fieldwork. All expenses over \$200 must be approved in advance. The invoice will be due and payable within 35 days of receipt.

Please keep in mind that additional fieldwork and analysis may be required to update our findings if a significant amount of time elapses between each Phase. We retain the right to revise our timing and fee estimates if additional fieldwork and analysis are required. In the event additional fieldwork is required, you will be contacted immediately in order to provide authorization for the additional fees, if any. Also note that as the hotel project is undefined at this time, our fees for Phases Two and Three may be revised upwards or downwards to reflect the scope of the project once it has been further defined. Such information will be communicated to you in a timely manner prior to any additional costs being incurred.

It is our normal policy to provide a draft copy of our final report for your review. Upon your approval of this draft, we will commence printing the final report, which will be delivered to you when our invoice for services has been paid in full. This fee covers all report preparation costs, such as graphics, photographs, typing, proofreading, printing and binding, and includes three copies of the final report which will be delivered to you.



If this assignment is terminated during the course of any phase of our work, we are entitled to charge you for the time incurred on the assignment up to that point at our hourly rates and any unused deposit shall be refunded.

In the event that after completing any phase of the study it becomes necessary to provide additional development scenarios or alter the parameters of the development, such as the property description; date of value; financial, management, or ownership structure; or any other factor which could change the final estimate of value, HVS will be entitled to charge an additional fee based upon our current per-diem rates and the time required to incorporate the necessary changes into our analysis and report. In addition, the estimate of timing will be extended by an amount equal to the added work.

Additional fees will also be charged on an hourly basis for any work which exceeds the scope of this proposal, including performing additional research, analysis and/or alternate valuation scenarios; reviewing other appraisals and/or other studies and documents related to the property; telephone calls and/or meetings with any party which we believe goes beyond the time generally expended during the course of an assignment of this nature; and attending out-of-town meetings. Such fees will require approval prior to being incurred.

Hourly rates of professional staff are as follows: Managing Director - \$400; Senior Vice President - \$300; Director - \$275; Vice President - \$250; Assistant Vice President - \$225; Senior Associate - \$200; Associate - \$175; Consulting and Valuation Analyst - \$150; Editor - \$100. Any meeting or presentation not previously agreed to as being part of this assignment that requires the Managing Director to travel out of the San Francisco Bay Area will be charged at a minimum per-diem rate of \$3,200. Hourly and per-diem rates will be charged at the rate in effect at the time that they occur.

Notwithstanding the fee payment schedule set forth above, if at any time while performing this assignment it becomes necessary to suspend work for a period of thirty (30) days or more, then HVS will be entitled to bill for the portion of the assignment completed up to the suspension (less any retainer paid) at its current per-diem rates.

If payment for professional fees and out-of-pocket research, travel, and related expenses is not received within forty five (45) days of the billing date, HVS reserves the right to suspend all work until payment is made and apply a service charge of .8 percent per month or fraction thereof to the total unpaid sum. It is further agreed that in the event legal action becomes necessary to enforce collection of bills rendered, you will be responsible for all collection costs, including, but not limited to, court costs and reasonable legal fees. It is



understood that HVS may extend the time for payment on any part of billings rendered without affecting the understanding outlined above.

It is agreed that the liability of HVS, its employees, and anyone else associated with this assignment is limited to the amount of the fee paid as liquidated damages, unless covered by an insurance policy. You acknowledge that any opinions, recommendations, and conclusions expressed during this assignment will be rendered by the staff of M&R Valuation Services, Inc. acting solely as employees and not as individuals. Any responsibility of HVS is limited to the client, and use of our product by third parties shall be solely at the risk of the client and/or third parties. HVS does understand and acknowledge that El Ad US Holding, Inc. and Property and Building Company, LTD and IDB Development Corporation, LTD (the latter two being two publicly held Israeli companies) are the intended users of the report as well. In addition, HVS understands that the ultimate deliverable prepared by HVS will be attached to an Israeli public filing by the public entities mentioned above. Our reports or any of the data, contents, observations, and conclusions (i.e. "contents") therein cannot be used or quoted in any marketing material, prospectus, or any other document that may be offered to individuals, entities, and/or organizations (i.e. third parties) considering a purchase of the real estate that is the subject, or ancillary subject, of this assignment. Any such use of the contents of the HVS report product by said third parties will be at their sole risk; said third party users understand and acknowledge that there exists no client or fiduciary relationship between them and M&R Valuation, Inc. d/b/a HVS. Furthermore, El Ad IDB Las Vegas LLC shall indemnify and hold M&R Valuations, Inc. and its owners and employees harmless from claims, demands, liabilities, judgments, liens, encumbrances, costs and expenses, including attorney's fees, arising out of, related to, or in connection with this assignment which might be brought by these third parties.

The study described in this proposal will be made subject to certain assumptions and limiting conditions. A copy of our normal assumptions and limiting conditions will be provided upon request. If in the sole opinion of HVS it becomes necessary to add additional assumptions and limiting conditions in order to properly characterize and represent our conclusions, these additional assumptions and limiting conditions will become a part of our final report.

If the foregoing proposal meets with your acceptance, please sign and return one copy of this agreement with your retainer check. Your signature beneath the words "AGREED TO AND ACCEPTED," signifies your agreement to employ HVS for these services.



In order to schedule our assignments and perform your study in accordance with the timing set forth above, we ask that you return an executed copy of this agreement and retainer on or before October 10, 2008.

You acknowledge that you are retaining the HVS Consulting & Valuation division of M&R Valuation Services, Inc. to provide the services described in this proposal. M&R Valuation Services, Inc. is licensed to use the service mark HVS.



We appreciate the opportunity of submitting this proposal and look forward to working with you on this assignment.

Very truly yours,
HVS Consulting & Valuation
A Division of M&R Valuation Services, Inc.

Suzanne R. Mellen, CRE, MAI, FRICS
Managing Director

AGREED TO AND ACCEPTED:

Elad IDB Las Vegas LLC

By:
Ronel Ben-Dov
CFO of El-Ad, on behalf of Elad IDB Las Vegas LLC

Date: 10/13/08

Ronn Hyman
Executive VP of Property &
Building Corp. Ltd, on behalf
of Elad IDB Las Vegas LLC
Date: OCTOBER 13, 2008

SRM/smj



Legal Description

PARCEL ONE (1):

THAT PORTION OF THE SOUTH HALF (S 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 9, AND THAT PORTION OF THE NORTH HALF (N 1/2) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 16, TOWNSHIP 21 SOUTH, RANGE 61 EAST, M.D.M., CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

PARCEL ONE (1) AS SHOWN BY MAP THEREOF IN FILE 112 OF PARCEL MAPS, PAGE 17, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

PARCEL TWO (2):

A PORTION OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 9, TOWNSHIP 21 SOUTH, RANGE 61 EAST M.D.M., CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 9; THENCE SOUTH 89°24'18" WEST, ALONG THE SOUTH LINE OF SECTION 8, TOWNSHIP 21 SOUTH, RANGE 61 EAST, M.D.M., 234.41 FEET; THENCE NORTH 27°59'19" EAST, ALONG A LINE PARALLEL WITH AND 40.00 FEET SOUTHEASTERLY FROM THE CENTERLINE OF INDUSTRIAL ROAD, 539.78 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING NORTH 27°59'19" EAST, ALONG SAID LINE, 181.73 FEET; THENCE SOUTH 88°42'24" EAST, ALONG A LINE BEING PARALLEL WITH AND 20.00 FEET SOUTH FROM THE NORTH LINE OF THE SOUTH HALF (S 1/2) OF THE SOUTH HALF (S 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF SAID SECTION 9, A DISTANCE OF 2179.11 FEET TO THE POINT ON THE NORTHWESTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 91; THENCE SOUTH 28°00'00" WEST, ALONG SAID RIGHT-OF-WAY LINE, 638.15 FEET; THENCE DEPARTING SAID RIGHT-OF-WAY LINE, NORTH 62°00'00" WEST, 299.99 FEET; THENCE SOUTH 87°22'49" WEST, 1026.76 FEET; THENCE NORTH 61°59'48" WEST, 763.01 FEET TO THE POINT OF BEGINNING.



EXCEPTING THEREFROM THOSE PORTIONS OF SAID LAND CONVEYED TO CLARK COUNTY FOR STARDUST ROAD IN THAT CERTAIN DEED RECORDED JULY 23, 1993 IN BOOK 930723 AS INSTRUMENT NO. 01320, OF OFFICIAL RECORDS, CLARK COUNTY, NEVADA.

FURTHER EXCEPTING THEREFROM THAT PORTION OF SAID LAND AT THE CORNER OF STARDUST AND INDUSTRIAL ROAD CONVEYED TO CLARK COUNTY IN THAT CERTAIN DEED RECORDED JANUARY 27, 1994 IN BOOK 940127 AS INSTRUMENT NO. 00427, OF OFFICIAL RECORDS, CLARK COUNTY, NEVADA.



Synopsis of the Ground Lease

Lessor:	Tish's Castle, Inc.
Lessee:	Ruffin Gaming, L.L.C.
Date of Lease:	April 16, 1998
Term of Lease:	August 1, 1998 for a period of ninety-nine (99) years expiring July 31, 2097
Description of Real Property:	±16.18 acres (Assessor's Parcel No. 162-09-403-004)
Rent:	Commencement to end of year six: \$3,000,000 annually; Year seven to end of year fifteen: \$3,500,000 annually; Year sixteen to end of year twenty-five: \$3,750,000 annually; Year twenty-six to end of year thirty-five: \$4,000,000 annually; Year thirty-six to end of year forty-five: \$4,500,000 annually; Year forty-six to end of year seventy: \$5,000,000 annually; and Year seventy-one to end of term: \$5,500,000 annually;
Payment of Taxes and Assessments:	During the term of the lease, all taxes, assessments, utilities, and any and all charges, fees, and other government levies and charges of any kind and nature whatsoever, including, without limitation, water and sewer charges, rates and rents, utility charges, and license and permit fees, relating to the



use, occupancy, operation, or maintenance of the leased premises shall be borne by the lessee.

Assignment and Transfers:

The parties shall have the right at any time to assign, sell, or otherwise transfer their respective interests, in whole or in part, in the lease and the estate created by the lease; provided, however, that each such assignment, sale, or transfer shall expressly be made subject to the provisions of the lease and continuing guaranty of the lessee.

Right of First Refusal:

In the event the lessor receives a bona fide offer from a third party to purchase all or any part of the leased property, and the offer is acceptable to lessor, then lessor shall provide written notice within thirty days to the lessee or lessor's intent to accept the offer. Lessee shall have 15 business days following receipt of the notice of offer to purchase the offered property on the same terms and conditions set forth in the offer.

Note: This is not intended to be a complete synopsis of the ground lease between Tish's Castle, Inc. and Ruffin Gaming, L.L.C., dated April 16, 1998, but merely sets forth clauses relevant to this valuation.



Qualifications

Shannon S. Okada
Greg Otten
David Fuller, MAI
Suzanne R. Mellen, CRE, MAI, FRICS



Shannon S. Okada

Employment

2004 – present

HVS Consulting and Valuation and Gaming divisions,
San Francisco, California
Assistant Vice President / Associate Director Gaming
(Hotel-Motel Valuations, Market Studies, Feasibility
Reports)

2003 – 2004

UNIVERSITY OF NEVADA, Las Vegas, Nevada
Graduate Assistant

Summer, 2003

PARIS LAS VEGAS, Las Vegas, Nevada
Intern

2002 – 2003

UNIVERSITY OF NEVADA, Las Vegas, Nevada
Graduate Assistant

1993 – 2002

TATEISHI & ASSOCIATES
Wailuku, Hawaii
Attorney at Law

1991 – 1993

ROBERT ALLEN KENNEDY, A PROFESSIONAL LAW
CORPORATION
Westlake Village, California
Attorney at Law

Education

M.S., Hotel Administration, University of Nevada, Las Vegas,
Nevada

M.B.A., J.D., Pepperdine University, Malibu, California

B.B.A., Marketing & Management, University of Hawaii
at Manoa, Honolulu, Hawaii

Professional Affiliations

Certified General Real Estate Appraiser – State of California

Publications and Articles

“Extracting Value from Hotels in Hawaii through Conversion”
With Stephen S. O’Connor

HVS Journal – ALIS Edition, January 2005

“Forecasting Market-Wide Gaming Revenue (Win) for
the Macau Special Administrative Region”

With Suzanne R. Mellen

HVS Journal –ALIS Edition, January 2006

“New York Racinos: Casinos of Convenience”

HVS Journal–ALIS Edition, January 2007

“The Impact of Gaming Tax Rates on Casino and Racino
Development and Operations”

HVS Journal—ALIS Edition, January 2008



CORPORATE AND INSTITUTIONAL CLIENTS SERVED

Abescon Ventures, LLC
American Racing & Entertainment
Bank of America
Bank of Nova Scotia
Bear Stearns Commercial Mortgage Inc.
Citigroup Global Markets Realty Corporation
City of Phoenix
Column Financial, Inc.
Cook Inlet Region, Inc.
County of San Bernardino Redevelopment Agency
Credit Suisse First Boston
Crosson Dannis, Inc.
Dauphin County, Pennsylvania
Deutsche Bank

East West Bank
EDAW, Inc.
Eurohypo AG
First Pioneer Farm Credit
Garden State Development, Inc.
Goldman, Sachs & Co.
Intrawest Travel and Leisure Group
IXIS Real Estate Capital Inc.
JP Morgan Chase & Company
Keybank National Association
Kimberly-Clark Corporation
Lehman Brothers
Maritz, Wolff & Co.
NATAXIS Real Estate Capital
Nevada Gold & Casinos, Inc.
Prudential Mortgage Capital Company

RBS Greenwich Capital Markets
Seagate Properties, Inc.
Societe Generale
South Valley Bank & Trust
Starwood Asset Management
Sterling Savings Bank
Strategic Hotels & Resorts
Sun International
Trinity Hotel Investors LLC
Wachovia Corporation
Westdeutsche Immobilien Bank
Westdeutsche Landesbank
Westmount Hospitality Group

PARTIAL LIST OF HOTELS/MOTELS AND GAMING ENTITIES APPRAISED OR EVALUATED BY SHANNON S. OKADA

ALASKA

Alyeska Prince Hotel, Girdwood

ARIZONA

Ramada Inn, Phoenix
Mondrian, Scottsdale
Scottsdale Waterfront, Proposed, Scottsdale
Country Inn & Suites, Tempe
Holiday Inn Express, Tucson

CALIFORNIA

Four Seasons Aviara, Carlsbad
Hilton Hotel North/Glendale, Glendale
Heritage House, Little River
Embassy Suites LAX-North, Los Angeles
Holiday Inn Airport, Los Angeles
Hilton Hotel Universal City, Los Angeles
Le Meridien at Beverly Hills, Los Angeles
Los Angeles Airport Marriott, Los Angeles
Ritz-Carlton Huntington Hotel & Spa, Pasadena
San Seivaine Redevelopment Project, San Bernardino
Hilton San Diego Airport Harbor Island, San Diego
Leased Land—495 Geary Street, San Francisco
Palace Hotel, San Francisco
Ramada Inn -Union Square, San Francisco
Sheraton Hotel, San Francisco
Fairmont San Jose, San Jose
Four Points Barcelo, San Rafael
Sierra Suites, Santa Clara
Lodge at Sonoma Renaissance, Sonoma

COLORADO

Colorado Grand Casino, Cripple Creek

CONNECTICUT

Dolce Norwalk, Norwalk

FLORIDA

Flagler Dog Track & Proposed Magic City Casino, Miami
Hyatt Regency Grand Cypress, Orlando

HAWAII

Royal Hawaiian, Honolulu, Oahu
Sheraton Moana Surfrider, Honolulu, Oahu
Sheraton Princess Kaiulani, Honolulu, Oahu
Sheraton Waikiki, Honolulu, Oahu
Condo-Hotel, Proposed, Kaanapali, Maui
Maui Coast Hotel, Kihei, Maui
Sheraton Maui, Lahaina, Maui

KANSAS

Wyndham Garden Hotel, Overland Park

KENTUCKY

Marriott Hotel, Covington

MISSOURI

Renaissance Grand Hotel, St. Louis
Renaissance St. Louis Suites, St. Louis

NEW JERSEY

Harrah's Casino, Atlantic City
Showboat Casino, Atlantic City
Proposed Casino-Hotel, Atlantic City

Hamilton Park Conference Center, Florham Park
North Maple Inn, Basking Ridge

NEW MEXICO

Inn of Anasazi, Santa Fe

NEW YORK

Saratoga Gaming & Raceway, Saratoga Springs
Tarrytown House, Tarrytown
Tioga Downs, Nichols

NEVADA

Hyatt Regency Lake Las Vegas, Henderson
Flamingo Las Vegas, Las Vegas
Harrah's Las Vegas Casino & Hotel, Las Vegas
JW Marriott Las Vegas Resort & Rampart Casino, Las Vegas
Las Vegas Hilton, Las Vegas
Residence Inn, Las Vegas
Sahara Hotel and Casino, Las Vegas
Harrah's Laughlin, Laughlin

OHIO

Embassy Suites Hotel Cleveland-Rockside, Independence

OREGON

Shilo Inn, Klamath Falls

TENNESSEE

Hotel Preston, Nashville



TEXAS

Fairmont Dallas, Dallas
Salado Creek/Arena District, San Antonio

UTAH

Marriott Hotel, Salt Lake City

WASHINGTON, D.C.

Four Seasons Georgetown

BAHAMAS

Proposed Baja Mar Resort, Casino
Component, Nassau

CHILI

Proposed Casino-Hotel, San Francisco de
Mostazal

PEOPLE'S REPUBLIC OF CHINA

City of Dreams, Proposed, Macau SAR
Crown Macau Hotel & Casino, Proposed,
Macau SAR
Grand Waldo Hotel & Casino, Macau SAR
Las Vegas Sands Macao Proposed
Expansion, Macau, SAR
Macao Studio City, Proposed, Macau SAR
Sands Macao, Macau SAR
Venetian Macao, Proposed, Macau SAR

RUSSIAN FEDERATION

Casino Component of Proposed Resort,
Moscow

SINGAPORE

Marina Bay Sands. Proposed



HVS Consulting and Valuation Services - Washington, D.C.
1820 Jefferson Place, N.W., Third Floor
Washington, D.C. 20036
(703) 303-7819
Fax (202) 828-9661

Gregory Otten

Employment

2008 – Present

HVS CONSULTING AND VALUATION SERVICES
Washington, D.C.

2007 – 2008

THE LEITNER GROUP, INC.
Washington, D.C.

2006 – 2007

LINDSAY DEVELOPMENT LLC
Washington, D.C.

1999 – 2006

COSTAR GROUP
Washington, D.C.

Education and Other Training

AMERICAN UNIVERSITY
Bachelor of Arts

Other Specialized Training Classes Completed:

Uniform Standards of Professional Appraisal Practice – 15
hours

Basic Appraisal Procedures – 30 hours

Basic Appraisal Principles – 30 hours

Memberships & Affiliations

Greater Washington Commercial Association of Realtors
DC Commercial Real Estate Research Council
National Association of Industrial and Office Properties



**Examples of Corporate and
Institutional Clients Served**

Assent Capital LLC
Carolina Bank



**Examples of Properties Appraised or
Evaluated**

ILLINOIS

Proposed Wyndham, Chicago

NORTH CAROLINA

Proposed Hotel, Huntersville



HVS Consulting and Valuation Services - Washington, D.C.
1820 Jefferson Place, N.W., Third Floor
Washington, D.C. 20036
(202) 828-9666
Fax (202) 828-9661

David Fuller, MAI

Employment

2008 – Present

HVS CONSULTING AND VALUATION SERVICES
Washington, D.C.

2007 – 2008

THE LEITNER GROUP
Washington, D.C.

1991 – 2007

JOSEPH J. BLAKE AND ASSOCIATES
Washington, D.C.

Education and Other Training

CORNELL UNIVERSITY
Bachelor of Science, Hotel Administration

Appraisal Institute Classes Completed:

201 – Basic Appraisal Applications
208 – Standards and Ethics
215 – Appraisal Principles and Advanced Applications
216 – Income Capitalization
219 – Commercial Case Studies
410 – Standards of Professional Practice Part A
420 – Standards of Professional Practice Part B
510 – Advanced Income Capitalization
520 – Highest and Best Use and Market Analysis
540 – Report Writing and Valuation Analysis
550 – Advanced Applications

Other Specialized Training Classes Completed:

USPAP – 2001, 2003, 2005, 2007 Update

Memberships & Affiliations

Appraisal Institute – Designated Member (MAI)
Cornell Hotel Society
Mortgage Bankers Association

State Certifications

Delaware, Maryland, Virginia, the District of Columbia



Examples of Corporate and Institutional Clients Served

Assent Capital LLC
Cushman and Wakefield
Griffen Capital Funding
HFF
HREC
J.E. Roberts
Northmarq Capital
Sonnenblick-Goldman
Wells Fargo
Wilmington Trust Bank



**Examples of Properties Appraised or
Evaluated**

DISTRICT OF COLUMBIA

Marriott Marquis

FLORIDA

Proposed Kimpton Hotel, Key Largo

Proposed Westin, St. Petersburg

ILLINOIS

Proposed Wyndham, Chicago

MINNESOTA

Proposed Homewood Suites, New
Brighton

NEW YORK

Proposed Hampton Inn, Long

Island City

Proposed Fairfield Inn, Windsor

VIRGINIA

Hilton Garden Inn, Lynchburg



Suzanne R. Mellen, CRE, MAI, FRICS

Employment

1985 to present

HVS
San Francisco, California
Managing Director –
Consulting and Valuation Division
Gaming Division
(Hotel-Gaming Valuations, Market Studies, Feasibility
Reports, and Investment Counseling)

1981 to 1985

HOSPITALITY VALUATION SERVICES
Mineola, New York
Director of Consulting and Valuation Services
(Hotel-Motel Valuations, Market Studies, Feasibility
Reports, and Investment Counseling)

1980 to 1981

MORGAN GUARANTY TRUST COMPANY
New York, New York
Real Estate Appraiser and Consultant
(Real Estate Investment Valuation and Analysis)

1980

LAVENTHOL & HORWATH
New York, New York
Senior Consultant
(Management Advising Services - Market and
Feasibility Studies)

1978 to 1980

HELMSLEY-SPEAR HOSPITALITY SERVICES
New York, New York
Senior Consultant
(Management Advising Services - Market and
Feasibility Studies)

1976 to 1978

WESTERN INTERNATIONAL HOTELS
The Plaza, New York City
Management Trainee
(Rooms Operations and Accounting)

1976

HARLEY, LITTLE ASSOCIATES
Toronto, Canada
Junior Consultant
(Food Facilities Design, Market Studies)



Professional Affiliations

Appraisal Institute - Member (MAI)

- Board of Directors –
San Francisco Bay Area Chapter (1994, 1995)
- Education Committee Chairperson –
Northern California Chapter 11
- Workshop Committee Chairperson –
Northern California Chapter 11
- Division of Courses - National Committee
- Continuing Education Committee –
New York Committee
- Director, Real Estate Computer Show –
New York Chapter

American Society of Real Estate Counselors –
Member (CRE)

- Vice Chair –
Northern California Chapter (1994, 1995)
- Chair –
Northern California Chapter (1996)

National Association of Review Appraisers & Mortgage
Underwriters (CRA)

International Society of Hospitality Consultants -
Member (ISHC)

Fellow of the Royal Institution of Chartered Surveyors
(FRICS)

Cornell Hotel Society

Cornell University – Center for Hospitality Research
Board of Directors

American Hotel and Motel Association

California Hotel and Motel Association

Urban Land Institute

Education

B.S., School of Hotel Administration, Cornell University

Liberal Arts Undergraduate Study – Carnegie Mellon
University

Completion of MAI course work - Appraisal Institute

New York University - School of Continuing Education
- Real Estate Division



State Certification

Arizona, California, Colorado, Hawaii, Oregon, Utah,
and Washington

Teaching and Lecture Assignments

American Bar Association - Property Tax '92 –
Income Approach
American Institute of Real Estate Appraisers –
Approved Instructor - *Hotel/Motel Valuations*
Americas Lodging Industry Summit – 2002, 2003, 2004,
2005, 2006, 2007, 2008
Appraisal Institute – *National and International Hospitality
Markets*
Appraisal Institute – National Summer Conference, 2002
*The Aftermath: Our World Post September 11 – A
Hospitality Perspective*
Appraisal Institute – Northern California Chapter, 2001
Annual Fall Conference – *Valuing Intangible Assets for
Property Tax Assessment Purposes*
Appraisal Institute – San Francisco Bay Area Chapter –
Motel Valuation Case Study
California Hotel and Motel Association, 1985 Annual
Convention - *Development Overview*; 1995 - Annual
Meeting – *Capital Expenditure Requirements*
California Receivers Forum, 2002 –
*The Receiver as Innkeeper: A Primer on Valuation,
Operation and Strategic Disposition of Hotels*
Citibank, N.A. - *Hotel/Motel Valuations*
Cornell University - *Real Estate Finance*
Cornell Center for Professional Development –
Hotel Workouts
Country Hospitality Conference –
Hotel Development Challenges in the Nineties
Econo-Travel Motor Hotel Corp., Annual Financial
Seminar – *Hotel Valuation*
Fishing for Solutions – 2002, 2003, 2004
Servicing Hotel Defaults in Troubled Waters
Hotel Asset Managers Association – 2003
San Francisco Bay Area Market Overview
Hotel Design 2002, 2004 – HD Town Hall Meeting
The State of Our Industry
Institute of Property Taxation, 1984 Real Estate
Symposium – *Simultaneous Valuation*
Jeffer, Mangels, Butler & Marmaro – Meet the Money,
1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006



Jeffer, Mangels, Butler & Marmaro Forum –
*Answers to Three of the Most Provocative Questions in
Hotel Valuation Today*

Law Seminars International – Seattle, WA, 2008
Buying & Selling Hotels

Lodging Conference, 1999, 2000

National Association of Review Appraisers and
Mortgage Underwriters –
Reviewing a Hotel Appraisal Report 1990

National Conference of State Tax Judges –
Valuation and the Hospitality Industry

Northwest Center for Professional Development –
1986-87 Hotel Development Seminars

NYU Hospitality Industry Investment Conference, 1991,
1992, 1993, 1994, 1995, 2003

Southampton College –
Feasibility Studies and Appraisals

Strategic Hotel Default Lender Summit, 2003
Servicing Loan Defaults in Today's Uncertain Times

UCLA Hotel Industry Investment Conference, 1995 –
2001

ULI San Francisco, 2008 –
Trends in Casino Hotel Properties

University of Denver - *Hotel/Motel Valuation*

Published Articles

<i>The Appraisal Journal</i>	"Simultaneous Valuation: A New Technique," April 1983
<i>Appraisal Review & Mortgage Underwriting Journal</i>	"How to Review a Hotel Appraisal," November 1989
<i>California Inntouch Magazine</i>	"Value and Proper Use of Feasibility Studies," December 1990
<i>The Hotel Journal</i>	"Valuing Hotels Is A Challenge During Uncertain Times," June 2003
<i>The Hotel Valuation Journal</i>	"The Future of Full-Service Hotel Development," Winter 1995
	"How Much Should I Pay For the Land?," January 1996
<i>The HVS Journal</i>	"Strong Rates of Return Driving Hotel Development," January 1998
	"Hotel Cap Rates and Values – The 1998 Rollercoaster Ride and What Lies Ahead," January 1999



- "Hotel Land Values and the Ground Lease Approach"
January 2001
- "Fed Policies Stabilize Hotel Cap Rates in Uncertain Times," January 27, 2003
- "Low Interest Rates and High Demand for Hotel Assets Fuels Value Gains," January 19, 2004
- "Allure of Hotel Investments Expected to Moderate Rise in Capitalization Rates as Rebound Takes Hold,"
January 2005
- "Low Cap Rates Drive Gain in Hotel Values: Will Today's Underwriting Sustain Future Appreciation?"
January 25, 2006
- "Forecasting Market-Wide Gaming Revenue (Win) for the Macau Special Administrative Region," With Shannon Okada. January 25, 2006
- "Does Your Underwriting Adequately Compensate for the Timing of Future Cash Flow?"
January 2007
- "Hotel Capitalization Rates Bottom Out"
January 2007
- "Hotel Cap Rates and Values in a Changing Market Environment"
January 2008

International Society of Hospitality Consultants (ISHC)

"CapEx 2000 – A Study on Capital Expenditures in the Hotel Industry," October 2000

Real Estate Finance Journal

"Hotel Land Values and the Ground Lease Approach,"
Spring 2001

"Low Cap Rates Drive Gain in Hotel Values: Will Today's Underwriting Sustain Future Appreciation?"
June 2006

Contributing Editor

Hotel Investments Handbook, 1997

Computer Software

"Simultaneous Capitalization Software"

Software for the capitalization of a variable income stream.

Appearance as an Expert Witness

Superior Court of the State of Arizona, County of Maricopa
Superior Court of the State of California, City and County of San Francisco
Superior Court of the State of California, County of Los Angeles (Deposition)
Superior Court of the State of California, County of Orange, Central Justice Center



Superior Court of the State of California, County of San Diego, North County Branch
Superior Court of the State of California, County of San Luis Obispo
Superior Court of Guam
Federal Tax Court, New York, New York
U.S. District Court, Eastern District of Arkansas, Little Rock, Arkansas
U.S. District Court, Central District of California (Deposition)
U.S. District Court, Southern District of California
U.S. District Court, Western District of New York (Deposition)
U.S. District Court, Southern District of New York
U.S. District Court, Western District of Washington at Seattle
Federal Bureau of Investigation, New York, New York (Deposition)
U.S. Bankruptcy Court, Northern District of California
U.S. Bankruptcy Court, Eastern District of California
U.S. Bankruptcy Court, Colorado (Deposition)
U.S. Bankruptcy Court, Eastern District of Texas, Sherman Division
U.S. Bankruptcy Court, Northern District of Texas, Dallas Division
U.S. Bankruptcy Court, Southern District of Texas, Houston Division
U.S. Bankruptcy Court, Utah, Salt Lake City
U.S. Bankruptcy Court, Southern District of California
County Board of Equalization of Utah County, State of Utah
American Arbitration Association, Los Angeles, CA
American Arbitration Association, San Francisco, CA
Cuyahoga County Court of Common Pleas, Cleveland, Ohio
JAMS Arbitration, Orange, California
JAMS Arbitration, San Francisco, California
Judicial District Court of Bexar County, Texas 285th Judicial District
San Mateo County Superior Court
Tax Appeal Board
Los Angeles County, California
Contra Costa County, California
Orange County, California
San Francisco County, California
San Mateo County, California



Santa Barbara, California
Utah County, Utah
Washington, D.C.
Tax Appeal Court of the State of Hawaii



CORPORATE AND INSTITUTIONAL CLIENTS SERVED

909 North Michigan Avenue Corporation
 AA Capital Partners
 Aareal Bank AG
 ABF, Inc.
 Acclarit Group, Inc.
 Accor Economy Lodging
 Accord/BEV L.P. EPAM Corporation
 Accord/PAS Associates, LP
 Ackman Ziff
 Adams & Jones, Certified
 Aegon USA Realty Advisors, Inc.
 Aetna Life Insurance Co.
 Aetna Real Estate Investment
 Akin Gump Strauss Hauer & Feld, LLP
 Alaska Resort Hotels Company, Inc.
 Alley Associates I, Inc.
 Allegiant Bank
 Alliance Ventures
 Allied Capital Advisors, Inc.
 Altheimer & Gray
 AMC of America
 American Hotels, Inc.
 American Realcorp
 American Savings and Loan
 America West Bank
 Amfac Parks & Resorts
 AMRESCO
 Amstart Group, Inc.
 Andrew Daveridge Corp.
 Archer Norris
 Archon Group
 ARCON, Inc.
 Aries Capital
 Ashford Financial Corporation
 Aspen Companies
 Auberge Resorts
 Avalon Holdings
 Avista
 Bank of America
 Bank of America Corporation
 Bank Boston
 Bankers Mortgage
 Bankers Trust Company
 Bank of Bermuda Limited
 The Bank of New York
 Bank of Nova Scotia
 Bank of San Francisco
 Bank of the West
 Bank One
 Banque Nationale de Paris
 Barclay's Bank
 Barclay's Capital
 Barrow Street Capital
 Bavarian Inn Lodge
 B.B. Patel
 The Beacon Companies
 Bear Stearns & Co., Inc.
 Beau Rivage Casino & Resort
 Bendet, Fidell, Sakai & Lee
 Benton Investment
 Berger Company
 Bergeson Eliopoulos, LLP
 BF Hospitality
 Block, Plant, Eisner, Fiorito & Belak-Berger
 BMC Capital
 BNP Paribas
 BNY Asset Solutions, LLC
 Boies, Schiller & Flexner, LP
 Bongo II, Inc.
 Boulder Bay
 Boyd Gaming
 Boykin Management Co.
 Breeze Capital Management
 Briarcliff Development Company
 Bridge Capital, Inc.
 Broad, Schultz, Larson & Wineberg
 Builders Bank
 Burlingame Bank and Trust Comp.
 Buss-Shelger Associates
 Cabazon Band of Mission Indians
 Cable, Huston, Benedict, Haagensen & Lloyd, LLP
 Caesars World Gaming
 CA First Boston
 Cahill Gordon & Reindel
 Cairn Mountain Associates
 Cala Properties
 California Bank & Trust
 California Federal Bank
 California Department of Transportation
 Callahan Property Company
 Calyon
 Campbell Creekside
 Canadian Imperial Bank of Commerce
 Canyon Equity
 Capital Source
 Capitol Valley Bank
 Capmark Finance
 C.A. Rickert & Associates
 Carlsbad Estate Holding, Inc.
 The Caryle Group
 Carpenters Pension Trust for Southern California
 Carroll, Burdick, McDonough
 Casa de Fruta
 Cascade Bancorp/Bank of the Cascades
 CASC Corporation
 Case, Knowlson, Mobley, Burnett and Luber
 CB Richard Ellis
 CDC Mortgage Capital, Inc.
 Central Core Corp.
 Centro Empresarial Tauro de Tacate S de RL de CV
 Champion Development Group
 Charter One Bank, N.A.
 Chartwell Leisure
 Chase Manhattan Bank
 Chase Real Estate Finance Group
 Chemical Bank
 Churchill Mortgage Corporation
 CIBC World Markets
 CIGNA Capital Advisors, Inc.
 Citibank
 Citicorp Real Estate, Inc.
 Citigroup Global Markets Realty Co.
 Citigroup Private Bank
 City and County of San Francisco
 City of Albuquerque, New Mexico
 City of Berkeley, California
 City of Boulder, Colorado
 City of Florence, Oregon
 City of Guadalupe, California
 City of Los Altos, California
 City of Marysville, California
 City of Monterey, California
 City of Napa Redevelopment Agency
 City of Oakland, California
 City of Phoenix, Arizona
 City of San Diego, California
 City of San Jose, California
 City of Santa Ana, California
 City of West Allis, Wisconsin
 City of Watsonville, California
 Clarion Partners
 Cleary, Gottlieb, Steen & Hamilton
 Cliff Castle Casino
 CNL Hospitality Corporation
 Coast Commercial Bank
 Column Financial, Inc.
 Compass Bank
 Contra Costa County
 Coopers & Lybrand
 Comerica Bank – California
 Commercial Bank of San Francisco
 Commercial Bank of Korea, Ltd.
 Compass Bank
 Core Development
 Cornerstone Real Estate Advisors, Inc.
 Corus Bank
 Coudert Brothers
 County Bank
 Country Inn & Suites



Countrywide Commercial Real Estate
Cory Properties
Credit Lyonnais
Credit Lyonnais – First Lodging Group
Credit Suisse
Credit Suisse First Boston
Criimi Mae Services
Crosson Dannis, Inc.
Croudace & Dietrich
CSUF Foundation
Cupertino National Bank and Trust
CW Capital, LLC
Dai-Ichi Kangyo Bank, Ltd.
Daimler Chrysler Capital Services
Daiwa Bank
Daniel Coker Horton & Bell, P.A.
Danson Equities Corporation
Dauphin County
Days Inns
Denver Hotel Associates, LP
DePfa Bank AG
Destination Properties
Deutsche Bank
Deutsche Bank Mortgage Capital
Deutsche Bank Securities, Inc.
Deutsche Banc Alex Brown
Deutsche Morgan Grenfell
Dev-Con International
Dimensions Development Company
Disney Development Company
DivcoWest Properties
Diversified Financial Management Corp.
Dollar Savings and Loan
Dolphin Associates, Inc.
Donaldson, Lufkin and Jenrette
Doris N. Stern Trust
Doubletree Inns
Dresdner Bank AG
Drury Inns
Duckor & Spradling
EastWest Bank
EDA, U.S. Government
EDAW, Inc.
E. S. Merriman & Sons
Elkor Commercial Properties
Equitable Life Assurance Society
Equitable Real Estate Investment
Management
Ervin, Cohen and Jessup
Estate of Allen E. Paulson
Estate of James Campbell
Eureka Bank
Everingham Associates
Excel Realty Holdings
Exchange Bank
Executive Hotels & Resorts
Fair Enterprises

Fairmont Hotels & Resorts
Farallon Capital Management, LLC
Far East National Bank
Farella, Braun & Martel, LLP
Farmers National Bank
FJM Investments
Fidelity Federal Savings & Loan
Fillmore Redevelopment Agency
Finova
First Bank & Trust
First Boston
First Credit Commercial Capital Corp.
First Federal Savings and Loan
First International Bank
First Interstate Bank
First National Bank
First Pioneer Farm Credit
First Security
First Team Real Estate
First Union Securities
Forest City Development
Formation Capital
Fornine Investment Company
Fox Hotel Investors
Fox, Rothschild LLP
Fred Reed & Associates
Fremont Investment & Loan
Friedman McCubbin Spalding Bilter
Roosevelt Montgomery & Hastings
Fuji Bank, Ltd.
Fuji Corporate Advisory Co., Ltd.
Fullerton Redevelopment Agency
Gaims, Weil, West & Epstein, LLP
GE Capital Franchise Finance Corp.
GE Capital Real Estate
GECC Commercial Real Estate
Geller & Company
Gemstone Hotels & Resorts
General Electric Capital Company
General Electric Franchise Finance Corp.
George Smith Partners
GMAC Commercial Mortgage Corp.
Gibraltar Savings and Loan
Gibson, Dunn & Crutcher, LLP
Goldfarb & Lipman
Goldman Sachs
Graham Taylor Hospitality Group
Grand Pacific Resorts
Grant Williams and Dangerfield
Gray, Cary, Ames & Frye
Gray, Cary, Ware & Freidenrich
Great Eagle Holding Limited
Greater Bay Bancorp
Great Western Bancorp
Greenwich Capital Markets, Inc.
Greystone
Griffin Capital

Grubarges Inversion Hotelera
Grupo Consorcio
Gurewitz, David M.
Gustin Property Group
Gwire Law Offices
Haberhill
Haligman Lottner Rubin & Fishman
Halekulani Corporation
Hall Equities Group
Hard Rock Hotels
Haynes & Boone, LLP
Hardage Suite Hotels
Hardin Capital, LLC
Hare, Brewer & Kelley, Inc.
Haruyoshi Kanko K.K.
HCV Pacific Partners, LLC
HEI Hospitality, LLC
Heller, Ehrman, White & McAuliffe
Heller Real Estate Financial Services
Hennigan Bennett & Dorman
Hensel Phelps Construction Company
The Heritage Organization LLC
The Heymann Group, Inc.
Hibernia Bank
Higgs, Fletcher & Mack LLP
Hilton Hotel Corporation
HMG Lodging Management
Hodges Ward Elliott
Holiday Inns
Holliday Fenoglio Fowler, LP
Holualoa Companies
Hong Kong & Shanghai Hotels, Ltd.
Hong Kong Bank
Hongkong Bank Alliance
Hospitality Development Solutions, Inc.
Host Marriott Corporation
The Hotel Group, Inc.
Hotel Hilo, LLC
Hotel Investors Trust
Houlihan Lokey Howard & Zukin
Howard Johnson's
HSBC Bank USA
HSH Nordbank
Hudson Hotels Corporation
Huntington Bank
Hutton Development
HVS Convention, Sports & Entertainment
Facilities Consulting
Hyatt Development Corporation
HYPO Securities
Indymac Bank
Ian Schrager Hotels
Impac Hotel Group
IMS
ING Group
Innkeepers USA Trust
Inn Ventures, Inc.



Integrated Capital
InterBank Brener Hospitality
Inter-Continental
Inter-Mountain Management, Inc.
International Bank of California
International Bank of Singapore
International Commercial Bank of China
Intracorp Developments, Ltd.
Intrawest Corporation
Intrawest Travel & Leisure Group
ISIS Hotels
iStar Financial
ITM Commercial
ITT Sheraton Corporation
Jackson State Bank & Trust
Jadi Singh
James T. Kelly & Associates
Japan Airlines
Jason Daniel
JC Partners
JC Resorts
Jeffer, Mangels, Butler, & Marmaro
Jelinek & Associates
J.E. Robert Company, Inc.
JMIR –Del Mar Hotel, LLC
John B. Coleman & Co.
John Dioguardi, Esq.
John Q. Hammons
John Hancock Life Insurance
Johnson Redevelopment Corporation
Joie De Vivre Hotels
Jones, Day, Reavis & Pogue
Jones Lang LaSalle
JP Morgan Chase & Company
JP Morgan Chase Bank
JP Morgan Mortgage Capital Inc.
JP Morgan Real Estate Structured Finance
J. W. Colachis Company
KHM Management
KSC Management
Katzoff & Riggs
Keen Partners
Key Bank of New York
Key Corporation
Keys Associates
Keyser Martin Associates, Inc.
Kimberley Clark
Kimpton Hotel & Restaurant Group, Inc.
Kimpton Real Estate/Kimpton Group Holding, LLC
Kitchell Corporation
Kor Hotel Group
Kwong Hing Investment Center
LACERA
Ladco Company Ltd.
Lake County Business Outreach and Response Team

Lankford & Associates
Larkspur Hospitality Company, LLC
LaSalle Bank NA
Latham & Watkins
Laurence Peters & Co.
Lauricella Land Company
Lauth Development
Law & Associates
Law Offices of John Dioguardi, Esq.
Legacy Real Estate Investment Trust
Lehman Brothers, Inc.
Leisure Sports, Inc.
Lender's Depot
Lend Lease Mortgage Capital, Inc.
Lend Lease Real Estate Investments
Lennar Partners, Inc.
Leonard, Street & Deinard
Liberty Bank
LJ Melody & Co
Local Federal Bank, F.S.B.
Local Oklahoma Bank, NA
Lodgeworks Corporation
Long Term Credit Bank of Japan, Ltd.
Lovitt & Hannan, Inc.
Lowe Enterprises Investment Management, Inc.
LRP Landesbank Rheinland-Pfalz
Lynch Gilardi & Grummer
Mable Commercial Funding, Limited
MacFarlane Partners
The Maher Company
Maingate Hotel Company
Manchester Financial Group
Mansur Real Estate Services, Inc.
Maritz, Wolf & Company
Marriott Hotels International
The Marshall Group
Marshall, Miller & Schroeder Investments Corp.
Maximum Holdings, Inc.
Mayer, Brown & Platt
McCandless Management Corporation
McCarthy Tetrault
McDermott Will & Emery
Melhana Development Company
Mellon Bank
Mercury Savings and Loan
Merrill Lynch Capital
Merrill Lynch Global Media Group
Merrill Lynch Global Principal Investments
Metropolitan Life Insurance Company
Midwest, Inc.
Milepost Industries
Millennium Sportsclub
Miramar Asset Management, Inc.
Mitsubishi Ltd.
Mitsui Trust & Banking Co., Ltd.

M&M Development Co.
MM&M Investments Corporation
MM&S Investments Corporation
Morrison & Foerster
The Money Store Commercial Mortgage, Inc.
Monterey Bay Bank
Monterey Plaza Hotel Limited Partnership
Morgan Guaranty Trust
Morgan Stanley & Co.
Morgan Stanley Dean Witter
Morgan Stanley Japan, Ltd.
Morrison & Foerster
Napa Partners
Narven Enterprises
National Cooperative Bank
Nations Credit Commercial Corp.
Nations Financial Capital Corp.
Natixis Real Estate Capital
Network Mortgage Services
New York Life Investment Management, LLC
Nexus Companies
NFLP
Niven & Smith
Noble House Hotels, Resorts and Hideaways
Nomura Asset Capital Corp.
Nomura Credit & Capital, Inc.
Nomura Securities International, Inc.
Northern Nevada Bank (NNB)
Northmarq Capital
Northwinds N.V.
NS Development Co.
Ny-West Development
Ocean Links Corp.
Octavian, Inc.
The Olnick Organization, Inc.
Olympic Hotel and Delicatessen
Olympus Real Estate Partners
O'Neill Hotels & Resorts
Operating Engineers' Trust Fund
ORIX USA Corp.
Orrick, Herrington & Sutcliffe
Outlook Income Fund
Outrigger Enterprises, Inc.
Overseas Chinese Banking Corporation
OZ Resorts and Entertainment
The Pacific & Caribbean Hotel Group
The Pacific Bank
Pacific Hotel Group
Pacific Life Insurance Company
Pacific National Bank
Pacific Union Company
Palm Springs New Millennium Development
Page-One, LLC
Page Street Properties, LLC
Pannell Kerr Forster
Parabas Bank
Paragon Canada



Park Cattle Company
Park Place Entertainment
Park Plaza International
Patrick M. Nesbitt Associates, Inc.
Patriot American Hospitality
Paul, Hastings, Janofsky & Walker, LLP
Pedregal de Cabo San Lucas
Peninsula Bank of Commerce
Phillips, Haskett & Ingwaldson
Picadilly Inns
Pickwick Partners
Pillsbury, Madison & Sutro, LLP
Portland Development Commission
Port of Oakland
PPM Finance, Inc.
Preferred Bank
Premier West Bank
Presidio Hotel Group
Principal Real Estate Investors
Property Capital Trust
Property Management Group
Provenance Hotels
Prudential Financial
Prudential Mortgage Capital Company
Prudential Realty Group
Pullman Bank
Punjab National Bank
Pyramid Companies
Queen Emma Foundation
Radisson Hospitality Worldwide
Raffles International Hotels & Resorts
Raleigh Enterprises
Rancho La Puerta
R.A. Rauch & Associates, Inc.
RBS Greenwich Capital Markets
R.C. Hedreen Co.
Real Estate Finance Group
Ramada Inns
Ramsfield Hospitality Finance
Real Estate Capital Markets
Realty Executives
Red Lion Hotels & Inns
Redwood Capital Advisors LLC
Resort Group
Remington Hotel Company
Richard E Jacobs Group
Riggs & Company, Trust Division
The RIM Corp.
Riverboat Delta King, Inc.
RiverPlace Associates
R.L. Pearson & Associates, Inc.
Rosenbach & Rosenbach
Royale Resorts
RSM Investments, Inc.
RT Capital Corporation
Ryder, Stilwell Properties, Inc.
Sage Hospitality Resources, Inc.
Saloman Brothers Realty Corp./Saloman Smith Barney
San Bernardino Redevelopment Agency
Sandhill Properties
San Diego National Bank
San Francisco International Airport
San Leandro Development Services Dept.
San Jose National Bank
Santa Ana F/C Development Venture
Santa Barbara Bank & Trust
Saratoga Gaming & Raceway
Seafirst Bank
Secured Capital Corporation
Security Pacific National Bank
Salomon Brothers
Scotia Capital
S.D. Malkin Properties, Inc.
Seven Seas Associates, LLC
The Schnitzer Group
Schnitzer Northwest, LLC
Secured Capital Corporation
Shearman & Sterling
Shell Vacations LLC
Sheppard Mullin Richter & Hampton
Simeon Commercial Properties
Simpson, Thatcher & Bartlett
Situs Companies
Snyder & Associates
Société Generale
Solit Interest Group
Sonnenblick-Goldman Co.
Sonoma Valley Bank
Southern California Savings
South Johnson
South Valley Bank & Trust
South Valley Developers
Spieker Properties
Ssang Yong Engineering and Construction Company, Limited
Stanford Management Company
Starwood Capital/Starwood Asset Management
Starwood Hotel Investors, Inc.
Stein & Lubin, LLP
Stephen W. Noey & Associates
Sterling Savings Bank
Stern & Goldberg
Stonebridge Companies
Stonebridge Realty Advisors
Stone-Levy, LLC
Strategic Hotels & Resorts
Strategic Hotel Capital, Inc.
Strategic Realty Advisors, Inc.
Streich Lang
Suburban Capital Markets, Inc.
Suislaw Valley Bank
Sumitomo Bank
Sumitomo Mitsui Banking Corporation
Summit Development Group
Sunriver Resort
Sunstone Hotel Investors, Inc.
Sunstone Hotel Management, LLC
Sunterra Corporation
Sussman Shank, LLP
Swig Investment Company
Taihook Associates
Tarsadia Hotels
TCF Bank
Templeton Group
Texas Capital Bank
TIAA-CREF
TFG Properties, Inc.
Thompson Law Office
Three Sisters Resorts
Tipton Management
Tokai Bank
Tom Grant, Jr.
TotalBank
Transamerica Realty Services, Inc.
Transworld Management/Concord Intl.
Transworld Management, Ltd.
Travelers Insurance Company
The Travelers Companies
Treadway Hotels
Trinity Hotel Advisors, LLC
Trinity Investment Trust
TrizecHahn Development
Tule River Tribal Council
Tully & Wezelman, P.C.
TYBA Group, Inc.
UBS Warburg Real Estate Investments
Umpqua Bank
Unico Properties, Inc.
Union Bank of California
United Pacific Bank
United Security Bank
University of Minnesota
Urban Housing Group
Urban Partners
U.S. Bancorp
U.S. Bancorp VMS Realty
U.S. Bancorp Real Estate Technical Services
U.S. Bank
U.S. Department of Labor
USL Property Management, Inc.
U.S. Trust Company
Valencia Company
Vance Hotel Associates, LP
Villa del Lago Associates
Village of Sandia Pueblo
Vintage Bank
Wachovia Corporation
Wailua Associates
Waller, Kaufman & Sutter



Washington Mutual Bank
Wells Fargo Bank, N.A.
Wells Fargo RETECHS
Westbank Associates
West Coast Bancorp
Westdeutsche Immobilien Bank
Westdeutsche Landesbank
Western International
Western States Management
West LB AG
Westin Hotels & Resorts

Westmont Hospitality Group
Wharf Enterprises, Inc.
W.H. Holdings, LLC
Wilderness Gate
Williams Coulson LLP
Wilmorite, Inc.
Windsor Capital Group
Wingate Realty Finance Corporation
Win Time Hotels
Wolf, Rifkin & Shapiro
Wong & Mak, LLP

Woodfin Suite Hotel Co.
Woodside Hotels & Resorts
Wrather Corp.
W.R.C. Properties, Inc.
WR Henderson Construction
Xanterra Parks and Resorts
Yavapai-Apache Nation
Yasuda Trust and Banking Co., Ltd.
Zurich Structured Finance, Inc.



**PARTIAL LIST OF HOTELS AND MOTELS APPRAISED OR EVALUATED
BY SUZANNE R. MELLEN, CRE, MAI, FRICS**

ALABAMA

Fairfield Inn, Birmingham
Hilton Birmingham Perimeter Park,
Birmingham
Ramada Inn, Gadsden
Hotel, Proposed, Mobile
Homewood Suites, Mobile
Fairfield Inn, Montgomery
Holiday Inn, Montgomery
Howard Johnson's, Montgomery
Residence Inn, Montgomery

ALASKA

Best Western Barratt Inn, Anchorage
Clarion Suites Hotel, Anchorage
Extended Stay Deluxe Anchorage Downtown,
Anchorage
Extended Stay Deluxe Anchorage Midtown,
Anchorage
Hawthorne Suites, Anchorage
Holiday Inn, Anchorage
Homewood Suites, Anchorage
Hotel Captain Cook, Anchorage
Homewood Suites, Proposed, Anchorage
Northern Lights Hotel, Anchorage
Rose Garden Hotel, Anchorage
Sheraton Hotel Anchorage, Anchorage
Extended Stay Deluxe Fairbanks, Fairbanks
Alyeska Prince Hotel, Girdwood
Coast International Hotel, Girdwood
Extended Stay Deluxe Juneau, Juneau
Resort Hotel, Proposed, Wasilla

ARIZONA

Lodging Facility, Proposed, Camp Verde
Renaissance ClubSport, Chandler
Sheraton San Marcos Hotel, Chandler
Best Western, Flagstaff
Embassy Suites Hotel, Flagstaff
Hotel & Conference Center, Prop., Flagstaff
Motel 6, Flagstaff
Rodeway Inn, Flagstaff
Woodlands Plaza Hotel, Flagstaff
Bright Angel Lodge, Grand Canyon
El Tovar Hotel, Grand Canyon
Kachina Lodge, Grand Canyon
Maswik Lodge, Grand Canyon
Moqui Lodge, Grand Canyon
Phantom Ranch, Grand Canyon
Thunderbird Lodge, Grand Canyon
Yavapai Lodge, Grand Canyon
Best Western Green Valley, Green Valley
Hampton Inn-Proposed, Holbrook
Rodeway Inn, Kingman

Nautical Inn, Lake Havasu
Extended StayAmerica Phoenix/Mesa, Mesa
Homestead Studio Suites Phoenix/Mesa,
Mesa
Extended StayAmerica Phoenix/Peoria,
Peoria
Arizona Biltmore Country Club, Phoenix
Best Western Executive Park Hotel, Phoenix
Bobby McGee's Conglomeration, Phoenix
Caravan Inn, Phoenix
Courtyard by Marriott, Phoenix/Mesa
Courtyard by Marriott Metro Center, Phoenix
Crescent Hotel, Phoenix
Crossland Studios Phoenix West, Phoenix
Crowne Plaza, Phoenix
DoubleTree Inn, Phoenix
Embassy Suites-Camelback, Phoenix
Embassy Suites-Camelhead, Phoenix
Extended StayAmerica Phoenix Airport East
Elwood Street, Phoenix
Extended StayAmerica Phoenix Airport East
Oak Street, Phoenix
Extended StayAmerica Phoenix Chandler
East Chandler Blvd., Phoenix
Extended StayAmerica Phoenix/Chandler
South 50th St., Phoenix
Extended StayAmerica Phoenix/Deer Valley,
Phoenix
Extended StayAmerica Phoenix Metro Center
Black Canyon Highway, Phoenix
Extended StayAmerica Phoenix Metro Center
West Dunlap Ave., Phoenix
Extended Stay Deluxe Phoenix/Biltmore,
Phoenix
Extended Stay Deluxe Phoenix Midtown,
Phoenix
Fountain Suites Hotel, Phoenix
Four Points Sheraton, Phoenix
Full-Service Hotel, Proposed, Phoenix
Granada Royale Camelhead, Phoenix
Holiday Inn, Phoenix
Holiday Inn Crowne Plaza, Phoenix
Homewood Suites Phoenix, Phoenix
Hyatt Regency, Phoenix
JW Marriott Desert Ridge Resort, Phoenix
Knights Inn, Phoenix
Omni Adams Hotel, Phoenix
Phoenix Inn, Phoenix
Pointe Hilton Squaw Peak Resort, Phoenix
Pointe Hilton at Tepatio Cliffs, Phoenix
Quality Inn, Phoenix
Ramada Inn MetroCenter, Phoenix
Residence Inn by Marriott, Phoenix
Sheraton Crescent Hotel, Phoenix
Sleep Inn, Phoenix
Caleo Hotel, Scottsdale

Courtyard by Marriott, Scottsdale
Doubletree Inn, Scottsdale
Fairmont Scottsdale Princess, Scottsdale
Gainey Suites Hotel, Scottsdale
Extended StayAmerica Phoenix/Scottsdale,
Scottsdale
Extended Stay Deluxe Phoenix/Scottsdale,
Scottsdale
FireSky Resort, Scottsdale
Holiday Inn Old Town, Scottsdale
Homestead Studio Suites
Phoenix/Scottsdale, Scottsdale
Marriott Camelback Inn, Scottsdale
Mondrian Hotel, Scottsdale
Phoenician Resort, Scottsdale
Red Lion-La Posada, Scottsdale
Rodeway Inn, Scottsdale
Scottsdale Conference Resort, Scottsdale
Scottsdale Hilton Resort, Scottsdale
Fairmont Scottsdale Princess Resort &
Excess Land, Scottsdale
Scottsdale Princess, Scottsdale
Scottsdale Waterfront Condominium Hotel,
Proposed, Scottsdale
Summerfield Suites, Proposed, Scottsdale
Sunburst Resort Hotel & Conference Center,
Scottsdale
Hilton Garden Inn, Proposed, Sedona
L'Auberge de Sedona, Sedona
Los Abridados, Sedona
Orchard's Inn & Grill, Sedona
Motel 6, Sierra Vista
Sonoita Village Resort & Spa, Proposed,
Sonoita
Country Inn & Suites Hotel, Tempe
Homestead Studio Suites Phoenix
Airport/Tempe, Tempe
Renaissance Hotel, Proposed, Tempe
Wyndham Buttes Resort, Tempe
Mixed-Use Development, Tuba City
Canyon Ranch Resort, Tucson
Clarion Tucson, Tucson
Country Inn & Suites, Tucson
Courtyard by Marriott, Tucson
Crossland Studios, Tucson
DoubleTree Inn, Tucson
Extended StayAmerica, Tucson
Hilton Garden Inn, Proposed, Tucson
Holiday Inn Express, Prop., Tucson
Holiday Inn Hotel, Tucson
Hotel Arizona, Tucson
Hotel, Proposed, Tucson
Holiday Inn Express, Tucson
JW Marriott Starpass Resort, Tucson
Loews Ventana Canyon Resort, Tucson
Lodge at Ventana Canyon, Tucson



Marriott Hotel & Starr Pass Golf Course,
Proposed, Tucson
Marriott Resort, Proposed, Tucson
Microtel Inn, Proposed, Tucson
Radisson Suite Hotel, Tucson
Rodeway Inn, Tucson
Tucson Convention Center, Tucson
Westin La Paloma Resort, Tucson
Starr Pass Resort, Prop., Tucson
Westward Look Resort, Tucson
Wig Wam Resort & Golf Club, Woodfield
Park
Candlewood Suites, Proposed, Yuma
Shilo Inn, Yuma

ARKANSAS

Hilton, Hot Springs
Holiday Inn, Little Rock
Red Carpet Inn, Little Rock
Holiday Inn Northwest Arkansas, Springdale

CALIFORNIA

Radisson Hotel, Agoura Hills
Ramada Inn, Agoura Hills
Extended StayAmerica Oakland/Alameda,
Alameda
Extended Stay Deluxe Oakland/Alameda
Airport, Alameda
Renaissance ClubSport, Aliso Viejo
Renaissance ClubSport, Prop., Aliso Viejo
Holiday Inn Express, Prop., American
Canyon
Anaheim Marriott, Anaheim
Anaheim Park Motor Inn, Anaheim
Anaheim Plaza Resort Hotel, Anaheim
Best Western Anaheim Inn, Anaheim
Best Western Stovall's Inn, Anaheim
Best Western Pavilions Inn, Anaheim
Boulevard Inn, Anaheim
Carousel Inn and Suites, Anaheim
Comfort Inn, Anaheim
Desert Palm Inn & Suites, Anaheim
Disneyland Hotel, Anaheim
DoubleTree Hotel, Anaheim
DoubleTree Guest Suites Hotel, Prop.,
Anaheim
Extended StayAmerica Anaheim Convention
Center, Anaheim
Extended StayAmerica Anaheim Hills,
Anaheim
Golden Forest Motel, Anaheim
Hilton Anaheim, Anaheim
Hilton Hotel & Towers, Anaheim
Holiday Inn, Anaheim
Howard Johnson Hotel, Anaheim

Hyatt Anaheim, Anaheim
Jolly Roger, Anaheim
Marriott Courtyard, Anaheim
Pan Pacific Hotel, Anaheim
Pitcairn Inn, Anaheim
La Quinta Inn & Suites, Proposed, Anaheim
Quality Hotel, Anaheim
Ramada Maingate Hotel, Anaheim
Raffles Inn & Suites, Anaheim
Residence Inn, Anaheim
Sheraton Hotel, Anaheim
Sheraton Park Hotel, Anaheim
Station Inn, Anaheim
Travelodge Inn at the Park, Anaheim
WestCoast Anaheim Hotel, Anaheim
Residence Inn, Anaheim Hills
Extended StayAmerica Los Angeles/Arcadia,
Arcadia
Fairfield Suites, Proposed, Arcadia
Hilton Garden Inn, Proposed, Arcadia
Auburn Inn, Auburn
Sleep Inn, Auburn
Ramada, Augora Hills
Allstar Inn, Bakersfield
Clarion Suites, Bakersfield
Courtyard by Marriott, Bakersfield
Doubletree Hotel, Bakersfield
Economy Inn, Bakersfield
Extended StayAmerica, Bakersfield
Extended Stay Deluxe, Bakersfield
La Quinta, Bakersfield
Red Lion Hotel, Bakersfield
Residence Inn, Bakersfield
Sheraton Hotel, Bakersfield
Travelodge Hotel, Bakersfield
Hilton Hotel, Baldwin Park
Fairfield Inn, Baltimore
Allstar Inn, Barstow
Economy Inn, Barstow
Extended StayAmerica San
Francisco/Belmont, Belmont
Holiday Inn Express, Belmont
Motel 6, Belmont
Summerfield Suites, Belmont
Summerfield Suites, Proposed, Belmont
Berkeley Marina Marriott, Berkeley
DoubleTree Hotel & Executive Meeting
Center, Berkeley
Shattuck Hotel, Berkeley
University Inn, Berkeley
Westin Hotel, Proposed, Berkeley
Beverly Hills Country Club, Beverly Hills
Beverly Hilton, Beverly Hills
Beverly Pavilion Hotel, Beverly Hills
Beverly Wilshire, Beverly Hills
Crowne Plaza Hotel, Beverly Hills

Four Seasons Hotel, Beverly Hills
Holiday Inn Select, Beverly Hills
L'Ermitage, Beverly Hills
Peninsula Beverly Hills, Beverly Hills
Raffles L'Ermitage, Beverly Hills
Regent Beverly Wilshire Hotel, Beverly Hills
Renaissance Hotel, Beverly Hills
Best Western, Big Bear Lake
Hotel, Proposed, Big Bear Lake
Motel 6, Big Bear Lake
Post Ranch Inn, Big Sur
Ventana Inn, Big Sur
Rodeway Inn, Blythe
Bodega Bay Lodge, Bodega Bay
Embassy Suites Hotel, Brea
Homestead Studio Suites, Brea
Woodfin Suites Hotel, Brea
Holiday Inn, Brentwood
Hilton Residential Suites, Brisbane
Radisson San Francisco Airport Sierra Point,
Brisbane
Rancho Santa Barbara Marriott, Buellton
Fairfield Inn, Buena Park
Hampton Inn, Buena Park
Marriott Courtyard, Buena Park
Red Roof Inn, Buena Park
Burbank Airport Hilton, Burbank
Extended StayAmerica LAX, Burbank
Hilton Hotel, Burbank
Ramada Inn, Burbank
350 Airport Boulevard, Burlingame
Hyatt Regency, Burlingame
Hyatt Regency SFO, Burlingame
Airport Marriott, Burlingame
Radisson Plaza-Proposed, Burlingame
Ramada Inn, Burlingame
Good Nite Inn, Buttonwillow
Country Inn, Calabassas
Good Nite Inn, Calabassas
Calistoga Ranch Resort, Prop., Calistoga
Hotel & Ancillary Facilities, Prop., Calistoga
Palisades Resort & Spa, Prop., Calistoga
Solage Resort & Spa, Proposed, Calistoga
Del Norte Inn, Camarillo
Good Nite Inn, Camarillo
Best Western Fireside Inn, Cambria
Cambria Pines Lodge, Cambria
Fog Catcher Inn, Cambria
Campbell Inn, Campbell
Courtyard by Marriott, Prop., Campbell
Hilton Garden Inn, Campbell
Hilton Hotel, Proposed, Campbell
Larkspur Landing Hotel, Campbell
Pruneyard Inn, Campbell
Rispin Hotel, Proposed, Capitola
Allstar Inn, Carlsbad



Carlsbad Inn, Carlsbad
Courtyard by Marriott, Carlsbad
Extended StayAmerica, Carlsbad
Four Seasons Hotel, Carlsbad
Four Seasons Resort Aviara, Carlsbad
Hilton Garden Inn, Carlsbad
Inn of America, Carlsbad
La Costa Resort and Spa, Carlsbad
Legoland, Carlsbad
Legoland Resort, Proposed, Carlsbad
Olympic Resort, Carlsbad
Carmel Mission Inn, Carmel
Carmel Valley Ranch, Carmel
Highlands Inn, Carmel
Luxury Hotel, Proposed, Carmel
Quail Lodge Resort & Golf Club, Carmel
Wyndham Carmel Valley, Carmel
Bernardus Lodge, Carmel Valley
Hilton Garden Inn, Carmel Valley
Robles del Rio Lodge, Carmel Valley
Valley Lodge, Carmel Valley
Extended StayAmerica, Carson
Hotel, Proposed, Casa de Fruta
Doubletree Hotel, Cathedral City
Holiday Inn Express, Cathedral City
Hotel, Proposed, Cathedral City
Royce Hotel, Cathedral City
Sheraton Cerritos Towne Center, Cerritos
Sheraton Hotel, Cerritos
Neighborhood Inn, Proposed, Chatsworth
Days Inn, Chico
Holiday Inn, Chico
Microtel Inn and Suites, Proposed, Chico
Red Lion Hotel, Chico
Extended StayAmerica Los Angeles/Chino
Valley, Chino
La Quinta Inn, Chula Vista
Otay Valley Travel Lodge, Chula Vista
The City of Clovis, Clovis
Harris Ranch, Coalinga
Howard Johnson's, Colton
Wyndham Hotel, Commerce
Concord Hilton, Concord
Sheraton Hotel, Concord
Trees Inn, Concord
Holiday Inn Express, Proposed, Corona
Motel 6, Corona
Hotel Del Coronado, Coronado
Loews Coronado Bay Resort, Coronado
Hilton Garden Inn, Prop., Corte Madera
Ha'Penny Inn, Costa Mesa
Hilton Hotel, Costa Mesa
La Quinta Inn, Costa Mesa
Mandarin Oriental, Prop., Costa Mesa
Marriott Suites, Costa Mesa
Red Lion Hotel, Costa Mesa

Residence Inn, Costa Mesa
Four Points Barcelo Hotel, Culver City
Hotel & Condo Hotel, Prop., Culver City
Pacifica Hotel & Conference Center, Culver
City
Ramada Inn, Culver City
Washington National Station Hotel,
Proposed, Culver City
Boutique Hotel, Proposed, Cupertino
Courtyard by Marriott, Cupertino
Cypress Hotel, Cupertino
Hilton Garden Inn, Cupertino
Marriott Courtyard, Cupertino
Two Proposed Hotel Sites, Cupertino
Courtyard by Marriott, Cypress
Homestead Studio Suites Orange
County/Cypress, Cypress
Woodfin Suites Hotel, Cypress
Hotel, Proposed, Daly City
Marriott Laguna Cliffs Resort, Dana Point
Ritz-Carlton Laguna Niguel, Dana Point
St. Regis Monarch Beach Resort & Spa,
Dana Point
Vacation Ownership Property, Dana Point
Proposed Spa, Danville
Column Financial Appraisal Review - Howard
Johnson Hotel, Davis
Hyatt Place Hotel, Proposed, Davis
Furnace Creek Ranch & Inn, Death Valley
Furnace Creek Resort, Death Valley
Stove Pipe Wells Village, Death Valley
Shilo Inn, Delano
Hampton Inn, Del Mar
Hilton Hotel, Del Mar
Marriott Hotel, Del Mar
Marriott Resort & Spa, Desert Springs
Days Inn Diamond Bar, Diamond Bar
Holiday Inn Select, Diamond Bar
Extended StayAmerica Dublin, Dublin
Scott's Restaurant and Banquet/Conference
Center, Prop., Dublin
Lodging Development, Prop., El Dorado Hills
Extended StayAmerica Sacramento/Elk
Grove, Elk Grove
Homestead Studio Suites LAX/El Segundo, El
Segundo
Best Western, El Toro
Carlos Murphy's Restaurant, Emeryville
Days Inn, Emeryville
Extended StayAmerica Oakland/Emeryville,
Emeryville
Hardage Suites Hotel Site, Emeryville
Lyon's Restaurant, Emeryville
Sheraton Four Points, Emeryville
Woodfin Suite Hotel, Prop., Emeryville
Woodfin Suite Hotel, Emeryville

Budget Motel, Encinitas
Comfort Inn, Escondido
Hilton Garden Inn, Prop., Escondido
Red Lion Hotel, Eureka
Red Lion Inn, Eureka
Extended StayAmerica Fairfield/Napa Valley,
Fairfield
Hotel, Proposed, Fillmore
Marriott Tenaya Lodge, Fish Camp
Hotel, Proposed, Folsom
Larkspur Landing Hotel, Folsom
Golden Gate National Recreation Area, Fort
Baker
All-Suites Hotel, Proposed, Foster City
Clubtel, Proposed, Foster City
Courtyard by Marriott, Foster City
Holiday Inn, Foster City
Courtyard by Marriott, Fremont
EconoLodge, Fremont
Extended StayAmerica Fremont/Newark,
Fremont
Extended StayAmerica Fremont/Warm
Springs, Fremont
Extended Stay Deluxe Fremont/Newark,
Fremont
Hilton Hotel, Fremont
Homestead Studio Suites, Fremont
La Quinta, Fremont
Marriott Hotel, Fremont
Motel 6, Fremont
Quality Inn, Fremont
Westin ClubSport, Proposed, Fremont
Allstar Inn, Fresno
Chateau Inn, Fresno
Crossland Studios, Fresno
Economy Inn, Fresno
Extended StayAmerica Fresno North, Fresno
Hacienda Resort and Conference Center,
Fresno
Hampton Inn & Suites, Fresno
Holiday Inn, Fresno
Marriott Courtyard, Fresno
Picadilly Inns, Fresno
Travelers Inn, Fresno
Sierra Sport and Racquet Club, Fresno
Chase Suites Hotel, Fullerton
Griswold's Hotel, Fullerton
Marriott Hotel, Fullerton
Extended StayAmerica Los Angeles
South/Gardena, Gardena
Embassy Suites Anaheim South, Garden
Grove
Marriott Suites Anaheim, Garden Grove
River Rock Casino, Geyserville
Hotel, Proposed, Gilroy
Motel 6, Gilroy



Hilton Hotel, Glendale
Homestead Studio Suites Los Angeles/Glendale, Glendale
Red Lion Hotel, Glendale
60-Unit Hotel, Proposed, Morton's Warm Springs, Glen Ellen
Bacara Resort, Goleta
El Capitan Canyon Campgrounds, Goleta
Hyatt Regency, Proposed, Goleta
Hotel & RV Park, Proposed, Guadalupe
Half Moon Bay Lodge, Half Moon Bay
Ocean Colony Resort, Half Moon Bay
Ritz-Carlton Hotel, Half Moon Bay
Ritz-Carlton Hotel, Prop., Half Moon Bay
Mainstay Suites, Hayward
Super 8, Hayward
Best Western Dry Creek Inn, Healdsburg
Dry Creek Inn, Healdsburg
Healdsburg Plaza Hotel, Prop., Healdsburg
Casa de Fruta, Hollister
Canyon Ranch Living, Proposed, Hollister
Holiday Inn Hollywood, Hollywood
Hollywood Clarion Roosevelt, Hollywood
Hollywood Palm Hotel, Hollywood
Hyatt Hotel, Hollywood
Renaissance Hollywood Hotel, Hollywood
Wyndham Hotel, Hollywood
Extended StayAmerica Orange County/Huntington Beach, Huntington Beach
Waterfront Hilton, Huntington Beach
Grand Champions Resort, Indian Wells
Hyatt Grand Champions Resort, Indian Wells
Indian Wells Town Center Resort, Prop., Indian Wells
Miramonte Resort, Indian Wells
Remington Condo Hotel, Prop., Indian Wells
Arena/Convention Center Amenity, Prop., Indio
Resort Hotel, Proposed, Indio
RV Park, Proposed, Indio
Courtyard by Marriott, Irvine
Hilton Orange County Airport, Irvine
Homestead Studio Suites Orange County/Irvine Spectrum, Irvine
La Quinta Inn, Irvine
Marriott Irvine, Irvine
Registry Hotel, Irvine
Amador Inn, Jackson
Konocti Harbor Resort & Spa, Kelseyville
Kenwood Inn & Spa, Kenwood
Mortons Sonoma Springs Resort, Kenwood
Sonoma Country Inn, Prop., Kenwood
Hotel, Proposed, Kern County
Cal Neva Resort, Kings Beach
Lafayette Park Hotel, Lafayette

Montage Resort & Spa, Laguna Beach
Surf & Sand Hotel, Laguna Beach
Vacation Village Repositioning, Laguna Beach
Ritz-Carlton Hotel, Laguna Niguel
St. Regis Monarch Beach Resort & Spa, Laguna Niguel
Embassy Suites La Jolla, La Jolla
Empress Hotel, La Jolla
Hilton Torrey Pines, La Jolla
Hyatt Hotel, La Jolla
Hyatt Regency Hotel at Aventine, La Jolla
La Jolla Village Inn, La Jolla
Lodge at Torrey Pines, La Jolla
Mandarin Oriental Hotel, Proposed, La Jolla
Radisson Inn, La Jolla
Residence Inn, La Jolla
Scripps Inn, La Jolla
Extended StayAmerica Orange County/Lake Forest, Lake Forest
Extended StayAmerica Los Angeles/La Mirada, La Mirada
Holiday Inn Select, La Mirada
Hilton Lodge, Lake Arrowhead
Lake Arrowhead Resort, Lake Arrowhead
Hotel, Proposed, Lake Country
Embassy Suites Hotel, Lake Tahoe
Resort at Squaw Creek, Lake Tahoe
Courtyard by Marriott, Larkspur
La Quinta Inn & Suites, La Palma
Marriott Rancho Las Palmas, Las Palmas
Embassy Suites Santa Rosa Plaza, La Quinta
50-Unit Motel, Proposed, Little Lake
Heritage House Resort, Little River
Courtyard by Marriott, Livermore
Diva Hospitality, Livermore
Extended StayAmerica, Livermore
Hilton Garden Inn, Livermore
Hotel, Proposed, Livermore
Residence Inn, Livermore
Embassy Suites, Lompoc
Extended StayAmerica Los Angeles/Long Beach, Long Beach
Breakers Hotel, Long Beach
Holiday Inn, Long Beach
Holiday Inn - Airport, Long Beach
Hyatt Regency, Long Beach
Marriott Hotel, Long Beach
Queen Mary & Related Real Estate, Long Beach
Residence Inn, Long Beach
West Coast Hotel & Marina, Long Beach
Courtyard by Marriott, Prop., Los Altos
Hotel, Proposed, Los Altos
Residence Inn, Prop., Los Altos
Airport Marriott, Los Angeles

Argyle Hotel, Los Angeles
Beverly Hills Residence Inn, Los Angeles
Biltmore Hotel, Los Angeles
Checkers Hotel, Los Angeles
Competitive Luxury Hotel Performance, Los Angeles
Courtyard by Marriott, Los Angeles
Courtyard by Marriott - LAX, Los Angeles
Crowne Plaza LAX, Los Angeles
Doubletree Hotel at LAX, Los Angeles
EconoLodge, Proposed, Los Angeles
Embassy Suites, Los Angeles
Extended StayAmerica LAX, Los Angeles
Four Seasons, Los Angeles
Hard Rock Hotel, Proposed, Los Angeles
Hilton Hotel & Towers, Los Angeles
Hilton Hotel Universal City, Los Angeles
Hilton LAX, Los Angeles
Holiday Inn Brentwood/Bel Air, Los Angeles
Holiday Inn-LAX, Los Angeles
Holiday Inn Crowne Plaza-LAX, Los Angeles
Holiday Inn Express-Van Nuys, Los Angeles
Hotel & Condo Project, Prop., Los Angeles
Hotel Angeleno, Los Angeles
Hotel InterContinental, Los Angeles
Hotel Sofitel Ma Maison, Los Angeles
Hyatt Regency Hotel, Los Angeles
The James Hotel, Proposed, Los Angeles
JW Marriott, Proposed, Los Angeles
Le Meridien Hotel Beverly Hills, Los Angeles
Le Montrose, Los Angeles
Loews Santa Monica Beach, Los Angeles
Mandarin Oriental Hotel, Prop., Los Angeles
Marriott Downtown, Los Angeles
Marriott Hotel - LAX, Los Angeles
Mondrian Hotel, Los Angeles
New Seoul Hotel, Los Angeles
Playa Vista Development, Los Angeles
Quality Hotel Airport, Los Angeles
Radisson Hotel Los Angeles Westside, Los Angeles
Renaissance Beverly Hills, Los Angeles
Residence Inn Beverly Hills, Prop., Los Angeles
Residence Inn, Los Angeles
Ritz-Carlton Hotel, Prop., Los Angeles
SLS Hotel, Proposed, Los Angeles
Sofitel Ma Maison, Los Angeles
Summerfield Suites, Los Angeles
W Hotel, Los Angeles
Westin Bonaventure, Los Angeles
Westmoreland Place, Los Angeles
Hotel & Restaurant, Proposed, Los Gatos
Hotel Los Gatos, Los Gatos
Los Gatos Hotel, Proposed, Los Gatos
Los Gatos Lodge, Los Gatos



Toll House Hotel, Los Gatos
Fess Parker's Wine Country Inn, Los Olivos
Economy Inns of America Motel, Madera
Aman Resort Malibu Canyon, Prop., Malibu
Rancho Malibu Land Valuation, Malibu
Rancho Malibu, Proposed, Malibu
80/50 Private Residence Club, Mammoth
Lakes
Condominium Hotel, Prop., Mammoth Lakes
Luxury Resort Hotel, Prop., Mammoth Lakes
Barnabey's Hotel, Manhattan Beach
Hotel Belamar, Manhattan Beach
SpringHill Suites, Manhattan Beach
TownePlace Suites, Manhattan Beach
Hotel, Proposed, Manteca
Marina Dunes Resort, Marina
Courtyard by Marriott, Marina del Rey
Doubletree Hotel, Marina del Rey
Holiday Inn, Marina del Rey
Holiday Inn Express, Marina del Rey
Inn at Venice Beach, Marina del Rey
Marina del Rey Hotel & Bungalows, Marina
del Rey
Marina del Rey Hotel & Marinas, Marina del
Rey
Marina Suites Hotel, Marina del Rey
Marina Beach Hotel, Marina del Rey
Marriott Hotel, Marina del Rey
Suite Hotel, Proposed, Marina del Rey
Marysville Hotel, Proposed, Marysville
Hill House, Mendocino
Stanford Park Hotel, Menlo Park
"Green" Hotel, Proposed, Merced
Comfort Inn, Millbrae
Beverly heritage Hotel, Milpitas
Candlewood Hotel, Milpitas
Courtyard by Marriott, Milpitas
Days Inn, Milpitas
Extended StayAmerica San Jose/Milpitas,
Milpitas
Extended-Stay Hotel Site, Milpitas
Hilton Garden Inn, Milpitas
Holiday Inn, Milpitas
Homestead Studio Suites San Jose/Milpitas,
Milpitas
Larkspur Landing Hotel, Milpitas
Renaissance Hotel, Proposed, Milpitas
Sheraton Beverly Heritage Hotel, Milpitas
TownePlace Suites, Milpitas
Holiday Inn, Miramar
Courtyard by Marriott, Mira Mesa
Courtyard by Marriott, Modesto
DoubleTree Hotel, Modesto
Hotel, Proposed, Modesto
Motel Orleans, Modesto
Red Lion Hotel, Modesto

Four Points Barcelo Hotel, Monrovia
Homestead Studio Suites Los
Angeles/Monrovia, Monrovia
Renaissance ClubSport, Prop., Monrovia
Miramar Resort Hotel, Montecito
City of Monterey, Monterey
DeAnza Ballroom, Monterey
Doubletree Fisherman's Wharf, Monterey
Doubletree Inn, Monterey
Hotel Pacific, Monterey
Hotel, Proposed, Monterey
Monterey Bay Inn, Monterey
Monterey Marriott Hotel, Monterey
Monterey Peninsula Hotel, Prop., Monterey
Monterey Plaza Hotel, Monterey
Sheraton Hotel, Monterey
Victorian Inn, Monterey
Spindrift Inn, Monterey
Lincoln Plaza Hotel, Monterey Park
Inn at Morro Bay, Morro Bay
Extended StayAmerica San Jose/Morgan Hill,
Morgan Hill
Inn at Morgan Hill, Morgan Hill
Homestead Studio Suites San Jose/Mountain
View, Mountain View
Hilton Garden Inn, Prop., Mountain View
Westin ClubSport, Prop., Mountain View
Aetna Springs Resort, Proposed, Napa
California Boulevard Hotel, Prop., Napa
City of Napa Market Study, Napa
Condo Hotel, Proposed, Napa
Hilton Garden Inn, Napa
Hilton Garden Inn, Proposed, Napa
Intrawest Resort, Proposed, Napa
Hotel, Proposed, Napa
Hotel, Prop./Timeshare, Napa Gateway, Napa
Kimpton Hotel, Proposed, Napa
Lodge on Napa River, Napa
Marriott Hotel, Napa
Napa Valley Marriott, Napa
Randeau Way Hotel, Proposed, Napa
Residence Inn, Proposed, Napa
Sheraton Inn Napa Valley, Napa
Timeshare Development, Prop., Napa
Aetna Parcel Development, Prop., Napa
Valley
Auberge du Soleil, Napa Valley
Best Western Inn, Napa Valley
Clarion Inn, Napa Valley
Inn at Napa Valley, Napa Valley
Silverado, Napa Valley
Windmill Inn, Proposed, Napa Valley
Courtyard by Marriott, Newark
Hilton Newark/Fremont, Newark
Park Inn, Newark
Residence Inn by Marriott, Newark

Woodfin Suites Hotel, Newark
W Suites Hotel, Proposed, Newark
Extended StayAmerica Orange County/John
Wayne Airport, Newport Beach
Hyatt Newporter, Newport Beach
Marriott Suites, Newport Beach
Newport Coast Development, Prop., Newport
Beach
Newporter Resort Hotel, Newport Beach
Sheraton Hotel, Newport Beach
Sutton Place Hotel, Newport Beach
Extended StayAmerica Los
Angeles/Northridge, Northridge
Marriott Courtyard Novato, Novato
Hilton Garden Inn, Proposed, Novato
Shilo Inn, Oakhurst
Courtyard Oakland Airport, Oakland
Courtyard Oakland Downtown, Oakland
Economy Inn, Oakland
Hilton Oakland Airport, Oakland
Holiday Inn Oakland Airport, Oakland
Homewood Suites, Oakland
Oakland Convention Center, Oakland
Oakland Marriott City Center, Oakland
Parc Oakland Hotel, Oakland
Unused Land lease Parcel, Oakland
Waterfront Plaza Hotel, Oakland
Extended StayAmerica San Diego/Oceanside,
Oceanside
Resort at Squaw Creek, Olympic Valley
Clarion Hotel, Ontario
Doubletree Hotel Ontario Airport, Ontario
Extended StayAmerica San Diego/Oceanside,
Oceanside
Extended StayAmerica Los Angeles/Ontario
Airport, Ontario
Holiday Inn, Ontario
La Quinta Inn, Ontario
Marriott Ontario Airport, Ontario
Red Lion Hotel, Ontario
Residence Inn, Ontario
Extended StayAmerica Orange County,
Orange
Residence Inn, Orange
Woodfin Suite Hotel, Orange
Hilton Garden Inn, Proposed, Oxnard
Holiday Inn, Oxnard
Best Western Lighthouse Hotel, Pacifica
Pacifica Quarry Site, Pacifica
Hotel, Proposed, Pacifica
Super 8 Motel, Palmdale
Embassy Suite, Palm Desert
Hawthorne Suites, Palm Desert
Agua Caliente Casino & Resort, Palm
Springs
Canyon Resort Hotel, Palm Springs



Desert Princess, Palm Springs
 Estrella Inn, Palm Springs
 Extended StayAmerica Palm Springs Airport,
 Palm Springs
 Hotel, Proposed, Palm Springs
 Hyatt Palm Springs, Palm Springs
 Hyatt Regency Suites Hotel, Palm Springs
 Marriott Rancho Las Palma, Palm Springs
 Palm Canyon, Palm Springs
 Palm Springs Spa Hotel, Palm Springs
 Spa Hotel & Mineral Springs, Palm Springs
 Wyndham Hotel, Palm Springs
 Cardinal Hotel, Palo Alto
 Holiday Inn, Palo Alto
 Hotel, Proposed, Palo Alto
 Sheraton Hotel, Palo Alto
 Stanford Park Hotel, Palo Alto
 Stanford Terrace Inn, Palo Alto
 Upscale Boutique Hotel, Prop., Palo Alto
 Ambassador College Hotel, Prop., Pasadena
 Courtyard by Marriott, Pasadena
 Holiday Inn Express, Pasadena
 Courtyard by Marriott, Pasadena
 Ritz-Carlton Huntington Hotel, Pasadena
 Hotel, Proposed, Paso Robles
 Best Western Villa Del Lago, Patterson
 Hacienda Hotel, Patterson
 Hotel and Restaurant, Proposed, Patterson
 Hotel, Proposed, Patterson
 Cascade Ranch Lodge, Pescadero
 Elks Lodge, Petaluma
 Beverly Hills Residence Inn, Pico
 Hotel, Proposed, Pinole
 Best Western Grande Arroyo, Pismo Beach
 Cottage Inn, Pismo Beach
 Hilton, Proposed, Pismo Beach
 Hotel, Proposed, Pismo Beach
 Sandcastle Inn, Pismo Beach
 Seacrest Resort, Pismo Beach
 Spyglass Inn, Pismo Beach
 Fairfield Inn, Placentia
 AmeriSuites & Homestead Village, Pleasant
 Hill
 Black Angus Restaurant, Pleasant Hill
 Embassy Suites, Pleasant Hill
 Extended StayAmerica, Pleasant Hill
 Pleasant Hill Inn, Pleasant Hill
 Residence Inn, Pleasant Hill
 Savoy Restaurant, Pleasant Hill
 Summerfield Suites Hotel, Pleasant Hill
 Summerfield Suites Hotel, Prop., Pleasant
 Hill
 Summerfield Suites Hotel, Pleasant Hill
 Woodfin Suite Hotel, Prop., Pleasant Hill
 Candlewood Hotel, Pleasanton
 Extended Stay Deluxe, Pleasanton
 Hilton Hotel, Pleasanton
 Holiday Inn, Pleasanton
 Courtyard by Marriott, Pleasanton
 Larkspur Landing Hotel, Pleasanton
 Pleasanton Hilton Hotel, Pleasanton
 Sierra Suites, Pleasanton
 Summerfield Suites, Pleasanton
 Wyndham Garden Hotel, Pleasanton
 Wyndham Garden Inn, Pleasanton
 Shilo Inn, Pomona
 Shilo Inn Pomona Hilltop, Pomona
 Aetna Springs Resort, Pope Valley
 Hampton Inn, Proposed, Porterville
 Country Inn, Port Hueneme
 Portland Westin Hotel, Portland
 Residence Inn, Poway
 SpringHill Suites, Poway
 Holiday Inn, Rancho Bernardo
 Rancho Bernardo Inn, Rancho Bernardo
 Crossland Studios Sacramento/Rancho
 Cordova Point East Dr., Rancho Cordova
 Economy Inn, Rancho Cordova
 Extended StayAmerica Sacramento/Rancho
 Cordova White Rock Rd., Rancho Cordova
 Hallmark Suites Hotel, Rancho Cordova
 Marriott Courtyard, Rancho Cordova
 Quality Suites, Rancho Cordova
 Agua Caliente Casino & Resort, Prop.,
 Rancho Mirage
 Marriott Rancho Las Palmas, Rancho Mirage
 Five-Star Resort & Golf Course, Proposed,
 Rancho Palos Verdes
 110-Room Full-Service Hotel, Prop., Redding
 Bridge Bay Marina, Redding
 Fairfield Inn & Suites, Proposed, Redding
 Grand Manor Inn, Redding
 La Quinta Inn, Redding
 Microtel Inn & Suites, Redding
 Motel Orleans East, Redding
 Motel 6, Redding
 Park Terrace, Redding
 Red Lion Hotel, Redding
 Red Lion Inn, Redding
 Shasta Inn, Redding
 TownePlace Suites, Proposed, Redding
 Turntable Bay Marina, Existing, Redding
 Turntable Bay Marina, Proposed, Redding
 Good Nite Inn, Redlands
 Portofino Hotel & Yacht Club, Redondo
 Beach
 Sheraton Redondo Beach, Redondo Beach
 Hotel, Prop. (Blair Towers), Redwood City
 Hotel Sofitel at Redwood Shores, Redwood
 City
 Super 8, Redwood City
 Extended StayAmerica, Richmond
 Carriage Inn, Ridgecrest
 Holiday Inn Select, Riverside
 Marriott Hotel, Riverside
 Mission Inn, Riverside
 DoubleTree Sonoma County, Rohnert Park
 Good Nite Inn, Rohnert Park
 Ramada Limited Hotel, Rohnert Park
 Red Lion Hotel, Rohnert Park
 Extended StayAmerica, Roseville
 Hilton Gardens Hotel, Roseville
 Hilton Garden Inn, Roseville
 Hotel & Convention Center, Prop., Roseville
 Larkspur Landing Hotel, Roseville
 Allstar Inn, Sacramento
 Arco Arena, Sacramento
 Boutique Hotel Conversion, Sacramento
 Candlewood Hotel, Proposed, Sacramento
 Candlewood Hotel, Sacramento
 Citizen Hotel, Sacramento
 Clarion Hotel, Sacramento
 Convention Hotel, Proposed, Sacramento
 Courtyard by Marriott, Sacramento
 Courtyard by Marriott Cal Expo, Sacramento
 Docks Hotel, Proposed, Sacramento
 Dodge City Motel, Sacramento
 DoubleTree Hotel, Sacramento
 Embassy Suites Riverfront Promenade,
 Sacramento
 Extended StayAmerica Arden Way,
 Sacramento
 Extended StayAmerica North Gate,
 Sacramento
 Fairfield Inn & Suites, Sacramento
 Hilton Arden West, Sacramento
 Hilton Garden Inn, Sacramento
 Hilton Hotel, Sacramento
 Hilton Inn, Sacramento
 Holiday Inn, Sacramento
 Homestead Studio Suites Sacramento/South
 Natomas, Sacramento
 Hyatt Regency, Sacramento
 Hyatt Regency at Capitol Park, Sacramento
 La Quinta Hotel Downtown, Sacramento
 La Quinta Hotel North, Sacramento
 Larkspur Landing Hotel, Sacramento
 Limited-Service Hotel, Prop., Sacramento
 Motel Orleans, Sacramento
 Peregrine Real Estate Trust, Sacramento
 Radisson Hotel, Sacramento
 Red Lion Hotel–Sacramento, Sacramento
 Red Lion–Sacramento Inn, Sacramento
 Residence Inn by Marriott - Cal Expo,
 Sacramento
 Residence Inn, Proposed, Sacramento
 Residence Inn South Natomas, Sacramento
 Riverboat Delta King, Sacramento



Sacramento Hilton, Sacramento
Sacramento Inn, Sacramento
Sierra Inn, Sacramento
Sixty-Unit Hotel, Proposed, Sacramento
SpringHill Suites, Proposed, Sacramento
Sterling Hotel, Sacramento
Three Franchised Marriott Hotels, Proposed, Sacramento
TownePlace Suites by Marriott, Cal Expo, Sacramento
Travelers Inn, Sacramento
Vizcaya Catering Hall, Prop., Sacramento
Woodlake Inn, Sacramento
La Quinta Inn, San Bernardino
San Sevain Redevelopment Project Area, San Bernardino
Courtyard by Marriott, San Bruno
Homestead Studio Suites San Francisco/San Carlos, San Carlos
500 West Broadway, San Diego
Bahia Resort Hotel, San Diego
Ballpark and Redevelopment Project, San Diego
Best Western Bayside Inn, San Diego
Best Western Blue Sea Lodge, San Diego
Best Western Hanalei, San Diego
Best Western Island Palms Resort, San Diego
Best Western Seven Seas Lodge, San Diego
Bridgeworks Mixed-Use Development, San Diego
Carmel Highland Doubletree, San Diego
Catamaran Resort Hotel, San Diego
Clarion Bay View Hotel, San Diego
Comfort Inn, San Diego
Comfort Inn-Gaslamp, San Diego
Comfort Inn Old Town, San Diego
Courtyard by Marriott, San Diego
Courtyard by Marriott, Prop., San Diego
Days Inn Hotel Circle, San Diego
Del Mar Marriott, San Diego
Diegan Hotel, Proposed, San Diego
DoubleTree Club Hotel, San Diego
DoubleTree Del Mar, San Diego
DoubleTree Hotel at Horton Plaza, San Diego
Embassy Suites-La Jolla, San Diego
Executive Lodge, San Diego
Extended StayAmerica San Diego Hotel Circle, San Diego
Extended StayAmerica San Diego/Mission Valley/Stadium, San Diego
Golden Door Spa, San Diego
Grand Del Mar, Proposed, San Diego
Grand Del Mar National Golf Course, San Diego
Grand Hyatt, San Diego
Hampton Inn, San Diego
Hampton Inn Downtown, San Diego
Hanalei Hotel, San Diego
Hampton Inn S.D. Airport/SeaWorld, San Diego
Harbour Lights, San Diego
Hard Rock Hotel, Proposed, San Diego
Hilton Garden Del Mar, San Diego
Hilton Garden Inn, San Diego
Hilton Garden Inn, Proposed, San Diego
Hilton Garden Inn Shelter Island, Proposed, San Diego
Hilton Gaslamp Lasalle, San Diego
Hilton Harbor Island, San Diego
Hilton, Proposed, San Diego
Holiday Inn, San Diego
Holiday Inn Express, San Diego
Holiday Inn Express Sea World, San Diego
Homestead Studio Suites San Diego/Mission Valley, San Diego
Homestead Studio Suites San Diego/Sorrento Mesa, San Diego
Homewood Suites, Proposed, San Diego
Hotel Del Coronado, San Diego
Hotel San Diego, San Diego
Howard Johnson, San Diego
Hyatt Islandia, San Diego
Hyatt Regency La Jolla, San Diego
Intercontinental Hotel, San Diego
Island Palms Hotel, San Diego
Kings Inn, San Diego
La Jolla Village Inn, San Diego
La Quinta Inn, San Diego
Manchester Grand Hyatt, San Diego
Marriott Hotel and Marina, San Diego
Marriott Mission Valley, San Diego
Marriott Suites, San Diego
Meridien Hotel, San Diego
Mission Valley Inn, San Diego
Mission Valley Hilton, San Diego
Omni Hotel, San Diego
Paradise Point Resort, San Diego
Pickwick Hotel, San Diego
Prava Hotel, San Diego
Quality Inn & Suites, San Diego
Radisson Hotel, San Diego
Ramada Limited Suites, San Diego
Rancho Bernardo Inn, San Diego
Rancho Bernardo Inn & Oaks Golf Course, San Diego
Red Lion Hotel, San Diego
Residence Inn, San Diego
Renaissance Hotel, Prop., San Diego
San Diego Hilton Convention Center Hotel, Prop., San Diego
San Diego Marriott Hotel & Marina, San Diego
Select-Service Hotel, Prop., San Diego
Setai Hotel San Diego, Prop., San Diego
Shelter Pointe Hotel & Marina, San Diego
Sheraton Grand, San Diego
Sheraton Harbor Island East, San Diego
Sheraton Harbor & Marina, San Diego
Sheraton Suites, San Diego
Summer House Inn, San Diego
Super 8 Motel-Point Loma, San Diego
Symphony Towers, San Diego
Town and Country Hotel, San Diego
U.S. Grant Hotel, San Diego
Westin Horton Plaza, San Diego
Woodfin Suites Hotel, San Diego
Wyndham Emerald Plaza Hotel, San Diego
Extended StayAmerica, San Dimas
ANA Hotel, San Francisco
Argent Hotel, San Francisco
Argonaut Hotel, San Francisco
Bedford Hotel, San Francisco
Bellevue Hotel, San Francisco
Beresford Hotel, San Francisco
Best Western Canterbury Inn, San Francisco
Bix Restaurant, San Francisco
Broadway Hotel Site, Prop., San Francisco
Campton Place Hotel, San Francisco
Cartwright Hotel, San Francisco
Chancellor Hotel, San Francisco
The Clift Hotel, San Francisco
Comfort Inn by the Bay, San Francisco
Courtyard by Marriott, San Francisco
Donatello Hotel, San Francisco
DoubleTree Club Hotel, Prop., San Francisco
El Drisco Hotel, San Francisco
Embarcadero Inn, San Francisco
Excipio San Francisco, San Francisco
Executive Vintage Court, San Francisco
Fairmont Hotel, San Francisco
Four Seasons Hotel, San Francisco
Galleria Park Hotel, San Francisco
Grand Hyatt, San Francisco
Harbor Court Hotel, San Francisco
Hard Rock Hotel, Proposed, San Francisco
Haslett Warehouse Hotel, Prop., San Francisco
Hilton Financial District, San Francisco
Hilton Fisherman's Wharf, San Francisco
Hilton Garden Inn, Prop., San Francisco
Hilton Hotel SFO, San Francisco
Hilton San Francisco & Towers, San Francisco
Holiday Inn-Civic Center, San Francisco
Holiday Inn-Fisherman's Wharf, San Francisco
Holiday Inn-Golden Gateway, San Francisco
Holiday Inn-SFO, San Francisco
Holiday Inn Select Financial District, San Francisco
Holiday Lodge, San Francisco



Hotel Bijoux, San Francisco
Hotel Cosmo, San Francisco
Hotel Diva, San Francisco
Hotel Griffon, San Francisco
Hotel Griffon & Red Herring Restaurant, San Francisco
Hotel Griffon & Roti Restaurant, San Francisco
Hotel Majestic, San Francisco
Hotel Monaco, San Francisco
Hotel Nikko, San Francisco
Hotel Palomar, San Francisco
Hotel, Proposed, San Francisco
Hotel Rex, San Francisco
Hotel Triton, San Francisco
Hotel Union Square, San Francisco
Hotel Vintage Court, San Francisco
Howard Johnson's Pickwick Hotel, San Francisco
Hyatt at Fisherman's Wharf, San Francisco
Hyatt Regency, San Francisco
Hyatt Regency Embarcadero, San Francisco
Inn at 2961 Pacific Avenue, Prop., San Francisco
Inn at Fisherman's Wharf, Prop., San Francisco
Inn at the Opera, San Francisco
Juliana Hotel, San Francisco
King George Hotel, San Francisco
King Street Hotel, Prop., San Francisco
Lambourne Hotel, San Francisco
Langham Hotel, Prop., San Francisco
Leased Land – 495 Geary Street, Prop., San Francisco
Le Meridien Hotel, San Francisco
The Majestic, San Francisco
Mandarin Hotel, San Francisco
Mark Twain Hotel, San Francisco
Marriott Fisherman's Wharf, San Francisco
Masa's Restaurant, San Francisco
Maxwell Hotel, San Francisco
Mission & Steuart Hotel, Prop., San Francisco
Mission Bay Community Center, San Francisco
Mission Bay Hotel, Proposed, San Francisco
Miyako Hotel, San Francisco
Nob Hill Lamborne Hotel & Prop. Timeshare, San Francisco
Olympic Hotel & Delicatessen, San Francisco
Orchard Hotel, San Francisco
Palace Hotel, San Francisco
Palomar Hotel, San Francisco
Pan Pacific Hotel, San Francisco
Parc Fifty-Five, San Francisco
Park Hyatt, San Francisco
Piers 30/32, San Francisco
Portman Hotel, San Francisco
Prescott Hotel, San Francisco
Presidio Travelodge, San Francisco
Queen Anne Hotel, San Francisco
Radisson Hotel at Fisherman's Wharf
Ramada Inn Fisherman's Wharf, San Francisco
Ramada Hotel, San Francisco
Ramada Inn at Union Square, San Francisco
Ramada Plaza Hotel, San Francisco
Red Roof Inn & Studio 6, Prop., San Francisco
Regis Hotel, San Francisco
Renaissance ClubSport, Prop., San Francisco
Renaissance ClubSport, San Francisco
Renaissance Parc 55, San Francisco
Renaissance Stanford Hotel & Parking Garage, San Francisco
Residence Inn, Proposed, San Francisco
Richelieu Hotel, San Francisco
Ritz-Carlton, Proposed, San Francisco
Rosewood Hotel, San Francisco
San Francisco Airport Hilton, San Francisco
Hilton Hotel, San Francisco
San Francisco Hotel, San Francisco
San Francisco Marriott, San Francisco
San Francisco Wharf Retail, San Francisco
Savoy Hotel, San Francisco
Serrano Hotel, San Francisco
Shangri-La Hotel, Prop., San Francisco
Shannon Court Hotel, San Francisco
Sheraton Fisherman's Wharf, San Francisco
Sheraton Palace, San Francisco
Sir Francis Drake Hotel, San Francisco
Stanford Court, San Francisco
St. Regis Hotel, Proposed, San Francisco
Super 8 Hotel at Fisherman's Wharf
Transcontinental Majestic Hotel, San Francisco
Triton Hotel, San Francisco
Tuscan Inn, San Francisco
Villa Florence & Kuleto's, San Francisco
Westin St. Francis Hotel, San Francisco
Whitehall Inn, San Francisco
Courtyard by Marriott SFO, San Francisco
300-Room Hotel Site, San Jose
400-Room Hotel Site, San Jose Holiday Inn, San Jose
Crowne Plaza, San Jose
DoubleTree Hotel, San Jose
Extended StayAmerica San Jose/Santa Clara, San Jose
Extended Stay Deluxe San Jose Downtown, San Jose
Extended Stay Deluxe San Jose South/Edenvale, San Jose
Fairmont Hotel, San Jose
Hayes Mansion Conference Center, San Jose
Holiday Inn, San Jose
Homestead Studio Suites, San Jose
Homewood Suites, San Jose
Hotel, Proposed, San Jose
Hotel Valencia, San Jose
Hyatt San Jose, San Jose
Hyatt St. Claire, San Jose
Inn at Moorpark Hotel, San Jose
Ramada Renaissance Hotel, San Jose
Radisson Plaza Hotel Airport, San Jose
Red Lion-San Jose, San Jose
Renaissance ClubSport, Prop., San Jose
San Jose Fairmont Hotel, San Jose
San Jose Marriott, San Jose
Sierra Suites, Proposed, San Jose
TownePlace Suites by Marriott, San Jose
Islander Lodge Motel, San Leandro
Apple Farm Inn, San Luis Obispo
Embassy Suites Hotel, San Luis Obispo
Pacific Suites Hotel, San Luis Obispo
Quality Suites, San Luis Obispo
Twin Oaks Golf Course, San Marcos
Benjamin Franklin Hotel, San Mateo
Dunfey Hotel, San Mateo
Extended-Stay Hotel, Prop., San Mateo
Holiday Inn, San Mateo
Holiday Inn Express, San Mateo
Homestead Studio Suites San Francisco/San Mateo, San Mateo
Hotel, Proposed, San Mateo
Marriott San Mateo (San Francisco Airport), San Mateo
Residence Inn by Marriott, San Mateo
Villa Hotel, San Mateo
Hilton Hotel, San Pedro
Embassy Suites, San Rafael
Extended StayAmerica San Ramon/Bishop Ranch, San Rafael
Extended Stay Hotel, San Rafael
Four Points Barcelo Hotel, San Rafael
Four Points by Sheraton San Rafael, San Rafael
Homestead Studio Suites San Ramon/Bishop Ranch, San Ramon
Hotel, Proposed, San Ramon
Marriott Hotel, San Ramon
Residence Inn, San Ramon
Sierra Suites Hotel, Proposed, San Ramon
Sierra Suites Hotel, San Ramon
California Palms, Santa Ana
Compri Hotel, Santa Ana
Embassy Suites, Santa Ana
Executive Inn, Santa Ana
Executive Lodge, Santa Ana
Orange County Ramada Hotel, Santa Ana
Quality Suites, Santa Ana
Westin Hotel, Proposed, Santa Ana
Westin MainPlace Hotel, Prop., Santa Ana
Woolley's Petite Suites, Santa Ana
Bacara Resort & Spa, Santa Barbara
El Encanto Hotel & Garden Villas, Santa Barbara
Extended StayAmerica, Santa Barbara
Fess Parker's Doubletree Resort, Santa Barbara



Fess Parker's El Marisol Resort, Prop., Santa Barbara
Fess Parker's Red Lion Resort, Santa Barbara
Four Seasons Biltmore Resort, Santa Barbara
Miramar Hotel, Santa Barbara
Montecito Inn, Santa Barbara
Ramada Inn & IHOP Restaurant, Santa Barbara
Resort Hotel, Santa Barbara
Santa Barbara Inn, Santa Barbara
Santa Barbara Club Resort & Spa, Santa Barbara
San Ysidro Ranch, Santa Barbara
Budget Inn, Santa Clara
Embassy Suites, Santa Clara
Hilton Silicon Valley, Santa Clara
Holiday Inn Great America, Santa Clara
Howard Johnson's Hotel, Santa Clara
Marriott Hotel, Santa Clara
Quality Suites, Santa Clara
Sierra Suites, Santa Clara
Summerfield Suites, Santa Clara
Westin Santa Clara, Santa Clara
Fairfield Inn, Santa Clarita
Hampton Inn, Santa Clarita
Hilton Garden Inn, Santa Clarita
Hilton Town Center, Santa Clarita
Residence Inn, Santa Clarita
Coast Santa Cruz Hotel, Santa Cruz
Hilton Scotts Valley, Santa Cruz
Inn at Pasatiempo, Santa Cruz
Dream Inn, Santa Cruz
Motel 6, Santa Maria
Santa Maria Airport Hilton, Santa Maria
Boutique Hotel, Proposed, Santa Monica
Casa Del Mar, Santa Monica
EconoLodge, Proposed, Santa Monica
Fairmont Miramar Hotel, Santa Monica
Holiday Inn, Santa Monica
Holiday Inn at the Pier, Santa Monica
Huntley Hotel, Santa Monica
Loews Santa Monica Beach Hotel, Santa Monica
Ocean Avenue Hotel, Santa Monica
Pacific Shore Hotel, Santa Monica
Park Hyatt Hotel, Santa Monica
Santa Monica Beach Hotel, Santa Monica
Sheraton Miramar Hotel, Santa Monica
Shutters at the Beach, Santa Monica
Viceroy Hotel, Santa Monica
Holiday Inn, Santa Nella
Courtyard by Marriott, Santa Rosa
Extended StayAmerica Santa Rosa North, Santa Rosa
Flamingo Hotel, Santa Rosa
Fountain Grove Inn, Santa Rosa
Hilton Sonoma County, Santa Rosa
Holiday Inn, Santa Rosa
Hyatt Vineyard Creek, Santa Rosa
Alta Mira Hotel, Sausalito
Casa Madrona Hotel, Sausalito
Horizons Restaurant, Sausalito
Days Inn Seaside, Seaside
Embassy Suites, Seaside
Fairmont Hotel, Proposed, Seaside
Four-Star Hotel, Proposed, Seaside
Holiday Inn Express, Seaside
Seaside 8, Seaside
Radisson Valley Center Hotel, Sherman Oaks
Extended StayAmerica Los Angeles/Simi Valley, Simi Valley
Ramada Inn, Solana Beach
Danish Country Inn, Solvang
Best Western Sonoma Valley Inn, Sonoma
Fairmont Sonoma Mission Inn, Sonoma
Hilton Hotel Sonoma, Sonoma
Lodge at Sonoma, Proposed, Sonoma
MacArthur Place, Sonoma
Red Lion Inn, Sonoma
Renaissance Lodge at Sonoma, Sonoma
Sonoma Valley Inn, Sonoma
Hardage Suites Hotel Site, Sorrento Mesa
Woodfin Suites Hotel, Sorrento Mesa
Embassy Suites Hotel, South Lake Tahoe
St. Christopher Motel, South Lake Tahoe
Timberwolf Lodge, South Lake Tahoe
Woodfin Suite Hotel, Prop., Sorrento Mesa
Crown Sterling Suites, South San Francisco
Goodnite Inn, South San Francisco
Grosvenor Hotel, South San Francisco
Hilton Garden Inn, South San Francisco
Holiday Inn, South San Francisco
La Quinta Inn, South San Francisco
Larkspur Landing Hotel, South San Francisco
Marriott Hotel, Prop., South San Francisco
Ramada Inn, South San Francisco
Renaissance ClubSport, Prop., South San Jose
390-Room Hotel, Prop., South San Francisco
Travelodge Hotel SFO North, South San Francisco
Hotel, Proposed, Squaw Valley
Extended StayAmerica, Stevenson Ranch
Harvest Inn, St. Helena
Meadowood Resort, St. Helena
Extended StayAmerica, Stockton
La Quinta Inn, Stockton
Motel Orleans, Stockton
Radisson Hotel, Stockton
Sheraton Hotel, Prop., Stockton
Stockton Hilton, Stockton
Holiday Inn Express, Prop., Sun City
Holiday Inn, Sunnyvale
Neighborhood Suites Hotel, Sunnyvale
The Grand Hotel, Proposed, Sunnyvale
Homewood Studio Suites, Sunnyvale
Larkspur Landing Hotel, Sunnyvale
Radisson Inn, Sunnyvale
Residence Inn Silicon Valley II, Sunnyvale
Sunnyvale Hilton, Sunnyvale
Super 8, Sunnyvale
Good Nite Inn, Sylmar
Embassy Suites, Temecula
Extended StayAmerica, Temecula
Ramada Inn, Temecula
Temecula Creek Inn & Golf, Temecula
Temecula Inn, Temecula
Extended StayAmerica Los Angeles/Torrance, Torrance
Extended StayAmerica Los Angeles/Torrance Harbor Gateway, Torrance
Hilton Hotel, Torrance
Holiday Inn - Torrance, Torrance
Homestead Studio Suites, Torrance
Residence Inn, Torrance
Extended StayAmerica Stockton/Tracy, Tracy
Extended StayAmerica, Union City
Hilton Hotel, Universal City
MCA Hotel, Proposed, Universal City
Sheraton Universal, Universal City
Hotel, Proposed, Upland
Courtyard by Marriott, Vacaville
Extended StayAmerica Sacramento/Vacaville, Vacaville
Holiday Inn Express & Suites, Vacaville
Extended-Stay Hotel, Proposed, Valencia
Hilton Garden Inn, Valencia
Holiday Inn, Vallejo
Hotel ClubSport, Prop., Vallejo
Lodging Facility, Prop., Valley Springs
Holiday Inn, Van Nuys
Hotel Van Nuys, Van Nuys
La Quinta Inn, Ventura
Habortown Marina Resort, Ventura
Ocean Resorts/Habortown Hotel, Ventura
Sheraton Hotel, Ventura
City of Visalia, Visalia
Holiday Inn, Visalia
Radisson Hotel, Visalia
La Quinta Inn, Vista
110-Room Boutique Hotel, Prop., Walnut Creek
Embassy Suites Walnut Creek, Walnut Creek
Holiday Inn, Walnut Creek
Marriott Hotel, Walnut Creek
Parkside Hotel, Walnut Creek
Renaissance ClubSport, Walnut Creek
Renaissance ClubSport, Prop., Walnut Creek
Royce Hotel, Proposed, Walnut Creek
Marriott Hotel, Walnut Creek



Westin ClubSport, Prop., Walnut Creek
 City of Watsonville, Watsonville
 The Argyle Hotel, West Hollywood
 Hyatt West Hollywood, West Hollywood
 Le Bel Age, West Hollywood
 Le Dufy, West Hollywood
 Le Mondrian, West Hollywood
 Le Montrose, West Hollywood
 Ramada Hotel, West Hollywood
 Summerfield Suites, West Hollywood
 Sunset Towers Hotel, West Hollywood
 Wyndham Bel Age, West Hollywood
 Extended StayAmerica, West Sacramento
 Golden Pheasant, Willows
 Microtel Inn & Suites, Willows
 Whittier Hilton, Whittier
 Hotel, Proposed, Whittier
 Hotel, Proposed, Woodland
 Woodland Hotel & Conference Center, Prop.,
 Woodland
 Extended StayAmerica, Woodland Hills
 Marriott Warner Center, Woodland Hills
 Skylonda Retreat, Woodside
 Extended StayAmerica, Yorba Linda
 Marriott Tenaya Lodge, Prop., Yosemite
 Luxury Hotel, Proposed, Yountville
 Napa Valley Lodge, Yountville
 Bonanza & Convention Center, Yuba City
 Motel Orleans, Yuba City

COLORADO

Hotel Jerome, Aspen
 Hampton Inn, Aurora
 Holiday Inn Southeast, Aurora
 Isle of Capri Casino Hotel, Black Hawk
 Downtown Boulder Hotel, Boulder
 Embassy Suites, Boulder
 Hilton Harvest House, Boulder
 Holiday Inn, Boulder
 Hotel Boulderado, Boulder
 St. Julien Hotel and Spa, Boulder
 Casino Hotel, Proposed, Central City
 Imperial Casino, Cripple Creek
 Best Western Le Baron Hotel, Colorado
 Springs
 Colorado Grande Casino, Colorado Springs
 Double Eagle Casino Hotel, Proposed,
 Colorado Springs
 DoubleTree Hotel, Colorado Springs
 Embassy Suites, Colorado Springs
 Hilton, Colorado Springs
 Double Eagle Casino Hotel, Prop., Cripple
 Creek
 Brown Palace, Denver
 Days Inn-Arapahoe, Denver
 Days Inn-Colfax, Denver

Embassy Suites, Denver
 Executive Tower Hotel, Denver
 Hotel Monaco, Denver
 Hotel Teatro, Denver
 JW Marriott, Denver
 Le Baron Hotel, Denver
 Radisson, Denver
 Denver Hilton, Englewood
 Sheraton Denver Tech Center Hotel, Englewood
 Holiday Inn, Fort Collins
 Summerfield Suites, Prop., Greenwood Village
 Residence Inn, Highlands Ranch, Colorado
 Hampton Inn, Proposed, Lakewood
 Marriott Hotel, Pueblo
 Silvertree Hotel, Snowmass
 Wildwood Lodge, Snowmass
 Westin Hotel, Vail

CONNECTICUT

Holiday Inn, Darien
 Days Inn, Proposed, Enfield
 Hartford Hilton, Hartford
 Motel 6, Hartford
 Residence Inn, Meriden
 Norwalk Dolce, Norwalk
 Executive Hotel, Stamford
 Harley Hotel, Stamford
 Holiday Inn-Crowne Plaza, Stamford
 Inn at National Hall, Westport
 Fairfield Inn, Windsor Locks

DISTRICT OF COLUMBIA

ANA Hotel
 Courtyard by Marriott
 DoubleTree Hotel Conversion
 Embassy Suites Hotel
 Fairmont Hotel
 Four Seasons Hotel
 Harambee House
 Hotel Monaco
 Hyatt Regency
 Hyatt Regency Washington on Capitol Hill
 J.W. Marriott Hotel
 Marriott Metro Center
 Monarch Hotel
 Residence Inn
 Ritz-Carlton
 Ritz-Carlton-Georgetown
 River Inn
 St. James
 Sheraton Washington Hotel
 Washington Court Hotel
 Washington Terrace Hotel
 Westin Embassy Row

FLORIDA

Holiday Inn, Altamonte Springs
 Boca Raton Marriott at Boca Center, Boca
 Raton
 Embassy Suites, Boca Raton
 Marriott Hotel at Crocker Center, Boca Raton
 Petite Suites, Boca Raton
 Homestead Studio Suites, Branchburg
 Best Western Sea Wake Resort, Clearwater
 Homestead Studio Suites, Clearwater
 Holiday Inn, Clearwater
 Holiday Inn Gulfview, Clearwater
 Sheraton Sand Key Resort, Clearwater
 Holiday Inn Surfside, Clearwater Beach
 Hyatt Hotel, Coral Gables
 Hotel, Proposed, Dania Beach
 Homestead Studio Suites, Davie
 Daytona Beach Radisson, Daytona Beach
 DoubleTree Guest Suites Melbourne Beach
 Oceanfront, Indialantic
 Cheeca Lodge & Spa, Islamorada
 Doubletree Oceanfront, Ft. Lauderdale
 Galleria Doubletree Guest Suites, Ft. Lauderdale
 Holiday Inn-Airport, Ft. Lauderdale
 Holiday Inn-Beach, Ft. Lauderdale
 Holiday Inn-North, Ft. Lauderdale
 Sheraton Suites Cypress Creek, Ft. Lauderdale
 Best Western Ft. Meyers Island Gateway, Ft.
 Meyers
 Pink Shell Beach Resort, Ft. Meyers Beach
 Fairfield Inn, Gainesville
 Cheeca Lodge, Islamorada
 Sea Turtle Inn, Jacksonville
 Wyndham Casa Marina Resort, Key West
 EconoLodge Hawaiian Resort, Kissimmee
 Holiday Inn – Maingate, Kissimmee
 Best Western, Lake Buena Vista
 Ramada Resort – Maingate, Kissimmee
 Embassy Suites, Lake Buena Vista
 Embassy Suites Orlando, Lake Buena Vista
 Grosvenor Hotel, Lake Buena Vista
 Woodfin Suite Hotel, Prop., Lake Buena Vista
 Holiday Inn-Madeira, Madeira Beach
 Radisson Hotel, Marco Island
 Hilton Rialto Place Hotel, Melbourne
 Melbourne Hilton, Melbourne
 Melbourne Hilton Oceanfront, Melbourne
 Melbourne Quality Suites, Melbourne
 Melbourne Suites Beach Resort, Melbourne
 Fairfield Inn, Miami
 Flagler Dog Track & Magic City Casino, Miami
 Holiday Inn-Calder, Miami
 Homestead Studio Suites, Miami
 Fairfield Inn International, Miami
 Fairfield Inn South, Miami
 Hilton Hotel, Miami



Ritz-Carlton South Beach, Miami
 Buena Vista Resort Hotel, Prop., Orlando
 Courtyard Marriott Village, Orlando
 Fairfield Inn, Orlando
 Hampton Inn, Orlando
 Holiday Inn Express, Orlando
 Hyatt Regency Grand Cypress, Orlando
 Fairfield Inn Marriott Village, Orlando
 Holiday Inn-International Drive, Orlando
 Holiday Inn-Lee Road, Orlando
 Peabody Hotel, Orlando
 Sheraton Jetport Inn, Orlando
 Sheraton Lakeside, Orlando
 SpringHill Suites Marriott Village, Orlando
 Holiday Inn, Palm Beach Gardens
 DoubleTree Hotel, Palm Gardens
 Plantation Sheraton Suites, Plantation
 Renaissance Resort World Golf Village, St. Augustine
 Holiday Inn-Lido Beach, Sarasota
 SpringHill Suites, Saratoga Springs
 Doubletree Tallahassee, Tallahassee
 Homestead Studio Suites, Tamarac
 Chase Suites Hotel, Tampa
 Embassy Suites, Tampa
 Hilton Tampa Airport Westshore, Tampa
 Holiday Inn-Airport, Tampa
 Homestead Studio Suites, Tampa
 Ramada Inn, Tampa
 Renaissance Tampa Hotel International Plaza, Tampa
 Wyndham Westshore Hotel, Tampa

GEORGIA

Homewood Suites, Alpharetta
 Sierra Suites Hotel, Proposed, Alpharetta
 Crowne Plaza Atlanta-Ravinia, Atlanta
 Fairfield Inn, Atlanta
 Fairfield Inn, Atlanta-Gwinnett
 Fairfield Inn, Atlanta-Northlake
 Fairfield Inn, Atlanta-Northwest
 Fairfield Inn, Atlanta-Peachtree
 Fairfield Inn, Atlanta-Southlake
 Hilton Atlanta, Atlanta
 Hilton Garden Inn Winward, Atlanta
 Holiday Inn Atlanta Downtown, Atlanta
 Hyatt-Airport, Proposed, Atlanta
 Motel 6, Atlanta
 Neighborhood Inn, Atlanta
 Residence Inn, Atlanta
 Residence Inn Atlanta Buckhead at Lenox Park, Atlanta
 Residence Inn Atlanta Midtown, Atlanta
 Residence Inn, Perimeter West Atlanta, Atlanta
 Sheraton Suites Galleria, Atlanta

Stouffer's Hotel-Proposed, Atlanta
 Westin Peachtree Plaza, Atlanta
 W Hotel Buckhead, Atlanta
 Homewood Suites, Augusta
 Fairfield Inn, College Park
 Holiday Inn-Crowne Plaza, College Park
 Fairfield Inn-Gwinnett, Duluth
 Howard Johnson's, Forsyth
 Fairfield Inn, Kennesaw
 SpringHill Suites, Kennesaw
 Development, Proposed, Lake Lanier
 Hampton Inn, Lawrenceville
 Hilton Garden Inn, Lithonia
 Fairfield Inn, Marietta
 Hyatt Hotel, Marietta
 Hyatt Regency Suites, Marietta
 Fairfield Inn, Morrow
 Fairfield Inn, Norcross
 Homestead Studio Suites, Norcross
 Motel 6, Norcross
 Brookwood Inn, Roswell
 Fairfield Inn, Savannah
 TownePlace Suites by Marriott, Savannah
 Westin Savannah Harbor, Savannah
 Hampton Inn Southlake, Southlake
 Melhana – The Grand Plantation, Thomasville

HAWAII

Development, Hokukano Ranch, Prop., Mauna Loa, Hawaii
 Fairmont Orchid, Kamuela, Hawaii
 Hotel, Condo Hotel, Fractional & Timeshare Development, Prop., Hawaii
 Hawaii King Kamehameha, Kona, Hawaii
 Mandarin Oriental Hotel, Prop., Ko Olina, Hawaii
 Sheraton Keauhou Bay Resort, Kailua-Kona, Hawaii
 Sheraton Princess, Kailua, Hawaii
 Marriott Kauai Resort, Lihue, Kauai
 Ritz-Carlton Mauna-Lani, South Kohala, Hawaii
 Waikoloa Marriott, Waikoloa, Hawaii
 Coco Palms Resort, Wailua, Kauai
 Courtyard by Marriott, Prop., Kauai
 Courtyard Kauai @ Waipouli Beach, Kauai
 Kauai Coconut Beach Hotel, Kapa'a, Kauai
 Kiahuna Plantation, Poipu Beach, Kauai
 Makai Golf Course, Princeville, Kauai
 Princeville Resort Hotel, Princeville, Kauai
 Timeshare Resort, Prop., Kapa'a, Kauai
 Westin Kauai at Kauai Lagoons Resort, Kauai
 Challenge at Manele Golf Course, Lanai
 Experience at Koele Golf Course, Lanai
 Four Seasons Resort Lanai at Manele Bay, Lanai

Four Seasons Resort Lanai, The Lodge at Koele, Lanai
 Royal Palm Resort, Haikui, Maui
 Hilo Hawaiian Hotel, Hilo, Maui
 Condo-Hotel, Prop., Kaanapali, Maui
 Kapalua Bay Hotel, Kapalua, Maui
 Maui Coast Hotel, Kihei, Maui
 Maui Oceanfront Inn, Kihei, Maui
 Ritz-Carlton Kapalua, Kapalua, Maui
 Embassy Suites, Lahaina, Maui
 Sheraton Maui, Lahaina, Maui
 Coco Palmas Resort, Wailea, Maui
 Fairmont Kea Lani Resort, Wailea, Maui
 Grand Wailea Resort, Wailea, Maui
 Kea Lani Resort, Wailea, Maui
 Wailea Marriott, Wailea, Maui
 W Resort, Prop., Wailea, Maui
 DoubleTree Alana Waikiki Hotel, Honolulu, Hawaii
 Hotel, Proposed, Honolulu, Oahu
 Hyatt Regency Waikiki, Honolulu, Oahu
 Ilikai Hotel, Honolulu, Oahu
 JW Marriott Ihilani Hotel, Kapolei, Oahu
 Ko Olina Ritz-Carlton Hotel, Prop., Kapolei, Oahu
 Elks/Outrigger Canoe Club Ground Lease Rent Renegotiation, Honolulu, Oahu
 Hawaii Gateway Hotel, Honolulu, Oahu
 Hilton Hawaii Village, Honolulu, Oahu
 Kahala Mandarin Oriental Hotel, Honolulu, Oahu
 Marriott Waikiki, Honolulu, Oahu
 Miramar Hotel, Honolulu, Oahu
 Ocean Resort Hotel, Honolulu, Oahu
 Ohana Waikiki Beachcomber Hotel, Honolulu, Oahu
 Outrigger East Hotel, Honolulu, Oahu
 Outrigger Reef Hotel, Honolulu, Oahu
 Outrigger Waikiki Hotel, Honolulu, Oahu
 Outrigger West Hotel, Honolulu, Oahu
 Park Shore Hotel, Honolulu, Oahu
 Royal Hawaiian Hotel, Honolulu, Oahu
 Sand Villa Hotel, Honolulu, Oahu
 Sheraton Moana Surfrider, Honolulu, Oahu
 Sheraton Princess Kaiulani, Honolulu, Oahu
 Sheraton Waikiki, Honolulu, Oahu
 Waikiki Beachcomber Hotel, Honolulu, Oahu
 Waikiki Gateway Hotel, Honolulu, Oahu
 Waikiki Sand Villa Hotel, Honolulu, Oahu

IDAHO

DoubleTree Boise Riverside
 Hilton Garden Inn, Proposed, Boise
 Holiday Inn, Boise
 Holiday Inn Airport, Boise
 Red Lion ParkCenter Suites, Boise



Shilo Inn-Boise Riverside, Boise
 Extended StayAmerica Chicago/Burr Ridge,
 Burr Ridge
 Motel 6, Coeur d'Alene
 Resort Development, Coeur d'Alene
 Shilo Inn, Coeur d'Alene
 Fairfield Inn & Suites, Prop., Idaho Falls
 Shilo Inn Suites Hotel, Idaho Falls
 Shilo Inn, Nampa
 Shilo Inn Suites, Nampa
 Cavanaugh's Pocatello Hotel, Pocatello
 Cotton Tree Inn, Pocatello
 Best Western Cavanaugh, Post Falls
 Lodging Facility, Proposed, Sun Valley
 Red Lion Canyon Springs Hotel, Twin Falls

ILLINOIS

Hollywood Casino, Aurora
 Extended StayAmerica Chicago Midway, Bedford
 Indian Lakes Resort, Bloomington
 Jumer's Chateau, Bloomington
 Super 8 Motel, Bloomington
 Super 8 Motel, Champagne
 Fairmont Hotel, Chicago
 Hilton Chicago and Towers, Chicago
 Hotel Allegro, Chicago
 Hotel Monaco, Chicago
 House of Blues, Chicago
 Hyatt at University Village, Chicago
 Hyatt Regency McCormick Place Extension,
 Chicago
 InterContinental Hotel, Chicago
 James Hotel, Chicago
 Mayfair Regent, Chicago
 Peninsula Hotel, Chicago
 Radisson Hotel, Proposed, Chicago
 Radisson O'Hare, Chicago
 Westin Hotel, Chicago
 Westin Michigan Avenue, Chicago
 Woodfin Suite Hotel, Proposed, Chicago
 Fairfield Inn, Chicago-Lansing
 Super 8 Motel, Crystal Lake
 Extended StayAmerica Chicago/Darien, Darien
 Marriott Suites, Deerfield
 Super 8 Motel, Decatur
 Doubletree Club Des Plaines
 Hotel, Proposed, Des Plaines
 Sheraton Suites O'Hare, Des Plaines
 Extended StayAmerica Chicago/Downers
 Grove, Downers Grove
 Radisson Suites, Downers Grove
 Hampton Inn, Elk Grove
 Holiday Inn, Elmhurst
 Orrington Hotel, Evanston
 Drury Inn, Fairview Heights
 Eagle Ridge Inn & Resort, Galena

Jumer's Continental Inn, Galesburg
 Doubletree Glenview, Glenview
 Fairfield Inn, Hinsdale
 Westin Hotel & ClubSport, Proposed,
 Hoffman Estates
 Wyndham Indianapolis, Indianapolis
 Nordic Hills Resort & Conference Center,
 Itasca
 Wyndham Northwest Chicago, Itasca
 Empress Hotel & Casino, Joliet
 Holiday Inn, Joliet
 Extended StayAmerica Chicago/Lansing,
 Lansing
 Fairfield Inn, Lansing
 Marriott Lincolnshire Resort, Lincolnshire
 Extended StayAmerica Chicago/Lisle, Lisle
 Wyndham Hotel Isle, Lisle
 Extended StayAmerica Chicago/Naperville,
 Naperville
 Homestead Studio Suites Chicago/Naperville,
 Naperville
 Fairfield Inn, Normal
 Oak Brook Hills Resort, Oak Brook
 Casino Hotel, Proposed, Paxton
 Fairfield Inn, Peoria
 Jumer's Castle, Peoria
 Super 8 Motel, Peru
 Fairfield Inn, Rockford
 Extended StayAmerica Chicago/Romeoville,
 Romeoville
 Marriott Hotel, Schaumburg
 Woodfin Suite Hotel, Prop., Schaumburg
 Wyndham Garden Hotel, Schaumburg
 DoubleTree Hotel -North Shore, Skokie
 Hampton Inn, Urbana
 Jumer's Castle, Urbana
 Super 8 Motel, Waukegan
 Holiday Inn, Willowbrook
 Wyndham Garden Hotel, Wood Dale

INDIANA

Fairfield Inn, Bloomington
 Super 8 Motel, Columbus
 Fairfield Inn, Fort Wayne
 Marriott Hotel, Fort Wayne
 French Lick Springs Resort, French Lick
 Sheraton Hotel, Gary
 Empress Casino, Hammond
 Caesars Riverboat Casino Complex,
 Proposed, Harrison County
 Conrad Hotel & Condos, Proposed, Indianapolis
 Convention Center Headquarters Hotel,
 Proposed, Indianapolis
 Fairfield Inn, Indianapolis
 Four Points Sheraton, Indianapolis
 Motel 6, Indianapolis

University Place Hotel, Indianapolis
 Westin Hotel, Indianapolis
 Woodfin Suite Hotel, Prop., Indianapolis
 Wyndham Garden Hotel, Indianapolis
 Hilton Inn, Jeffersonville
 Fairfield Inn, Kansas City
 Fairfield Inn, Kansas City West
 Brown County Inn, Nashville
 Belterra Casino Hotel, Vevrey
 Holiday Inn, Willowbrook

IOWA

Jumers Castle Lodge, Bettendorf
 Holiday Inn, Cedar Falls
 Collins Plaza, Cedar Rapids
 Fairfield Inn, Cedar Rapids
 Fairfield Inn, Clive
 Coralville Marriott Hotel, Coralville
 Bluffs Run Casino and Dog Track, Council
 Bluffs
 Harvey's Casino Hotel, Council Bluffs
 Fairfield Inn, Des Moines
 Sheraton West Des Moines, Des Moines

KANSAS

The Emerald City Resort Hotel, Kansas City
 Fairfield Inn, Merriam
 Fairfield Inn, Overland Park
 Wyndham Garden Hotel, Overland Park
 Canterbury Inn/Knights Inn, Wichita

KENTUCKY

Courtyard Cincinnati Covington, Covington
 Marriott Hotel, Covington
 Sheraton Suites Lexington, Lexington
 Holiday Inn-Central, Louisville
 Holiday Inn-Northeast, Louisville
 Ramada Inn East, Louisville
 Courtyard Cleveland Airport North, North Olmstead

LOUISIANA

Howard Johnson's, Alexandria
 Casino Rouge, Baton Rouge
 Chase Suites Hotel, Baton Rouge
 Embassy Suites, Baton Rouge
 Hilton Hotel, Baton Rouge
 Horseshoe Casino, Bossier City
 Riverboat Casino, Bossier City
 Hotel Development, Prop., Baton Rouge
 Sheraton at New Orleans Airport, Kenner
 Courtyard by Marriott, Metairie
 Residence Inn, Metairie
 Astor Crowne Plaza Hotel, New Orleans
 Chateau Sonesta, New Orleans



Courtyard Convention Center, New Orleans
DoubleTree Hotel, New Orleans
Element & Aloft Hotels, Prop., New Orleans
Fairmont Hotel, New Orleans
Fairmont Hotel, Proposed, New Orleans
Hard Rock Hotel & Nightclub, Prop., New Orleans
Harrah's Jazz Casino, New Orleans
Homewood Suites, New Orleans
Hotel Monaco, New Orleans
Hyatt Regency, New Orleans
The Iberville Hotel, New Orleans
JW Marriott, New Orleans
Lakeside DoubleTree, New Orleans
The Maison Dupuy, New Orleans
Maison Blanche Boutique Hotel, Prop., New Orleans
Maison Blanche Mixed-Use Development, New Orleans
Maison Blanche Mixed-Use Development, Proposed, New Orleans
Maison Blanche Ritz-Carlton, Proposed, New Orleans
Marriott at the Convention Center, New Orleans
Ramada Inn St. Charles, New Orleans
Renaissance Hotel, Prop., New Orleans
Renaissance Pere Marquette, New Orleans
SpringHill Suites, New Orleans
Hollywood Casino, Shreveport

MAINE

Inn by the Sea, Cape Elizabeth

MARYLAND

Holiday Inn, Aberdeen
Marriott Waterfront Hotel, Annapolis
Maryland Inn, Annapolis
Marriott's Hunt Valley Inn, Baltimore
Marriott BWI Airport, Baltimore
SpringHill Suites, Baltimore
Hotel Development, Proposed, Bethesda
Residence Inn, Bethesda
Best Western Motor Lodge, Chicopee
Abbey, College Park
Residence Inn, Columbia
Holiday Inn Cumberland Downtown, Cumberland
Holiday Inn Express Hotel, Frederick
Holiday Inn Hotel, Frederick
Chase Suites Hotel, Hunt Valley
Marriott's Hunt Valley Inn, Hunt Valley
Homestead Studio Suites, Germantown
Holiday Inn, Laurel
Homestead Studio Suites, Linthicum Heights
Days Inn, Rockville
DoubleTree Hotel, Rockville

Holiday Inn Crowne Plaza, Rockville
Ramada Inn, Rockville

MASSACHUSETTS

Fairmont Hotel, Boston
Fairmont Copley Plaza, Boston
Four Seasons Hotel, Boston
Marriott Copley Place, Boston
Meridien Hotel, Boston
Nine Zero Hotel, Boston
Residence Inn, Boston
Ritz-Carlton-Millennium Palace, Boston
Tremont Boston Hotel, Boston
Westin Copley Place, Boston
Brookline Marriott, Brookline
Sheraton Hotel, Framingham
Canyon Ranch Resort, Lenox
Radisson Hotel, Miford
Radisson Hotel, Rockland
Federal House Inn, South Lee
Holiday Inn, Springfield
Sheraton, Sturbridge
Sierra Suites Hotel, Proposed, Waltham
Summerfield Suites Hotel, Prop., Waltham
Sierra Suites Hotel, Proposed, Woburn

MICHIGAN

Fairfield Inn, Ann Arbor
Fairfield Inn, Auburn Hills
Hilton Hotel, Auburn Hills
Super 8 Motel, Battle Creek
Howard Johnson's, Belleville
Fairfield Inn, Canton
Greek Town Casino, Detroit
Holiday Inn, Detroit
Golden Harp-Proposed, Detroit
Hampton Inn, East Lansing
Radisson Hotel, Farmington Hills
Hyatt Hotel, Flint
Fairfield Inn, Kalamazoo
Super 8 Motel, Kalamazoo
Embassy Suites, Proposed, Livonia
Embassy Suites, Livonia
Wyndham Garden Hotel, Livonia
Fairfield Inn, Madison Heights
Super 8 Motel, Mount Pleasant
Super 8 Motel, Muskegon
Hilton Garden Inn, Novi
Wyndham Garden Inn, Novi
Inn at the Bridge, Port Huron
Fairfield Inn, Romulus
Super 8 Motel, Saginaw
DoubleTree Guest Suites, Southfield
Embassy Suites Southfield, Southfield
Woodfin Suites Hotel, Prop., Southfield

Comfort Suites, Sterling Heights
Holiday Inn, Troy
Marriott Hotel, Troy
Fairfield Inn, Warren
Holiday Inn, Warren
Motel 6, Warren
Super 8 Motel, Wyoming

MINNESOTA

Holiday Inn, Duluth
Hampton Inn, Eden Prairie
DoubleTree Hotel, Minneapolis
Motel 6, Minneapolis
Radisson Metrodome Hotel, Minneapolis
Marriott Minnesota SW, Minnetonka
Motel, Proposed, Montevideo
Motel 6, Rochester
Kahler Grand Hotel, Rochester
Radisson Plaza Hotel, Rochester
Holiday Inn Minneapolis West, St. Louis Park
Sheraton Inn, St. Paul

MISSISSIPPI

Beau Rivage Casino & Resort, Biloxi
Grand Casino, Biloxi
Gulf Beach Resort Hotel, Biloxi
Treasure Bay Hotel & Casino, Biloxi
Crystal Inn, Gulfport
Grand Casino, Gulfport
Motel 6, Hattiesburg
Howard Johnson's, Jackson
Quality Inn, Oxford
Horseshoe Casino Center, Robinsonville
Hollywood Casino, Robinsonville
Sam's Town Hotel & Gambling Hall, Robinsonville
Ameristar Vicksburg, Vicksburg
Isle of Capri Casino & Hotel, Vicksburg

MISSOURI

Embassy Suites Hotel, Prop., Clayton
Fairfield Inn, Hazelwood
Holiday Inn, Joplin
Conference Center Hotel, Prop., Kansas City
DoubleTree Hotel, Kansas City
Fairmont Hotel, Kansas City
Holiday Inn, Kansas City
Radisson Hotel, Kansas City
Residence Inn, Kansas City
Sam's Town Hotel & Gambling Hall, Kansas City
Station Kansas City, Kansas City
Riva Del Lago Resort, Prop., Lake of the Ozarks
Casino Hotel, Proposed, Perryville
Holiday Inn, Springfield
Station St. Charles, St. Charles



Adam's Mark Hotel, St. Louis
 Casino Hotel, Proposed, St. Louis
 Clarion Hotel, St. Louis
 Executive Inn, St. Louis
 Holiday Inn Sports Complex, St. Louis
 Renaissance Grand Hotel, St. Louis
 Renaissance Suites Hotel, St. Louis
 Sheraton Airport, St. Louis
 Sheraton Westport, St. Louis
 Three Proposed Hotels, St. Louis
 West County Hilton Hotel, Proposed, St. Louis County
 Hotel, Proposed, Unity Village

MONTANA

Sheraton Billings, Billings
 Holiday Inn, Bozeman
 Best Western Colonial Hotel, Helena
 Red Lion Inn, Kalispell
 Holiday Inn, Missoula
 Red Lion Hotel, Missoula
 Red Lion Inn, West Kalispell

NEBRASKA

DoubleTree Omaha Downtown, Omaha
 Marriott Hotel, Omaha
 Red Lion Inn, Omaha

NEVADA

Ormsby House Hotel and Casino, Carson City
 Shilo Inn Suites, Elko
 Eldorado Casino, Henderson
 Joker's Wild Casino, Henderson
 Cactus Pete's, Jackpot
 Horseshu Resort & Casino, Jackpot
 Hyatt Regency Lake Las Vegas Resort, Lake Las Vegas
 Luxury Boutique Hotel, Prop., Lake Las Vegas
 Airport Inn, Las Vegas
 Aladdin Hotel & Casino, Las Vegas
 Alexis Park Hotel, Las Vegas
 Alexis Park Resort and Americana Apartments, Las Vegas
 Alexis Park Resort & Spa, Las Vegas
 California Hotel & Casino, Las Vegas
 Casino Hotel, Proposed, Las Vegas
 Embassy Suites Airport, Las Vegas
 Extended StayAmerica - Boulder Highway, Las Vegas
 Extended StayAmerica – Valley View, Las Vegas
 Extended Stay Deluxe – East Flamingo, Las Vegas

Flamingo Hotel & Casino, Las Vegas
 Fremont Hotel & Casino, Las Vegas
 Harrah's Las Vegas, Las Vegas
 Harrah's Paris Casino, Las Vegas
 Hawthorne Suites, Las Vegas
 Hilton Garden Inn, Proposed, Las Vegas
 Hilton Hotel, Las Vegas
 Holiday Inn-Emerald Springs, Las Vegas
 Holiday Inn Express, Prop., Las Vegas
 Homestead Studio Suites – Midtown, Las Vegas
 Homewood Suites, Proposed, Las Vegas
 Hotel & Casino El Rancho, Las Vegas
 Howard Johnson Hotel & Casino, Las Vegas
 Jockey Club, Las Vegas
 JW Marriott Resort and Rampart Casino, Las Vegas
 Mirala Resort, Proposed, Las Vegas
 New Frontier Hotel & Casino Site, Las Vegas
 Paradise Resort Hotel, Las Vegas
 Paris Las Vegas, Las Vegas
 Parcel 16216301007, Las Vegas
 Regent Int'l. Hotel & Casino, Las Vegas
 Residence Inn, Las Vegas
 Rio All-Suite Hotel & Casino, Las Vegas
 Sahara Casino & Two Vacant Land Parcels, Las Vegas
 Sam's Town Hotel & Gambling Hall, Las Vegas
 Sands Exposition Center, Las Vegas
 Shangri-La Hotel, Proposed, Las Vegas
 Stardust Resort and Casino, Las Vegas
 Sunrise Hotel & Casino, Las Vegas
 Venetian Hotel and Casino and LIDO Land Parcel, Las Vegas
 Casino and RV Project, Prop., Laughlin
 Casino Hotel & Timeshare, Prop., Laughlin
 Harrah's Laughlin Casino, Laughlin
 River Palms Hotel & Casino, Laughlin
 Mount Potosi Canyon Retreat, Mountain Springs
 Boomtown Casino Hotel, Reno
 Extended StayAmerica, Reno
 Holiday Inn Express, Proposed, Reno
 La Quinta Inn, Reno
 Fairfield Inn, Proposed, Sparks
 Hotel, Proposed, Sparks
 Bill's Casino, Stateline
 Harrah's Lake Tahoe, Stateline
 Harvey's Lake Tahoe, Stateline
 Luxury Condo Hotel & Residences, Proposed, Stateline
 State Line and Silver Smith Casino Hotels, Wendover

NEW JERSEY

Borgata Casino Hotel, Prop., Atlantic City
 Casino Hotel w/Ancillary Facilities, Proposed (Phase One), Atlantic City

Deauville Hotel, Atlantic City
 Harrah's Atlantic City, Atlantic City
 Harrah's Marina Hotel Casino, Atlantic City
 Sands Hotel & Casino, Atlantic City
 Showboat Atlantic City, Atlantic City
 Tropicana Hotel & Casino, Atlantic City
 Trump Marina Hotel Casino, Atlantic City
 Trump Pier at Taj Majal, Atlantic City
 Courtyard Basking Ridge, Basking Ridge
 North Maple Inn, Basking Ridge
 Sierra Suites Hotel, Proposed, Branchburg
 Marriott, Bridgewater
 Cherry Hill Inn, Cherry Hill
 Courtyard Edison, Edison
 Ramada Inn, Proposed, Elizabeth
 Ramada Inn, Proposed, Franklin Township
 Summerfield Suites Morristown, Prop., Hanover
 Summerfield Suites Parsippany, Prop., Hanover
 Holiday Inn, Jamesburg
 Hyatt Regency Hotel, Jersey City
 Meadowlands-Lyndhurst Court, Lyndhurst
 Headquarters Plaza Hotel, Morristown
 Howard Johnson's Mount Holly
 Mt. Laurel Hilton, Mt. Laurel
 Radisson Hotel Mt. Laurel, Mt. Laurel
 Wyndham Mt. Laurel, Mt. Laurel
 Hilton Gateway Plaza, Newark
 Holiday Inn, Newark
 Hilton Parsippany, Parsippany
 Sierra Suites, Proposed, Parsippany
 Marriott Courtyard Princeton, Princeton
 Howard Johnson's, Saddle Brook
 Crowne Plaza, Secaucus
 Hilton Short Hills Hotel and Spa, Short Hills
 DoubleTree Hotel, Somerset
 Marriott Hotel, Somerset
 Radisson Hotel, South Brunswick
 Motel, Wrightstown
 Five Churches Chicken Restaurants, Various Locations

NEW MEXICO

Convention Center Hotel, Proposed, Albuquerque
 Doubletree Hotel, Albuquerque
 Hampton Inn, Albuquerque
 Hotel Project, Proposed, Albuquerque
 La Posada de Albuquerque, Albuquerque
 Ramada Hotel Classic, Albuquerque
 Radisson Inn, Albuquerque
 Mixed-Use Development, Proposed, Bernalillo
 Las Cruces Hilton, Las Cruces
 Hilton Garden Inn, Rio Rancho
 Inn of the Mountain Gods Resort & Casino, Proposed, Ruidoso
 Auberge Rancho Encantado Resort, Proposed, Santa Fe



Casitas, Proposed, Santa Fe
 Hilton Hotel, Santa Fe
 Homewood Suites, Santa Fe
 Inn at Loretto, Santa Fe
 Inn of the Anasazi, Santa Fe
 La Posada de Santa Fe Resort, Santa Fe
 Sheraton de Santa Fe, Santa Fe
 Taos Development, Proposed, Taos
 Rancho Ramada Inn de Taos, Taos

NEW YORK

Hilton Hotel, Albany
 Airport Hotel, Proposed, Buffalo
 Buffalo Hotel, Buffalo
 Marriott Hotel, Buffalo
 Nevele Hotel, Ellensburg
 Howard Johnson's, Elmsford
 Extended StayAmerica Fishkill/Poughkeepsie, Fishkill
 Homestead Studio Suites Fishkill/Poughkeepsie, Fishkill
 Sierra Suites Hotel, Fishkill
 Sierra Suites, Proposed, Fishkill
 Hamilton Park Conference Center, Florham Park
 Ramada Inn, Hauppauge
 Wyndham Wind Watch Hotel, Hauppauge
 Mohawk Bingo Palace, Hogsburg
 Radisson Hotel, Holtsville
 Hilton Hotel, Lake Placid
 Hotel, Proposed, New Rochelle
 Ramada Plaza, New Rochelle
 Sheraton Inn, New Rochelle
 Barbizon Plaza Hotel, New York
 Berkshire Place, New York
 Century Paramount Hotel, New York
 Essex House, New York
 Executive Hotel, New York
 Halloran House, New York
 Hampton House, New York
 Holland Hotel, New York
 Howard Hotel, New York
 Marriott Eastside, New York
 Mayfair Regent, New York
 Nova-Park Gotham, New York
 Parker Meridien Hotel, New York
 Peninsula Hotel, New York
 Ritz-Carlton, New York
 Soho Hotel, Proposed, New York
 Tudor Hotel, New York
 Woodfin Suites Hotel, Prop., New York
 York Club, New York
 Tioga Downs Racetrack, Nichols
 Sheraton Inn, Ossining
 Hotel, Proposed, Saratoga
 Courtyard by Marriott, Saratoga Springs

Residence Inn, Saratoga Springs
 Saratoga Gaming and Raceway, Saratoga Springs
 Howard Johnson's, Smithtown
 Hampton Inn, Syracuse
 Tarrytown House Hotel & Conference Center, Tarrytown
 Boutique Resort Hotel & Spa, Prop., Tuxedo
 Sheraton Nassau Hotel, Uniondale
 Turning Stone Casino, Verona
 Turning Stone Casino and Hotel, Verona
 Roger Smith Hotel, White Plains
 Fairfield Inn, Williamsville

NORTH CAROLINA

Renaissance Hotel, Asheville
 Fairfield Inn, Charlotte
 Four Seasons Resort, Charleston
 Fairfield Inn, Charlotte
 Fairfield Inn, Charlotte-North
 Holiday Inn Charlotte Airport, Charlotte
 Holiday Inn Charlotte University Park, Charlotte
 Wyndham Garden Hotel, Charlotte
 Wyndham Garden Hotel – Charlotte Airport, Charlotte
 Holiday Inn, Crabtree
 Fairfield Inn, Durham
 Homestead Studio Suites, Durham
 Motel 6, Durham
 Wyndham Garden Hotel, Durham
 Fairfield Inn, Fayetteville
 Embassy Suites, Greensboro
 Fairfield Inn, Greensboro
 Hampton Inn, Greensboro
 Hilton Inn, Greensboro
 High Point Radisson, High Point
 Fairfield Inn, Raleigh
 Hilton Inn, Raleigh
 Holiday Inn Crabtree, Raleigh
 Homestead Studio Suites, Raleigh
 Marriott Research Triangle Park, Triangle Park
 Motel 6, Rocky Mount
 Cleghorn Plantation, Rutherfordton
 Fairfield Inn, Wilmington
 Hilton Inn, Winston-Salem
 Residence Inn, Winston-Salem

OHIO

Holiday Inn Cascade, Akron
 Embassy Suites, Blue Ash
 Fairfield Inn, Brook Park
 Embassy Suites Hotel – Cincinnati Northeast, Cincinnati
 Embassy Suites Hotel, Cincinnati

Embassy Suites Hotel, Prop., Cincinnati
 Howard Johnson's, Cincinnati
 Marriott Inn, Cincinnati
 Radisson Inn, Cincinnati
 Residence Inn, Cincinnati
 TownePlace Suites Cincinnati/Blue Ash, Cincinnati
 SpringHill Suites Cincinnati Northeast, Cincinnati
 TownePlace Suites Cincinnati Northeast, Cincinnati
 Vernon Manor, Cincinnati
 Cleveland Airport Marriott, Cleveland
 Cleveland Marriott East, Cleveland
 Fairfield Inn, Cleveland
 Holiday Inn Lakeside, Cleveland
 Hotel, Proposed, Cleveland
 Sheraton Hopkins, Cleveland
 200-Room Boutique Hotel, Cleveland
 Columbus North Marriott, Columbus
 Crowne Plaza Downtown, Columbus
 DoubleTree Hotel, Columbus
 Fairfield Inn, Columbus
 Holiday Inn, Columbus
 Holiday Inn - Airport, Columbus
 Residence Inn Columbus Worthington, Columbus
 TownePlace Suites Columbus/Gahanna, Columbus
 TownePlace Suites Columbus/Worthington, Columbus
 Woodfin Hotel, Columbus
 Daytonian Hilton, Dayton
 Fairfield Inn, Dayton
 Motel 6, Dayton
 Woodfin Suite Hotel, Prop., Dublin
 SpringHill Suites Columbus Airport Gahanna, Gahanna
 TownePlace Suites, Findlay
 Fairfield Inn, Holland
 Courtyard Independence, Independence
 Hilton Cleveland South, Independence
 IMG Resort Academies, Lakeview Bluffs
 Courtyard Toledo/Maumee, Maumee
 Courtyard Cleveland Airport South, Middleburg Heights
 TownePlace Suites Cleveland Airport, Middleburg Heights
 Embassy Suites, Rockside
 Courtyard Toledo/Rossford, Rossford
 Fairfield Inn, Toledo
 Holiday Inn, Toledo
 Courtyard Cleveland Westlake, Westlake
 TownePlace Suites Cleveland Westlake, Westlake
 Fairfield Inn, Willoughby



OKLAHOMA

Fountainhead Resort, McIntosh County
 Colcord Hotel, Oklahoma City
 Portofino Hotel, Prop., Oklahoma City,
 Oklahoma
 Arrowhead Resort, Pittsburg County
 The Hotel Ambassador, Tulsa
 Tulsa Ambassador Hotel, Tulsa

OREGON

Phoenix Inn, Albany
 Red Lion Inn, Astoria
 Inn at Face Rock, Bandon
 Extended StayAmerica Portland/Beaverton,
 Beaverton
 Fairfield Inn, Beaverton
 Homestead Studio Suites
 Portland/Beaverton, Beaverton
 Phoenix Inn, Beaverton
 Shilo Inn, Beaverton
 Condominium Hotel, Proposed, Bend
 Hotel, Proposed, Bend
 Phoenix Inn, Bend
 Red Lion Inn - North, Bend
 Remington Hotel, Proposed, Bend
 Shilo Inn Suites, Bend
 Surf and Sand Resort, Cannon Beach
 Red Lion Inn - Coos Bay, Coos Bay
 Hilton Garden Inn, Proposed, Corvallis
 Crater Lake National Park Concession, Crater
 Lake
 EconoLodge, Eugene
 Execulodge, Eugene
 Phoenix Inn, Eugene
 Red Lion Inn, Eugene
 Shilo Inn Springfield, Eugene
 Valley River Inn, Eugene
 Big Creek Resort, Florence
 Hotel Site, Proposed, Florence
 Salishan Resort, Gleneden Beach
 Shilo Inn, Grants Pass
 Candlewood Hotel, Hillsboro
 Courtyard Hotel, Proposed, Hillsboro
 Extended Stay Deluxe Portland/Hillsboro,
 Hillsboro
 Larkspur Landing Hotel, Hillsboro
 Residence Inn, Proposed, Hillsboro
 Springhill Suites Hotel, Hillsboro
 Red Lion Inn, Klamath Falls
 Shilo Inn Suites Klamath Falls, Klamath Falls
 Fairfield Inn, Lake Oswego
 Hilton Garden Inn, Lake Oswego
 Phoenix Inn, Lake Oswego
 Residence Inn, Lake Oswego
 Shilo Inn Oceanfront Resort, Lincoln City

Airport Hotel, Prop., Medford
 Convention Center & Full-Service Hotel,
 Proposed, Medford
 Courtyard by Marriott, Prop., Medford
 Red Lion Inn, Medford
 Shilo Inn, Newport
 Red Lion Hotel, Pendleton
 Avalon Hotel & Spa, Portland
 Avalon Restaurant & Hotel, Spa, Prop., Portland
 Benson Hotel, Portland
 Columbia River Red Lion, Portland
 Convention Headquarters Hotel, Prop., Portland
 Courtyard Hotel, Proposed, Portland
 DoubleTree Portland/Lloyd Center, Portland
 Embassy Suites Hotel, Portland
 Extended StayAmerica Portland/Gresham,
 Portland
 Fifth Avenue Suites Hotel, Portland
 Governor Hotel, Portland
 Holiday Inn, Portland
 Hotel Deluxe, Portland
 Hotel Lucia, Portland
 Hotel, Proposed, Portland
 Inn at Northrup Station, Portland
 InterContinental Hotel, Prop., Portland
 Luxury Collection Hotel, Prop., Portland
 Marriott Hotel, Portland
 Marriott Portland City Center, Portland
 Marriott Renaissance Hotel, Prop., Portland
 Monaco Hotel, Portland
 Nines Hotel, Proposed, Portland
 Red Lion Portland Convention Center, Portland
 Red Lion Hotel-Portland Downtown, Portland
 Red Lion Inn-Lloyd Center, Portland
 Renaissance Hotel, Portland
 Residence Inn-Lloyd Center, Portland
 Residence Inn, Proposed, Portland
 RiverPlace Hotel & Condominiums, Portland
 Sheraton Suites, Proposed, Portland
 Shilo Inn Portland Airport Suites, Portland
 Shilo Inn Portland/Beaverton, Portland
 Sunriver Resort, Portland
 Vintage Plaza Hotel, Portland
 Wells Building, Portland
 West Coast Benson Hotel, Portland
 Westin Hotel, Portland
 Westin Hotel, Proposed, Portland
 Capitol Inn, Salem
 Crossland Studios Salem North, Salem
 Execulodge, Salem
 Phoenix Inn – North, Salem
 Phoenix Inn – South, Salem
 Shilo Inn, Salem
 Best Western Ocean View Resort, Seaside
 Red Lion Inn, Seaside
 Shilo Inn Seaside Oceanfront Resort, Seaside

Crossland Studios Eugene/Springfield, Springfield
 Embassy Suites, Proposed, Springfield
 Red Lion Inn, Springfield
 Skamanla Lodge, Stevenson
 Sunriver Resort, Sunriver
 Shilo Inn Suites, The Dalles
 Embassy Suites Hotel, Tigard
 Homestead Studio Suites Portland/Tigard,
 Tigard
 Phoenix Inn, Tigard
 Red Lion Inn, Tigard
 Shilo Inn Washington Square, Tigard
 Shilo Inn Suites, Tillamook
 Shilo Inn Suites Astoria/Warrenton, Warrenton
 Best Western Hotel, Wilsonville
 Holiday Inn, Wilsonville
 Phoenix Inn, Wilsonville

PENNSYLVANIA

Holiday Inn, Beaver Falls
 Courtyard Bensalem
 Sheraton, Bucks County
 Holiday Inn, Clarion
 Embassy Suites - Pittsburgh, Coraopolis
 Days Inn, Danville
 Ramada Inn, Erie
 Hollywood Casino & Penn National Race
 Course, Grantville
 Penn National Race Course, Grantville
 Four Points Greenburg, Greenville
 Comfort Inn Harrisburg, Harrisburg
 Fairfield Inn, Harrisburg
 Marriott Hotel, Harrisburg
 Holiday Inn Indiana, Indiana
 Valley Forge Hilton, King of Prussia
 Marriott, Proposed, Lancaster
 Hampton Inn & Outback Steakhouse Restaurant,
 Monroeville
 Courtyard Philadelphia Downtown, Philadelphia
 Marriott Hotel, Philadelphia
 Rittenhouse Towers, Philadelphia
 Sheraton Society Hill, Philadelphia
 Fairfield Inn, Pittsburgh
 Motel 6, Pittsburgh
 Embassy Suites, Philadelphia
 Wyndham Franklin Plaza, Philadelphia
 Wyndham Garden Hotel, Pittsburg
 Pocono Downs Race Course, Plains Township
 DoubleTree Guest Suites, Plymouth Meeting
 SpringHill Suites, Plymouth Meeting
 Comfort Inn, Pottstown
 Hilton at Lackawanna Station, Scranton
 Holiday Inn, Union Town
 Holiday Inn York Manchester Mall, York



RHODE ISLAND

Providence Biltmore Hotel, Providence

SOUTH CAROLINA

Charleston Place, Charleston
Holiday Inn, Charleston
Holiday Inn - Airport, Charleston
Holiday Inn, Charleston-Riverview
Travelodge, Charleston
Embassy Suites, Columbia
Motel 6, Columbia
Fairfield Inn, Greenville
Hampton Inn, Greenville
Ramada Inn, Greenville
Fairfield Inn, Florence
Fairfield Inn, Hilton Head
Hilton Head Inn, Hilton Head
Holiday Inn Express, Hilton Head
Hyatt Regency, Hilton Head
Westin Hilton Head Resort, Hilton Head
Save Inn, Lake Hartwell
Brookwood Inn, Spartanburg

SOUTH DAKOTA

Four Points Hotel, Proposed, Sioux Falls

TENNESSEE

Hilton Suites Hotel, Brentwood
Motel 6, Chattanooga
Holiday Inn, Jackson
Fairfield Inn, Johnson City
Holiday Inn, Memphis
Howard Johnson - Airport, Memphis
Motel 6, Memphis
Villager Lodge, Memphis
Westin Hotel, Memphis
Days Inn, Nashville
Hampton Inn, Nashville
Hilton Nashville Downtown, Nashville
Holiday Inn Express, Nashville
Hotel Preston, Nashville
Comfort Inn, Oak Ridge
Hampton Inn, Pigeon Forge

TEXAS

Courtyard by Marriott, Addison
Hotel, Proposed, Addison
Hyatt Summerfield Suites Addison, Addison
Marriott Courtyard, Proposed, Addison
Summerfield Suites Hotel, Prop., Addison
Woodfin Suite Hotel, Proposed, Addison
Days Inn, Amarillo
Hampton Inn, Amarillo

Motel 6, Amarillo
Super 8 Motel, Amarillo
Sierra Suites Conversion, Prop., Arlington
Fairfield inn & Suites, Proposed, Austin
Holiday Inn, Austin
Holiday Inn - Airport, Austin
Hotel Site, Austin
Lakeway Inn, Austin
Sheraton Hotel, Austin
Woodfin Suites Hotel, Proposed, Austin
Holiday Inn, Beaumont
Days Inn, Corpus Christi
Doubletree Inn, Dallas
Fairmont Hotel, Dallas
Holiday Inn Select Northpark, Dallas
Hyatt Regency, Dallas
Marriott Park Central, Dallas
Marriott Quorum, Dallas
Marriott Suites, Dallas
Melrose Hotel, Dallas
Motel 6, Dallas
Northpark Holiday Inn, Dallas
Park Plaza, Dallas
Ramada Inn Convention Center, Dallas
Residence Inn, Dallas
Residence Inn, Proposed, Dallas
Sheraton Grand Hotel, Dallas
Summit Hotel, Dallas
Wyndham Garden Las Colinas, Dallas
Howard Johnson's, East Dallas
Allstar Inn, El Paso
Chase Suites Hotel, El Paso
Embassy Suites, El Paso
Travelers Inn, El Paso
Westin Hotel, Proposed, Frisco
Metro Center Hotel, Fort Worth
Renaissance Worthington, Fort Worth
Springhill Suites, Proposed, Fort Worth
Courtyard Hotel, Houston
DoubleTree Galleria, Houston
Embassy Suites, Houston
Four Seasons Hotel, Houston
Holiday Inn-Hobby, Houston
Houston House, Houston
Houstonian Hotel, Houston
Marriott Hotel, Houston
Motel 6, Houston
Radisson Towne & Country, Houston
Residence Inn, Houston
Stouffer Renaissance, Houston
Hampton Inn, Proposed, Irving
Hotel Site, Proposed, Irving
Hyatt Regency DFW, Irving
Summerfield Suites, Irving
Holiday Inn, Lubbock
Renaissance Hotel, McAllen

Courtyard by Marriott North Dallas Plano, Plano
Marriott Dallas Plano at Legacy Town Center, Plano
Residence Inn Dallas Plano, Plano
TownePlace Suites, Plano
Courtyard by Marriott, Round Rock
Crockett Hotel, San Antonio
DoubleTree Hotel, San Antonio
DoubleTree San Antonio Airport, San Antonio
Embassy Suites, Proposed, San Antonio
Fairmont Hotel, San Antonio
Four Points Riverwalk, San Antonio
Hampton Inn, San Antonio
Hilton Garden Inn, Proposed, San Antonio
DoubleTree Hotel, San Antonio
Hyatt Regency Hill Country, San Antonio
Salado Creek/Arena District Master Plan, San Antonio
Amerihost Inn, San Marcos

UTAH

Amangiri Resort & Spa, Proposed, Big Water
Page Three Land, Proposed, Big Water
Utah Trails Resort, Kanab
Amangiri Resort, Proposed, Kane County
Canyon Land Resort, Proposed, Kane County
Courtyard by Marriott, Layton
Marriott Hotel, Ogden
Crystal Inn Mid Valley, Murray
The Lodges at Stillwater, Park City
Marriott Park City, Park City
Marriott Provo, Provo
Residence Inn, Provo
Seven Peaks Resort Hotel, Provo
Cavanaugh's Olympus Hotel, Salt Lake City
Crystal Inn West Valley, Salt Lake City
Hotel Monaco, Salt Lake City
Marriott Hotel, Salt Lake City
Red Lion Hotel, Salt Lake City
Sheraton Hotel, Salt Lake City
Shilo Inn, Salt Lake City
WestCoast Hotel, Salt Lake City
Woodfin Suites Hotel, Salt Lake City
Zion Park Inn & Switchback Grill & Trading Company, Salt Lake City

VERMONT

Sheraton Burlington, Burlington
Wyndham Burlington, Burlington

VIRGINIA

Hawthorn Suites, Alexandria
Howard Johnson's, Alexandria
Waterview Condominium Hotel, Arlington



AmeriSuites, Arlington Heights
 Embassy Suites Crystal City, Arlington
 Hyatt Arlington, Arlington
 Homestead Studio Suites, Chantilly
 Holiday Inn Crowne Plaza, Crystal City
 Hilton Garden Inn, Fairfax
 Homestead Studio Suites, Fairfax
 Motel 6, Fredericksburg
 Homestead Studio Suites, Glen Allen
 SpringHill Suites, Glen Allen
 Fairfield Inn, Hampton
 Hilton Tyson's Corner, McLean
 Omni International Hotel, Norfolk
 Homestead Studio Suites, Reston
 Embassy Suites, Richmond
 Extended-Stay Hotel, Proposed, Richmond
 Holiday Inn West End, Richmond
 Comfort Inn, Springfield
 Hampton Inn, Springfield
 Homestead Studio Suites, Sterling
 Sierra Suites, Proposed, Sterling
 Marriott Hotel, Tyson's Corner
 Fairfield Inn, Virginia Beach

WASHINGTON

Red Lion Inn, Aberdeen
 Best Western Bellevue Inn, Bellevue
 Candlewood Hotel, Bellevue
 Candlewood Suites, Bellevue
 DoubleTree Bellevue Center, Bellevue
 Embassy Suites, Bellevue
 Extended StayAmerica Seattle/Bellevue,
 Bellevue
 Full-Service Hotel, Proposed, Bellevue
 Hampton Inn, Bellevue
 Homestead Studio Suites Seattle/Bellevue,
 Bellevue
 Homestead Studio Suites Seattle/Redmond,
 Bellevue
 La Quinta Inn, Bellevue
 Larkspur Landing Hotel, Bellevue
 Lincoln Square Hotel, Bellevue
 Marriott Hotel, Bellevue
 Palladium Center Project, Bellevue
 Red Lion Inn Bellevue Center, Bellevue
 Residence Inn, Bellevue
 Ritz-Carlton Hotel, Proposed, Bellevue
 Westin Hotel, Proposed, Bellevue
 Semiahmoo Hotel Company, Blaine
 Semi-ah-moo Resort, Blaine
 Sierra Suites Hotel, Proposed, Bellevue
 Extended Stay Deluxe Seattle/Bothell, Bothell
 Extended Stay Deluxe Seattle/Everett, Everett
 Extended StayAmerica Seattle/Federal Way,
 Federal Way
 Extended StayAmerica Tacoma/Fife, Fife

Motel 6, Issaquah
 Red Lion Inn, Kelso
 Red Lion Hotel Columbia Center, Kennewick
 Crossland Studios Seattle/Kent/Des Moines,
 Kent
 Extended StayAmerica Seattle/Kent, Kent
 Fairfield Inn, Proposed, Lacey
 Embassy Suites, Lynnwood
 Extended StayAmerica Seattle/Lynnwood,
 Lynnwood
 Residence Inn, Lynnwood
 Extended StayAmerica Seattle/Mukilteo,
 Mukilteo
 Phoenix Inn, Olympia
 WestCoast Olympia Hotel, Olympia
 Crossland Studios Tacoma/Puyallup, Puyallup
 DoubleTree Hotel, Pasco
 Red Lion Hotel, Pasco
 Red Lion Inn, Pasco
 Red Lion Hotel, Port Angeles
 Marriott Hotel, Proposed, Redmond
 Residence Inn, Redmond
 Hilton Gardens Hotel, Redmond
 Extended Stay Deluxe Seattle/Renton, Renton
 Hilton Garden Inn, Renton
 Larkspur Landing Hotel, Renton
 Best Western Tower Inn, Richland
 Red Lion Hotel Hanford House, Richland
 Red Lion Inn, Richland
 Shilo Inn, Richland
 Hampton Inn, Sea-Tac
 Holiday Inn Sea-Tac, Sea-Tac
 La Quinta Inn, Sea-Tac
 Red Lion Hotel, Sea-Tac
 Coast Gateway Hotel, Sea-Tac
 Alexis Hotel, Seattle
 Courtyard Hotel, Seattle
 Doubletree Inn, Seattle
 Elliott Hotel, Seattle
 Embassy Suites Seattle/Tacoma, Seattle
 Extended StayAmerica, Seattle
 Extended-Stay Hotel, Proposed, Seattle
 Fairmont Olympic Hotel, Seattle
 Four Seasons Olympic Hotel, Seattle
 Four-Star Hotel, Proposed, Seattle
 Grand Hyatt Seattle, Seattle
 Hampton Inn, Seattle
 Holiday Inn Crowne Plaza, Seattle
 Holiday Inn Sea-Tac, Seattle
 Homewood Suites, Seattle
 Hotel 1000, Seattle
 Hotel Andra, Seattle
 Hotel First Street, Proposed, Seattle
 Hotel Max, Seattle
 Hotel Monaco, Seattle
 Hotel Vintage Plaza, Seattle

Hyatt Hotel at Olive8, Proposed, Seattle
 Madison Hotel, Seattle
 Marriott Seattle Waterfront, Seattle
 Paramount Hotel, Seattle
 Red Lion Hotel, Seattle
 Renaissance Hotel, Seattle
 Roosevelt Hotel, Seattle
 Seattle Hotel, Proposed, Seattle
 Sheraton Hotel, Seattle
 WestCoast Grand Hotel on Fifth Avenue,
 Seattle
 WestCoast Paramount, Seattle
 WestCoast Vance Hotel, Seattle
 Springhill Suites, Seattle
 Vance Hotel, Seattle
 The Bay Silverdale Hotel, Silverdale
 Salish Lodge, Snoqualmie
 Red Lion Inn, Spokane
 Courtyard by Marriott, Spokane
 Crossland Studios, Spokane
 Residence Inn, Proposed, Spokane
 WestCoast Grand Hotel, Spokane
 WestCoast Ridpath Hotel, Spokane
 Shilo Inn, Spokane
 Red Lion Inn, Spokane Valley
 Skamania Lodge, Stevenson
 Crossland Studios Tacoma/Hosmer, Tacoma
 Extended StayAmerica Tacoma South, Tacoma
 Hotel Monaco, Tacoma
 Hotel Premier, Tacoma
 La Quinta Inn, Tacoma
 Park Shore Inn, Tacoma
 Red Lion Inn, Tacoma
 Sheraton Hotel, Tacoma
 Shilo Inn Suites, Tacoma
 Doubletree Suites, Tukwila
 Embassy Suites, Tukwila
 Extended StayAmerica Seattle/Tukwila, Tukwila
 Residence Inn, Tukwila
 Hampton Inn, Tukwila
 Homestead Studio Suites Seattle Southcenter/
 Tukwila, Tukwila
 Homewood Suites, Tukwila
 Extended StayAmerica Olympia/Tumwater,
 Tumwater
 Extended StayAmerica Portland/Vancouver,
 Vancouver
 Phoenix Inn, Vancouver
 Red Lion Inn at the Quay, Vancouver
 Residence Inn, Vancouver
 Red Lion Inn, Wenatchee
 WestCoast Wenatchee Center Hotel, Wenatchee
 Red Lion Hotel Yakima Center, Yakima
 Red Lion Inn, Yakima



WEST VIRGINIA

Holiday Inn Charleston House, Charleston
Charles Town Entertainment Complex,
Charles Town
Charles Town Races, Charles Town
Holiday Inn, Huntington
Howard Johnson's, Wheeling

WISCONSIN

Radisson Hotel, Appleton
Radisson Paper Valley Hotel, Appleton
Fairfield Inn, Auburn Hills
DoubleTree Hotel, Brookfield
Fairfield Inn, Brookfield
Milwaukee Marriott Hotel, Brookfield
Wyndham Garden Hotel, Brookfield
Fairfield Inn, Detroit
Fairfield Inn, Detroit-West
Radisson Inn, Farmington Hills
Various Locations, Frankenmuth
Super 8 Motel, Jamesville
Super 8 Motel, Kenosha
Fairfield Inn, Madison
Fairfield Inn, Milwaukee
Holiday Inn-Airport, Milwaukee
Holiday Inn-West, Milwaukee
Hyatt Regency, Milwaukee
Renaissance ClubSport, Prop., Milwaukee
Wyndham Garden Inn, Milwaukee/Brookfield
Holiday Inn, Neenah
Downtown Convention Hotel, Racine
Fairfield Inn, Warren
Hotel, Proposed, West Allis

WYOMING

Days Inn, Casper
Shilo Inn, Casper
Flying L Skytel, Cody
Shilo Inn, Evansville
Amangani Resort, Jackson Hole
Four Seasons Resort Hotel, Condominiums,
and Fractionals, Jackson Hole
Granary Restaurant & Spring Creek Ranch,
Jackson Hole

AUSTRALIA

Swissôtel Sydney on Market Street, Sydney

THE BAHAMAS

Baja Mar Resort, Nassau
Fairmont Hamilton Princess, Hamilton,
Bermuda
Resort, Marina, and Villas, Prop., Eleuthra

Fairmont Southampton Princess, Southampton
Reefs Resort & Fractionals, Southampton

BARBADOS

Fairmont Royal Pavilion

CAMBODIA

Raffles Hotel Le Royal Phnom Penh, Phnom
Penh
Raffles Grand Hotel d'Angkor Siem Reap,
Siem Reap

CANADA

Westin Calgary, Calgary, Alberta
119-Unit Hotel, Canmore, Alberta
Enoch Cree Entertainment Complex, Prop.,
Edmonton, Alberta
Westin Edmonton, Edmonton, Alberta
Fairmont Jasper Park Lodge, Jasper, Alberta
Fairmont Chateau Lake Louise, Lake Louise,
Alberta
Fairmont Vancouver Airport, Vancouver, BC
Hotel Georgia, Vancouver, BC
Pacific Palisades Hotel, Vancouver, BC
Westin Bayshore Resort & Marina,
Vancouver, BC
Fairmont Chateau Whistler, Whistler, BC
Mountainside Lodge, Whistler, BC
Holiday Inn Airport West, Winnipeg,
Manitoba
Courtyard by Marriott, Markham, Ontario
Residence Inn by Marriott, Markham, Ontario
Fairfield Inn by Marriott, Markham, Ontario
Courtyard by Marriott, Mississauga, Ontario
Residence Inn by Marriott, Mississauga,
Ontario
Westin Ottawa, Ottawa, Ontario
Sutton Place Hotel & Apartments, Toronto,
Ontario
Toronto Prince Hotel, Toronto, Ontario
Westin Harbour Castle, Toronto, Ontario
Courtyard by Marriott Toronto Vaughan,
Vaughan, Ontario
EconoLodge, Hull, Quebec
Fairmont Chateau Montebello, Montebello,
Quebec
Fairmont Kenauk, Montebello, Quebec
Hyatt Regency Montreal, Montreal, Quebec
Le Chateau Frontenac, Quebec City, Quebec

CHILE

Casino Hotel, Prop., San Francisco de
Mostazal

FIJI

Jean-Michele Cousteau Resort, Savusavu
Taunovo Bay Resort Hotel, Proposed,
Taunovo Bay

FRANCE

Le Melezin Hotel, Courcheval 1850
Marriott Champs Elysee, Paris

GERMANY

Swissôtel, Berlin
Swissôtel, Dusseldorf
Raffles Hotel Vier Jahreszeiten, Hamburg

GUAM

Royal Palm Resort, Tumon
Hyatt Regency Hotel, Tumon Bay
Palace Hotel Guam, Tamuning
Hotel, Proposed, Tamuning

JAPAN

Swissôtel Nankai Osaka, Osaka

MACAU, S.A.R., CHINA

City of Dreams Hotel & Casino, Proposed
Crown Macau Hotel & Casino
Grand Waldo Casino-Hotel
Sands Casino Macao
Studio City Macao
Venetian Resort Macao, Proposed

MEXICO

Fairmont Acapulco Princess, Acapulco
Fairmont Pierre Marques, Acapulco
Capella Pedregal Resort, Prop., Cabo San
Lucas
Chileno Bay Development, Cabo San Lucas
Hotel & Timeshare Development, Prop.,
Cabo San Lucas
Esperanza Hotel, Prop., Cabo San Lucas
Esperanza Resort & Fractionals, Cabo San
Lucas
Cancun Casa Magna Marriott Resort, Cancun
Four Seasons Mexico D.F., Colonia Juarez
Resort Hotel w/ Residential Component,
Diamante del Mar
Omni Hotel, Ixtapa
Capella Pedregal Resort, Prop., Cabo San
Lucas
Luxury Hotel Submarket, Los Cabos
Las Hados Resort, Manzanillo, Colima
Four Seasons Hotel, Mexico City



La Jolla de Mismaloya, Puerto Vallarta
Puerto Vallarta Casa Magna Marriott Resort,
Puerto Vallarta
Four Seasons Resort, Punta Mita, Nayarit
Trump Ocean Resort, Prop. Rosarita Beach
Rancho La Puerta, Tecate

NETHERLANDS

Swissôtel Amsterdam, Amsterdam

PUERTO RICO

Carib Inn, San Juan

RUSSIA

Casino Component - Proposed Resort,
Moscow

SINGAPORE

Marina Bay Sands Development, Marina Bay
Raffles Hotel Singapore
Raffles Plaza Singapore
Swissôtel Merchant Court Singapore
Swissôtel The Stamford Singapore

SWITZERLAND

Swissôtel Le Plaza Basel, Le Basel
Raffles Le Montreaux Palace, Montreal
Swissôtel Zurich, Zurich

WEST INDIES

Grand Princess Entertainment Center, Jolly
Harbour, Antigua
Four Seasons Resort, Nevis

VARIOUS

Fairmont Management Company
Noble House Hotels & Resorts
Starwood Analysis