VALUE IN USE APPRAISAL
The Plaza Site - Las Vegas

NWC Las Vegas Boulevard & Fashion Show Drive
Las Vegas, Nevada

EFFECTIVE APPRAISAL DATE:

December 31, 2008

PREPARED FOR:

Mr. Leor Siri
El Ad IDB Las Vegas, LLC
575 Madison Avenue
New York, NY 10222

GVA File #09009

PREPARED BY:

GVA Marquette Advisors Offices:

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Addenda

- Engagement Letter
- Temporary Practice Permit
- Property Survey
- Land Purchase Agreement
- Ground Lease
- Subject Property Photos (as-is)
- Korpacz Real Estate Investor Survey

March 18, 2009

Mr. Leor Siri
El Ad IDB Las Vegas, LLC
575 Madison Avenue
New York, NY 10222

SUBJECT: Value In Use Appraisal -- The Plaza Las Vegas, as of Dec. 31, 2008

GVA File # 08041

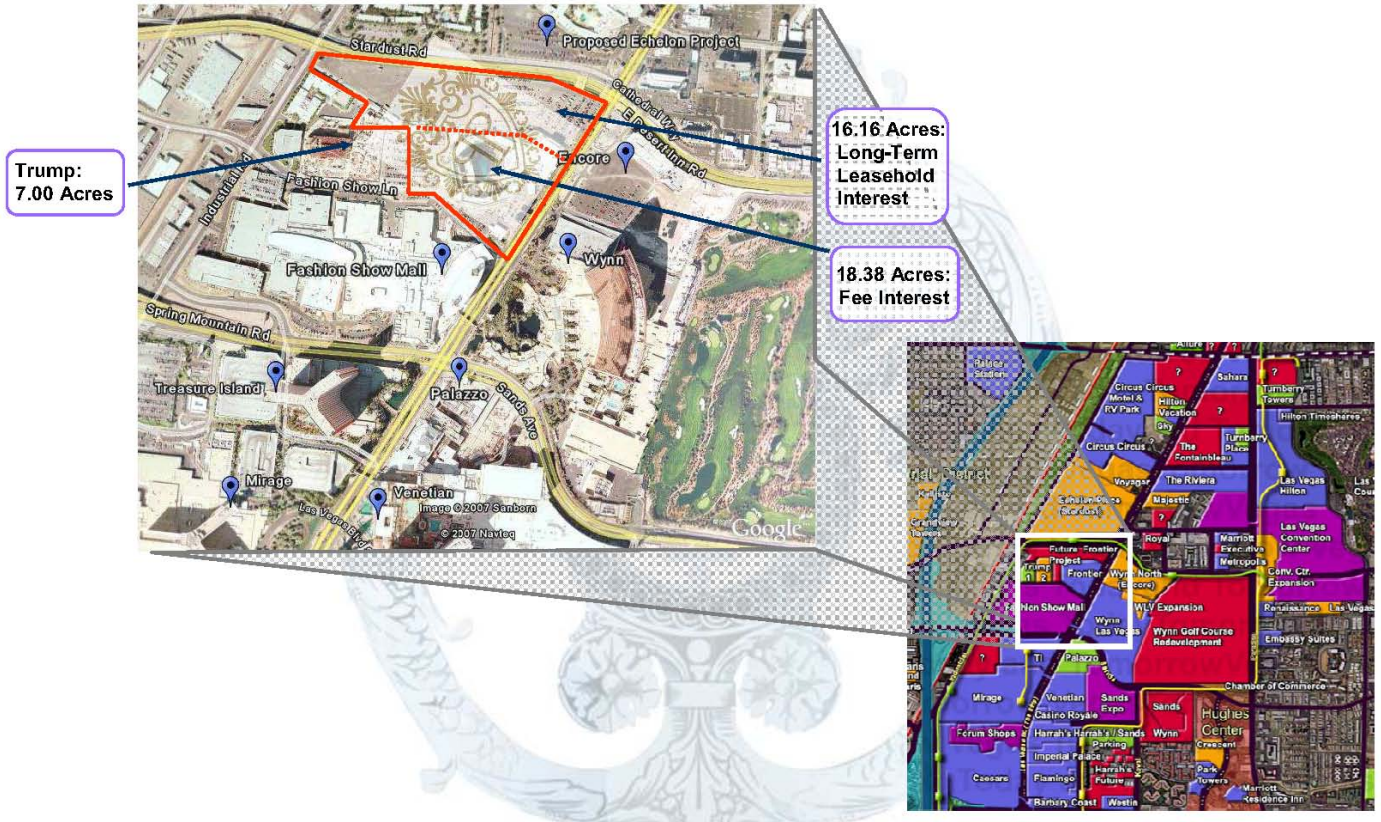
Dear Mr. Siri:

In accordance with your request, we have inspected and appraised the subject property referenced above. Mr. Louis W. Frillman, MAI, CRE is a licensed appraiser in the State of Minnesota (License Number AP-4000728). Mr. Frillman has accordingly obtained a temporary practice permit through the State of Nevada for the appraisal of the above-referenced property.

We note that GVA Marquette Advisors previously provided an appraisal of the subject property's value in use. The date of that report was November of 2008 and reached a value conclusion for the property of $1,500,000,000 as of September 30, 2008. This appraisal reflects an update to that analysis, and reflects a projected delay in the construction program by one year. This appraisal also reflects the appraiser's updated review of all available U.S. and Las Vegas market information through 2008 year-end.

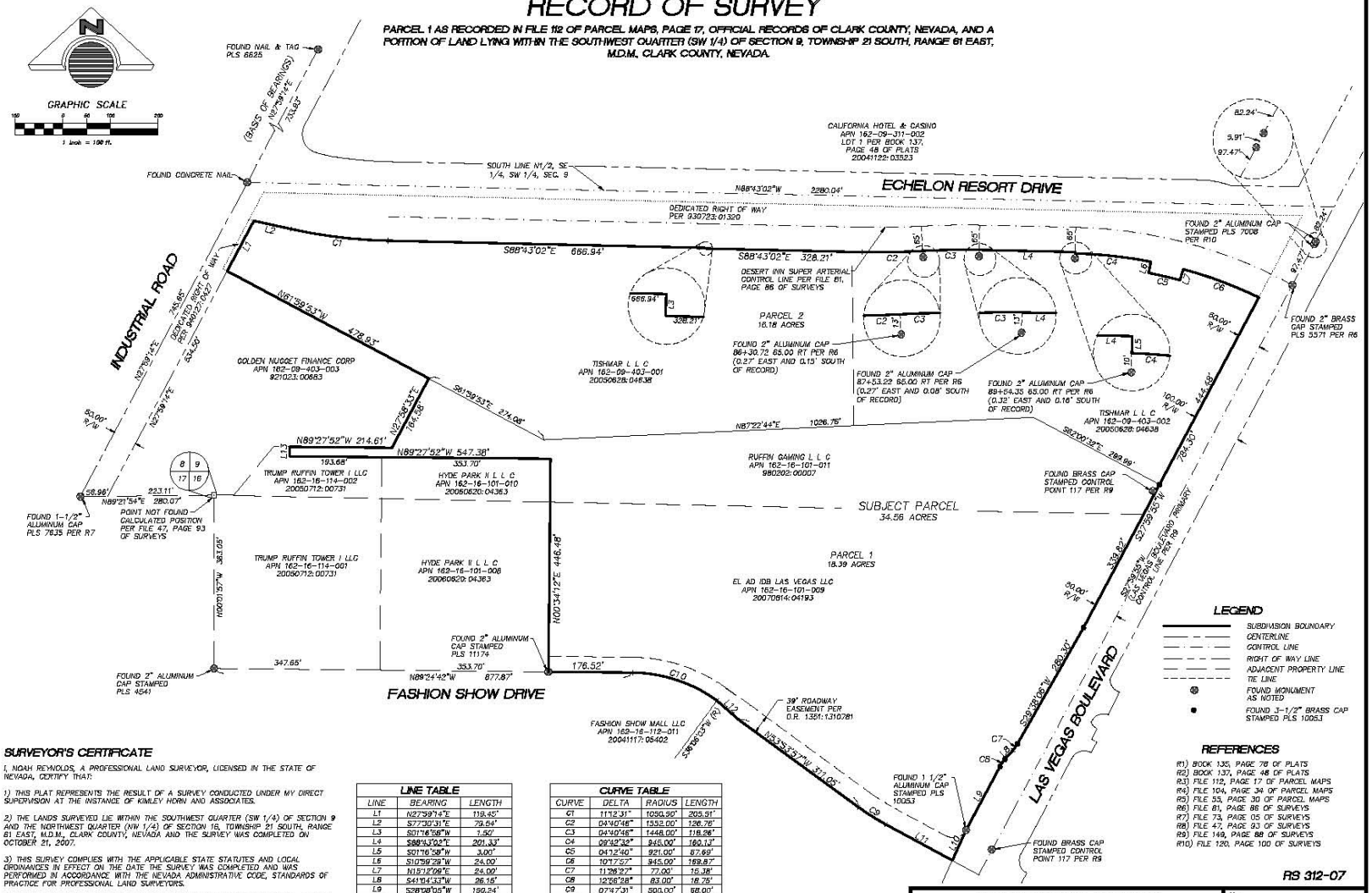
IDENTIFICATION OF THE SUBJECT PROPERTY - The subject property is located on the well-known "Las Vegas Strip" at the northwest corner of the intersection of Las Vegas Boulevard and Fashion Show Drive in Las Vegas, Nevada. The property is currently unimproved vacant land. The site contains **34.57 total acres**, consisting of an 18.39-acre fee site, owned by El Ad IDB Las Vegas, LLC and a 16.18-acre site which is owned by Tish's Castle, Inc. and leased to El Ad IDB Las Vegas, LLC. A copy of that lease agreement is provided in the Addenda. The map on the following page shows the property location and boundaries. This is followed by a site survey.

Property Location



RECORD OF SURVEY

PARCEL 1 AS RECORDED IN FILE 112 OF PARCEL MAPS, PAGE 17, OFFICIAL RECORDS OF CLARK COUNTY, NEVADA, AND A PORTION OF LAND LYING WITHIN THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 9, TOWNSHIP 21 SOUTH, RANGE 61 EAST, M.D.M., CLARK COUNTY, NEVADA.



SURVEYOR'S CERTIFICATE

I, NOAH REYNOLDS, A PROFESSIONAL LAND SURVEYOR, LICENSED IN THE STATE OF NEVADA, CERTIFY THAT:

1) THIS PLAT REPRESENTS THE RESULT OF A SURVEY CONDUCTED UNDER MY DIRECT SUPERVISION AT THE INSTANCE OF KIMLEY HORN AND ASSOCIATES.

2) THE LANDS SURVEYED LIE WITHIN THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 9 AND THE NORTHWEST QUARTER (NW 1/4) OF SECTION 16, TOWNSHIP 21 SOUTH, RANGE 61 EAST, M.D.M., CLARK COUNTY, NEVADA AND THE SURVEY WAS COMPLETED ON OCTOBER 21, 2007.

3) THIS SURVEY COMPLIES WITH THE APPLICABLE STATE STATUTES AND LOCAL ORDINANCES IN EFFECT ON THE DATE THE SURVEY WAS COMPLETED AND WAS PERFORMED IN ACCORDANCE WITH THE NEVADA ADMINISTRATIVE CODE, STANDARDS OF PRACTICE FOR PROFESSIONAL LAND SURVEYORS.

4) THE MONUMENTS DEPICTED ON THIS MAP ARE OF THE CHARACTER SHOWN, OCCUPY THE POSITIONS INDICATED, AND ARE OF SUFFICIENT NUMBER AND DURABILITY.

NOAH REYNOLDS, PLS
PROFESSIONAL LAND SURVEYOR
NEVADA LICENSE NO. 13870

NOAH REYNOLDS — No. 13870 — PROFESSIONAL LAND SURVEYOR — STATE OF NEVADA

LINE TABLE

LINE	BEARING	LENGTH
L1	N27°59'14"E	119.45'
L2	S77°30'31"E	79.04'
L3	S01°16'58"W	1.50'
L4	S88°43'02"E	201.33'
L5	S01°16'58"W	3.00'
L6	S10°59'29"W	24.00'
L7	N15°12'09"E	24.00'
L8	S41°04'33"W	26.15'
L9	S28°08'05"W	189.24'
L10	S24°10'26"W	69.87'
L11	N81°41'28"W	158.05'
L12	N48°44'11"W	81.12'
L13	N00°32'08"E	20.00'

CURVE TABLE

CURVE	DELTA	RADIUS	LENGTH
C1	11°12'31"	1035.90'	202.71'
C2	04°40'46"	1552.00'	126.76'
C3	04°40'46"	1446.00'	118.26'
C4	09°42'36"	945.00'	160.13'
C5	04°12'40"	921.00'	67.69'
C6	10°17'27"	945.00'	169.71'
C7	11°28'27"	77.00'	15.38'
C8	12°56'28"	83.00'	18.75'
C9	07°47'31"	500.00'	68.00'
C10	35°31'51"	305.50'	189.45'

BASIS OF BEARING

NORTH 27°59'14" EAST BEING THE BEARING OF THE CENTERLINE OF INDUSTRIAL ROAD AS SHOWN IN BOOK 137, PAGE 48 OF PLATS, CLARK COUNTY, NEVADA OFFICIAL RECORDS.

COUNTY RECORDER'S NOTE

ANY SUBSEQUENT CHANGES TO THIS MAP SHOULD BE EXAMINED AND MAY BE DETERMINED BY REFERENCE TO THE COUNTY RECORDER'S CUMULATIVE MAP INDEX. NRS 278.5695

REFERENCES

(R1) BOOK 135, PAGE 76 OF PLATS
(R2) BOOK 137, PAGE 48 OF PLATS
(R3) FILE 112, PAGE 17 OF PARCEL MAPS
(R4) FILE 104, PAGE 34 OF PARCEL MAPS
(R5) FILE 55, PAGE 30 OF PARCEL MAPS
(R6) FILE 81, PAGE 86 OF SURVEYS
(R7) FILE 73, PAGE 05 OF SURVEYS
(R8) FILE 47, PAGE 93 OF SURVEYS
(R9) FILE 149, PAGE 88 OF SURVEYS
(R10) FILE 120, PAGE 100 OF SURVEYS

RS 312-07

RECORD OF SURVEY

PARCEL 1 AS RECORDED IN FILE 112 OF PARCEL MAPS, PAGE 17, OFFICIAL RECORDS OF CLARK COUNTY, NEVADA, AND A PORTION OF LAND LYING WITHIN THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 9, TOWNSHIP 21 SOUTH, RANGE 61 EAST, M.D.M., CLARK COUNTY, NEVADA.

HORIZON SURVEYS
5901 COVINGTON CROSS DRIVE, SUITE 120
LAS VEGAS, NEVADA 89144
PHONE (702) 228-3566
FAX (702) 228-0677
WWW.HORIZONSURVEYS.COM

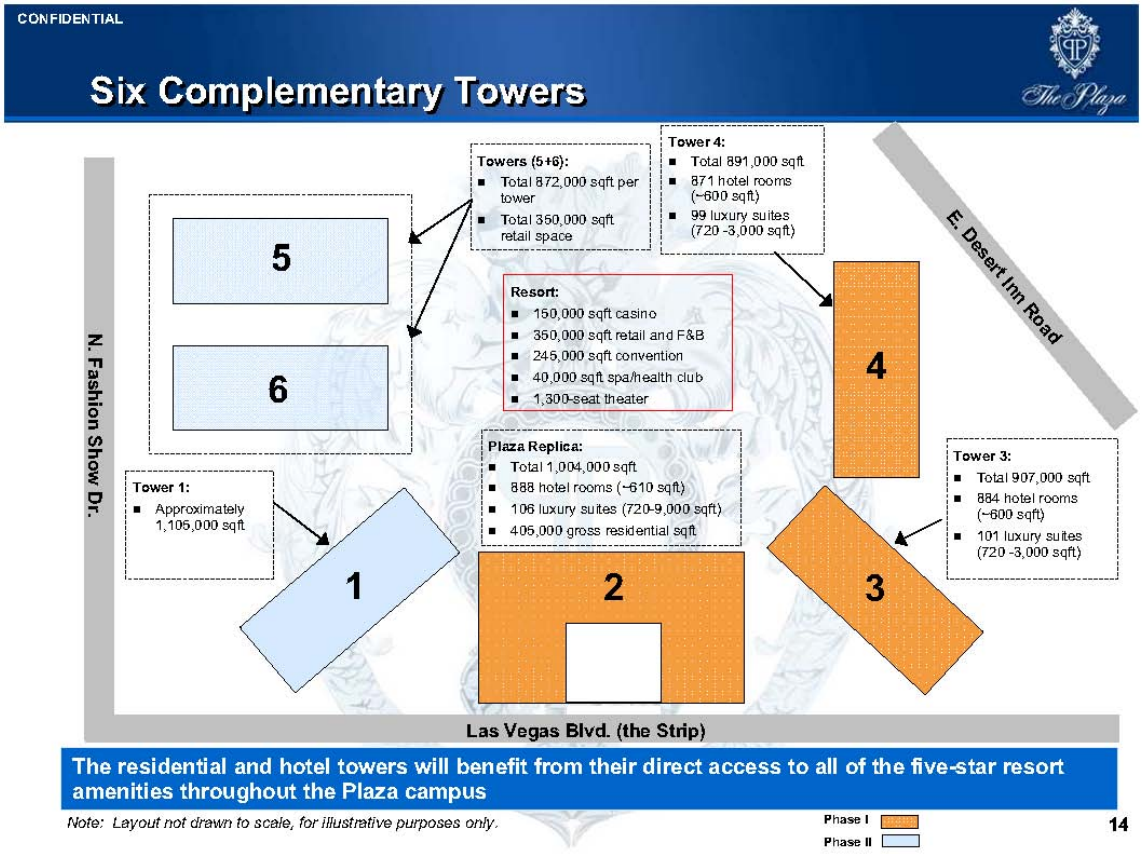
Date	10-25-07
Drawn	R. SUGAR
Checked	N. REYNOLDS
Job Number	40155
Sheet No.	1 OF 2

No. _____
FILED AT THE REQUEST OF Horizon Surveys
DATE _____ TIME _____
FILE _____ PAGE _____
SURVEYS
OFFICIAL RECORDS BOOK
No. _____
CLARK COUNTY, NEVADA RECORDS
DEBBIE CONWAY, RECORDER
FEE $ _____ DEPUTY _____

PROPERTY RIGHTS APPRAISED –Value in Use, as of December 31, 2008 subject to the extraordinary assumptions and limiting conditions as outlined in this report.

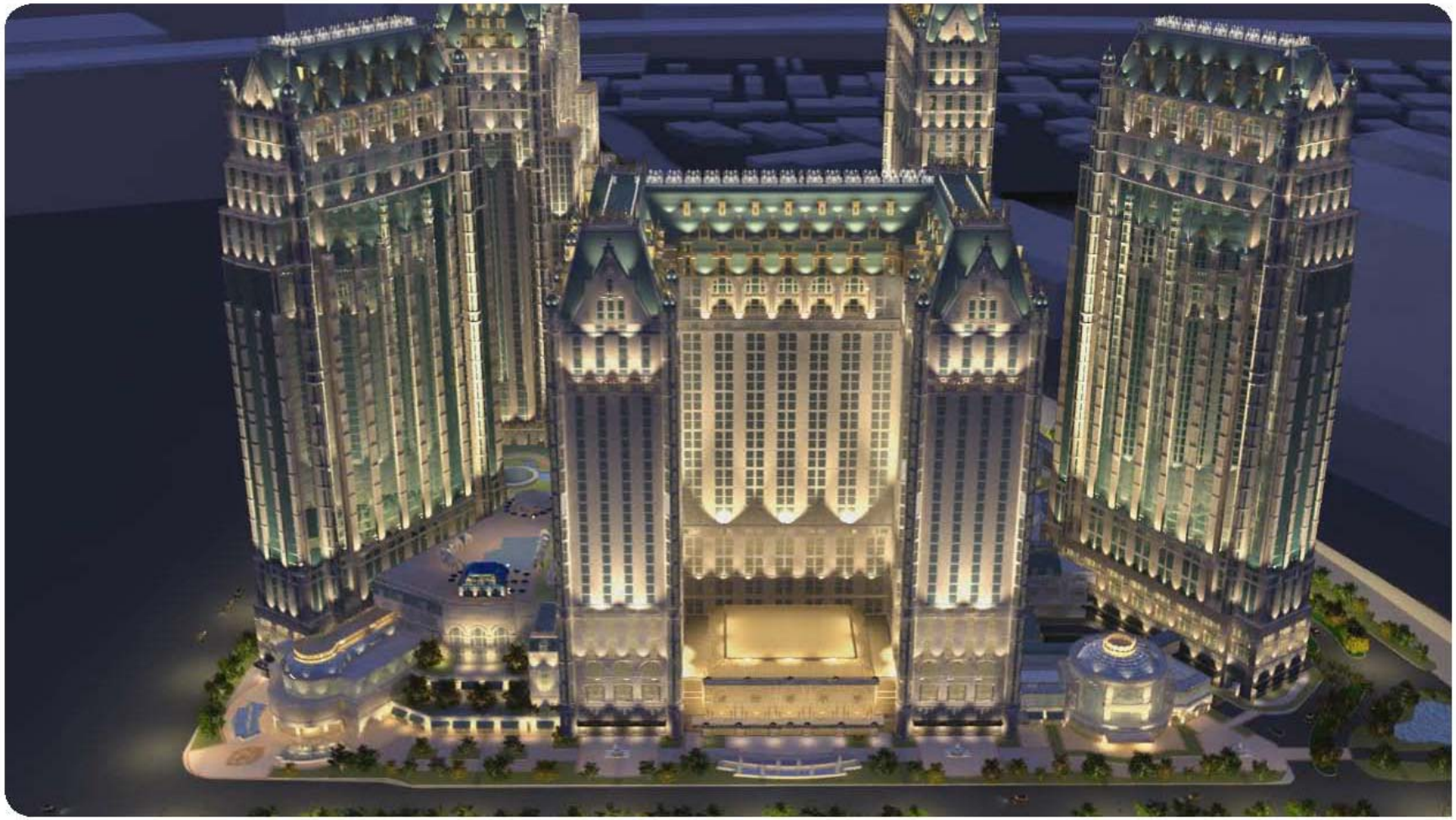
PLANNED DEVELPOMENT PROGRAM

The property will be developed as a full service casino hotel. Private residences are also planned, to be sold as condominiums. Hard construction will occur in phases beginning in 2011, with initial gaming, hotel and condo components assumed to open for business on Jan. 1, 2014. Remaining Phase II components will be constructed between 2015 and 2019. At completion, the project (all phases) will include a mix of 5,116 hotel rooms and related support amenities, a 245,000 sq. ft. convention center, 5,167 total gaming positions, more than 500,000 sq. ft. of retail and restaurant space, and a 1,300-seat theater. A total of 930 residential condos are also planned. The graphic below shows the layout of the various buildings and project components. Property renderings are provided on the following pages.



*Note that the 350,000 sf of "retail space" between Towers 5 & 6 as noted above has since been reconfigured to accommodate additional gaming floor space in the second phase.





DEVELOPMENT BUDGET

A detailed listing of the various project components and phasing is provided below, along with land cost and estimated development costs, including hard & soft costs, FF&E and financing costs. Phase I development cost estimates were provided by El Ad IDB Las Vegas, LLC. The land cost represents the actual purchase price of $1.24 billion, allocated to the various development phases based on each component's share of the overall project square footage. Phase II cost estimates were developed by GVA Marquette Advisors based primarily upon the client-provided Phase I per-square foot costs inflated at 2.5% per year. The estimated total development cost for the project is approximately **$5.6 billion**. The total cost excluding land and financing costs is estimated at $**3.9 billion**, including approximately $2.5 billion in Phase I and $1.4 billion in Phase II.

Plaza Las Vegas			
Develpoment Program			
Phase I			
Buildings 2, 3, 4 -- 2014			
Room Count	3,000		
Condos	240		
Slots	2,037		
Tables	126		
Total Gaming Positions	2,919		
Retail SF (net lease)	250,000		
F&B SF (owned)	103,000		
Spa/Health Club SF	40,000		
Convention Center SF	245,000		
Theater (seats)	1,300		
Gaming Positions per Room	0.973		
Phase I Total Sq. Ft.	8,000,000		
Original Land Cost (partial allocation)	***$885,793,374***		
Site Work (full site)	***$86,200,000***		
Hard Cost	***$1,946,800,000***		
Soft Costs	***$218,000,000***		
FF&E, OS&E	***$274,000,000***		
Finacing Costs	***$440,000,000***		
Estimated Total Construction Cost -- Phase I	***$3,850,793,374***		
Phase II		**Notes/Assumptions**	
Building 1 (2016)			
Room Count	671	(552,500 sf gross)	(469,000 sf net)
Condos	340	(552,500 sf gross)	(469,000 sf net)
Total SF Building 1	1,105,000		
Land Cost (partial allocation)	***$122,350,210***		
Hard Cost	***$364,650,000***	***$330 psf***	
Soft Costs	***$91,162,500***	***25% of hard costs***	
Estimated Total Cost - Building 1	***$578,162,710***		

Plaza Las Vegas
Develpoment Program (Continued)

Building 5 (2018)				
Room Count	723	(595,000 sf gross)	(505,000 sf net)	
Condos	175	(277,000 sf gross)	(235,000 sf net)	
Slots	1,568			
Tables	97			
Total Gaming Positions	2,248	(100,000 sf gross)		
Retail SF (net lease)	170,000	(200,000 sf gross)		
Total SF Tower 5	872,000			
Gaming Area (podium) gross	150,000			
Retail Area (podium) gross	200,000			
Land Cost (partial allocation)	***$135,304,938***			
Hard Cost Tower	***$300,840,000***	***$345 psf***		
Hard Cost Podium	***$166,250,000***	***$475 psf***		
Soft Costs	***$75,210,000***	***25% of hard cost***		
FF&E - Gaming	***$44,952,600***	***$20k/position***		
Estimated Total Cost -- Building 5	***$722,557,538***			
Building 6 (2020)				
Room Count	723	(595,000 sf gross)	(505,000 sf net)	
Condos	175	(277,000 sf gross)	(235,000 sf net)	
Total SF Tower 6	872,000			
Land Cost (partial allocation)	***$96,551,478***			
Hard Cost	***$318,280,000***	***$365 psf***		
Soft Costs	***$79,570,000***	***25% of hard costs***		
Estimated Total Cost - Building 6	***$494,401,478***			
Project Summary at Completion (2020)				
Room Count	5,116			
Condos	930			
Slots	3,605			
Tables	223			
Total Gaming Positions	5,167			
Retail SF (net lease)	420,000			
F&B SF (owned)	103,000			
Spa/Health Club SF	40,000			
Convention Center SF	245,000			
Theater (seats)	1,300			
Gaming Positions per Room	1.010			
Project Total Sq. Ft.	11,199,000			
Land Cost	***$1,240,000,000***			
Site Work	***$86,200,000***			
Hard Cost	***$3,096,820,000***			
Soft Costs	***$903,942,500***			
FF&E	***$318,952,600***			
Total Project Cost	***$5,645,915,100***			

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

PROPERTY	The Plaza Las Vegas (proposed) Las Vegas Blvd. & Fashion Show Dr. Las Vegas, NV 89106
PROPERTY TAX IDENTIFICATION NUMBER(S)	Clark County, NV 162-16-101-009 162-16-101-011 162-09-403-004
CURRENT OWNER(S) OF RECORD	El Ad IDB Las Vegas (18.39 acre fee parcel) Tish's Castle, Inc. (16.18 acre leasehold)
LAND AREA	34.57 Acres
PROJECTED GROSS BUILDING AREA	11,199,000 Sq. Ft. (all phases)
CURRENT OCCUPANCY	Vacant land
YEAR BUILT	N/A (proposed)
ZONING DESIGNATION	H-1, Residential/Casino/Condo Hotel
CONFORMING USE PER CURRENT ZONING	Yes
FLOOD ZONE	Zone X, not in 500-yr flood zone
FLOOD MAP	FEMA Comm. Map # 32003C2560E
ANNUAL PROPERTY TAXES (2008-09)	$3,844,684
HIGHEST AND BEST USE	Gaming, Hotel, Residential (as proposed)
VALUATION	Value in Use, as of Dec. 31, 2008 subject to the extraordinary assumptions & limiting conditions as outlined in this report
ESTIMATED MARKETING PERIOD	Varies by component
ESTIMATED EXPOSURE PERIOD	Varies by component
APPRAISER'S FINAL OPINION OF VALUE IN USE	**$1,250,000,000 to $1,300,000,000**

INTENTED USER AND USE OF THE APPRAISAL - We have prepared this appraisal report for the use to support the value in the financial statements of El Ad IDB Las Vegas, LLC, and El Ad US Holding Inc., and Property and Building Company LTD, and IDB Development Corporation, LTD. It is understood that this report will be attached to an Israeli public filing of the public entities mentioned above.

BOOK VALUE

The Book Value per IFRS standards is $1,483,000,000.

PROPERTY RIGHTS APPRAISED AND DATE OF VALUE

Value in Use of the leased fee and leasehold value of the land, as determined in accordance with International Accounting Standards, as of December 31, 2008, subject to the extraordinary assumptions and limiting conditions outlined in this report.

SCOPE OF THE APPRAISAL - This Value in Use Appraisal Report is not limited in scope as to our analysis of the property. This is a complete appraisal, reported as a complete self contained appraisal report format, in accordance with the Uniform Standards of Professional Appraisal Practice and in compliance with FIRREA, Title XI pertaining to real estate appraisals, as well as International Accounting Standards. As such, this report contains a description of the subject property and provides an analysis of the various details considered in our analysis, along with the appraiser's opinion of value.

In the preparation of this appraisal report, we have considered all available, relevant market data identified as impacting the market value of the subject. In the preparation of this report, we have completed a physical inspection of the subject property, its immediate neighborhood and competitive market area. We have also analyzed all available and relevant gaming, hotel and related development market data, demographics and economic information for greater Las Vegas market and the nation as a whole.

Data sources relied upon are referenced throughout this report. The data which we have assembled has been confirmed, whenever possible, by personal contact with the buyer, seller or agent handling the particular transaction. When personal confirmation was not possible by us, judgment was made as to its relevance and reliability.

UNDERLYING ASSUMPTIONS

This appraisal report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.

2. The property is appraised free and clear of any and all liens or encumbrances unless otherwise stated.

3. Responsible ownership and competent property management are assumed.

4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.

5. All engineering is assumed to be correct. The plans and illustrative material in this report are included only to assist the reader in visualizing the property.

6. It is assumed that there are no hidden or in apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

7. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.

8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the appraisal report.

9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

11. Construction plans and final budget had not been completed as of the date of valuation. All plans and project information presented herein, including square footages, were provided by the project sponsor and are approximate as of the date of valuation and the appraiser assumes that the project will be developed as described herein. Substantial alteration from

the development program as described in this report could result in material financial performance and valuation.

12. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

EXTRAORDINARY ASSUMPTIONS

Uniform Standards of Professional Appraisal Practice (USPAP) defines an "extraordinary assumption" as an assumption which is directly related to the assignment that if found to be false, could alter the appraiser's opinions or conclusions. In terms of this assignment, the following extraordinary assumptions are applicable, **that being that the development program as described in this report is constructed as per the phasing program as outlined herein and that the estimated project costs as presented in this report are assumed to be accurate**. **If the project costs, development components or timing vary significantly from those presented within this analysis, the financial viability of the project, the rate of return and valuation could in fact vary substantially.** Based on extensive review of the project budget, construction cost indices and professional knowledge based on experience in evaluating numerous gaming and resort developments in Las Vegas and nationwide, the appraiser believes from this analysis that the assumed costs and phasing schedule are reasonable.

LIMITING CONDITIONS

This appraisal report has been made with the following general limiting conditions:

1. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser and, in any event, only with proper written qualification, and only in its entirety.

3. The appraiser herein by reason of this report is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.

5. All valuation services rendered by GVA Marquette Advisors are subject to the above enumerated underlying assumptions and limiting conditions.

HYPOTHETICAL CONDITIONS

As defined by USPAP, a "hypothetical condition" is that which is actually contrary to what exists, but is supposed for the purpose of the valuation assignment. There are no hypothetical conditions noted for purposes of this valuation assignment.

COMPETENCY PROVISION

Louis W. Frillman, MAI, CRE is experienced and competent in valuing similar gaming-oriented facilities and has appraised and consulted on a wide variety of similar gaming operations throughout Nevada and the United States. Thus he has both the geographic experience and professional experience and expertise as required by this valuation assignment. Mr. Frillman's professional biography is provided below. Mr. Frillman is a licensed appraiser in the State of Minnesota and has obtained a temporary practice permit for this valuation assignment through the State of Nevada. A copy of that permit is provided following the appraiser's biography.

PROFESSIONAL QUALIFICATIONS OF LOUIS W. FRILLMAN

President
GVA MARQUETTE ADVISORS

Louis W. Frillman has been engaged in the real estate business nationwide since March 1975. During this time, he has developed skills in all areas of real estate practice including the acquisition, disposition, asset management, development, leasing, sale, financing, and valuation of industrial, commercial, and residential properties, including all major types of income-producing real estate. Currently, Mr. Frillman is President of GVA Marquette Advisors, a national commercial real estate consulting firm.

GVA Marquette Advisors currently operates a national real estate counseling practice with offices in Minneapolis and Seattle. GVA Marquette provides comprehensive solutions to complex real estate problems and is practiced at managing and overseeing large real estate consulting projects nationwide. Mr. Frillman formerly was Executive Vice President of Marquette Partners, a 490-employee firm that managed and oversaw 45 million sq. ft. of investment properties of all types, including primarily regional and community shopping centers nationwide, and also office properties and industrial investment and corporate portfolios.

Mr. Frillman has completed counseling assignments dealing with significant decisions regarding real property utilized for real estate tax petitions, market feasibility and absorption analysis studies, valuations and disposition of major business properties, and investment analyses for acquisition of property by investors of all types. Geographically, he has been active in providing counsel on complex property issues with no boundary limitations for over 20 years. He has completed projects in Europe, the UK, Bermuda, Hawaii, Canada, Mexico, and parts of Central America.

He has developed all types of income producing properties, and in addition, has developed single-family custom housing. Mr. Frillman has provided counsel to real estate buyers, sellers, investors and lenders concerning virtually all types of real estate, worldwide.

In the hospitality and gaming areas, Mr. Frillman has conducted numerous market and financial feasibility studies, going concern and real estate valuations, and has provided other counseling services to scores of hospitality and gaming projects. Mr. Frillman is experienced at managing and overseeing large projects nationwide. His gaming experience spans North America and the Caribbean, including all existing gaming markets.

Mr. Frillman is a member of the American Gaming Association, and an active supporter of the National Association of Indian Gaming. He is a frequent guest lecturer at gaming panels, seminars, and trade shows throughout the United States. He is a member of the American Society of Real Estate Counselors, the real estate counseling affiliate of the National Association of Realtors. He is an elected member of the Appraisal Institute and has served on the MAI Demonstration Appraisal Reports Committee nationally, and was a member of the Board of Directors for the local Institute Chapter as well as on the local admissions committee.

In 1973, Mr. Frillman graduated from the College of St. Thomas with a Bachelor of Arts Degree in Finance. He has completed all courses relating to earning and maintaining real estate valuation designations, licenses, and brokerage licenses, in multiple states. Mr. Frillman regularly attends professional educational seminars and has completed courses in a variety of related subjects including market feasibility analysis, syndication structure and analysis, subdivision development, the valuation of industrial real estate, the valuation of

multiple-family properties, analysis of deminimus PUDs, methods of joint venture financing, valuation of business enterprises, and others.

In addition to attending courses in real estate, Mr. Frillman has lectured and taught real estate valuation for the University of St. Thomas and has been a guest lecturer at numerous continuing education seminars for the Law Board, NAIOP, American Society of Real Estate Counselors, and CORENET.

Mr. Frillman is a licensed and bonded real estate broker in the State of Minnesota and is an affiliate member of the National Association of Industrial and Office Parks (NAIOP), and has served on multiple committees of that association. He has also served as judge for the NAIOP "Awards of Excellence".

His community activities include being a full member of the Greater Minneapolis Board of Realtors, a member of the Urban Land Institute, a member of the National Trust for Historic Preservation, the Ramsey County Historical Society, the Ramsey Hill Association, and the Riverfront Development Committee of the Downtown Council of Minneapolis.

Mr. Frillman is a member of the American Society of Real Estate Counselors, the real estate counseling affiliate of the National Association of Realtors. He is an elected member of the Appraisal Institute, has served on the MAI Demonstration Appraisal Reports Committee nationally, and was a member of the Board of Directors for the local Institute Chapter as well as on the local admissions committee. He has also served as Chairman of the Candidate Guidance Committee.

He is an invited member of both the Real Estate Counselors (CRE) and Lambda Alpha, the international Land Economics Fraternity.

His charitable activities include eight years as board director of Catholic Charities for the Elderly. In that capacity, he served as development coordinator of Marion Center, a skilled care and assisted living care facility. He was responsible for coordinating all aspects of development including facility design and review, construction management, marketing programming, and ongoing management supervision.

Currently, he resides at 1661 Harbor Avenue SW, Seattle, Washington. He and his wife maintain a pied' a tierre at 459 Portland in St. Paul, Minnesota. Mr. Frillman is married to the former Carol A. Motsinger, and has four children.

TEMPORARY APPRAISER PERMIT

STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY

NOT TRANSFERABLE REAL ESTATE DIVISION NOT TRANSFERABLE

This is to Certify That: LOUIS W FRILLMAN Permit Number: ATMP.0010919.CG

Has been issued a TEMPORARY PRACTICE PERMIT by the State of Nevada for a specified appraisal assignment from the issue date to the expiration date at the business address stated here in, unless the permit is sooner revoked, cancelled, withdrawn, or invalidated.

Issue Date: October 21, 2008 Expire Date: April 17, 2009

In witness whereof, THE DEPARTMENT OF BUSINESS AND INDUSTRY, REAL ESTATE DIVISION, by virtue of the authority vested in it by Chapter 645C of the Nevada Revised Statues, has caused this Permit to be issued with its Seal printed thereon.

FOR: LOUIS W FRILLMAN
GVA MARQUETTE ADVISORS INC
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REAL ESTATE DIVISION

ANN M McDERMOTT
Administrator



DEFINITION OF VALUE IN USE[1]

According to International Accounting Standards, the following elements are 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 the market participants would reflect in pricing the future cash flows the entity expects to derive from the asset.

Estimating the value in use of an asset involves the following steps:

(a) estimating the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal; and

(b) applying the appropriate discount rate to those future cash flows.

[1] *IASCF*, pp. 1465-1466.

REGIONAL CHARACTERISTICS

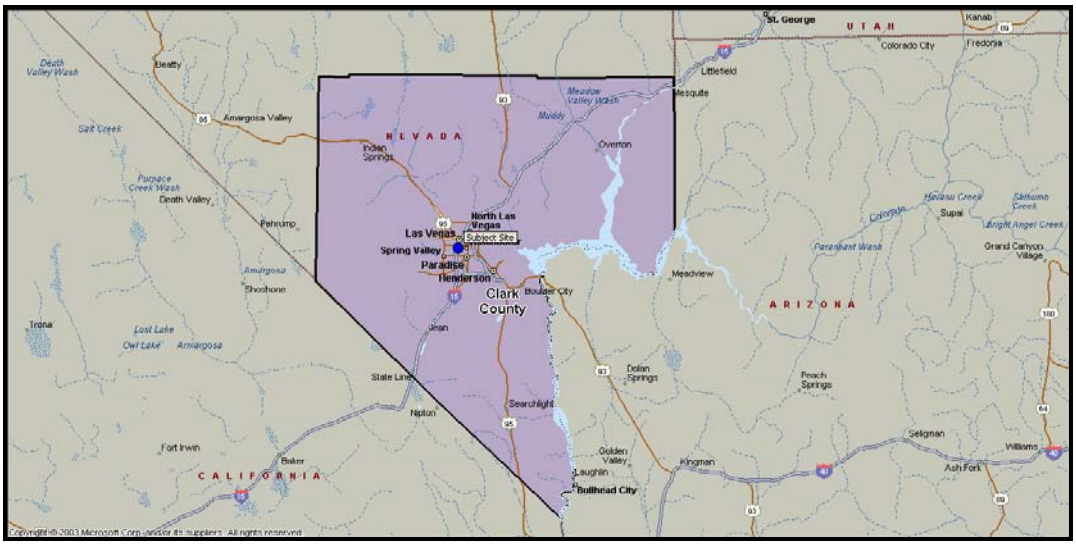
The following section provides an assessment of the market environment within which the proposed Plaza Las Vegas would operate. We begin with an overview of the subject property location and a discussion of the Las Vegas-Paradise Metropolitan Statistical Area (MSA). As well, we review relevant demographic and economic data, along with a description of the transportation infrastructure and tourism industry in the region. Demographic data is from the U.S. Census and ESRI Business Information Solutions, a nationally recognized econometric forecasting firm. Other economic data and tourism statistics were assembled from a variety of other sources, and are accordingly referenced throughout the report.

Las Vegas-Paradise Metropolitan Area

This section provides an overview of the Las Vegas-Paradise MSA, which consists of Clark County, Nevada, including the cities of Las Vegas, Henderson, North Las Vegas, Boulder City, and the surrounding areas. The county has a total area of 8,091 square miles. Land now covers 97.8% of the total area (7,910 miles), while water covers the remaining 2.2% (180 miles). Las Vegas is obviously the most populous City and the county seat.

The Colorado River forms the county's southeastern boundary, with Hoover Dam forming Lake Mead along much of its length. Las Vegas is frequently, yet incorrectly labeled a valley. By definition, the greater Las Vegas area is a land basin or bowl, surrounded by four mountain ranges, with nearby Mount Charleston being the highest elevation at 11,918 ft, located to the northwest. Other than the forests on Mount Charleston, the geography in Clark County is a desert. A map of Clark County is shown below:

Clark County, NV



Demographic Characteristics

Economic and demographic data was obtained from the U.S. Census and ESRI Business Information Solutions (ESRI), a national econometric forecasting firm, for the population residing within the market area surrounding the proposed Plaza Casino and Hotel site. Historical data (2000) is from the U.S. Census, while current year estimates and 5-year projections are from ESRI.

Population and Household Growth

The table below shows population and household growth data for Las Vegas and Clark County for 2000, 2008 and 2013. For comparison purposes, the U.S. growth trend is also presented. As of 2008, Las Vegas is estimated to have roughly 584,500 residents, up from 478,400 in 2000, reflecting an annual growth rate of about 2.8%. The remainder of Clark County showed a significant increase in population, jumping by nearly 478,000 people since 2000, or about a 6.7% annual increase. In total, Clark County showed an annual population increase of 5.3% between 2000 and 2008, which significantly outpaced the United States annual growth rate of 1.2% during this time.

Population and Household Growth Trends, 2000-2013
Las Vegas & Clark County

				Annual Growth Rates			
	U.S. Census	Estimate	Forecast	2000 to 2008		2008 to 2013	
	2000	2008	2013	Number	Percent	Number	Percent
Population							
Las Vegas	478,434	584,534	688,477	13,263	2.8%	20,789	3.6%
Remainder of Clark County	897,331	1,375,280	1,704,793	59,744	6.7%	65,903	4.8%
Clark County	1,375,765	1,959,814	2,393,270	73,006	5.3%	86,691	4.4%
United States	281,421,906	309,299,265	328,770,749	3,484,670	1.2%	3,894,297	1.3%
Households							
Las Vegas	176,750	214,463	251,559	4,714	2.7%	7,419	3.5%
Remainder of Clark County	335,503	516,596	639,611	22,637	6.7%	24,603	4.8%
Clark County	512,253	731,059	891,170	27,351	5.3%	32,022	4.4%
United States	105,480,101	116,384,754	123,932,585	1,363,082	1.3%	1,509,566	1.3%

Sources: US Census Bureau; ESRI; GVA Marquette Advisors

Over the next five years, Las Vegas is projected to increase by nearly 104,000 residents, reflecting an annual growth rate of 3.6%. The remainder of the County is projected to grow by about 329,500 persons between 2008 and 2013, showing an annual growth rate of 4.8%. Clark County as a whole is projected to add an average of about 86,700 persons/year, reflecting a 4.4% annual growth rate over the next five years. Clark County is one of the fastest growing counties in the United States. The U.S. population growth rate is expected to be approximately 1.3% per year between 2008 and 2013.

Meanwhile, the number of households in Las Vegas and Clark County grew by an annual rate of 2.7% (4,700 households) and 5.3% (27,350 households), respectively, between 2000 and 2008. Between 2008 and 2013, Las Vegas' household base is projected to increase by over 7,400 households per year (3.5%), while Clark County is projected to increase by over 32,000 households per year (4.4%), again outpacing the U.S. annual growth rate of 1.3%.

Household Incomes

The following table illustrates the number of households by income level for Las Vegas, Clark County, and the United States. For comparison purposes, the table also shows the median income for each area.

As a whole, the Las Vegas median household income is estimated at $57,975 in 2008. This is about 6% higher than the national median of $54,750. Clark County had a slightly higher median income of about $58,400, as of 2008. By 2013, the Las Vegas median income is projected to increase to $67,380, or about an annual increase of 3.24%. Clark County's median household income is projected to increase at a similar annual rate (3.26%), to about $67,900 by 2013.

Households by Incomes (2008)
Las Vegas and Clark County

Income Level	Las Vegas	%	Clark County	%	United States	%
< $15,000	21,232	9.9%	62,871	8.6%	13,384,115	11.5%
$15,000 - $24,999	19,087	8.9%	58,484	8.0%	11,172,826	9.6%
$25,000 - $34,999	22,947	10.7%	76,761	10.5%	11,638,361	10.0%
$35,000 - $49,999	29,381	13.7%	109,658	15.0%	16,759,239	14.4%
$50,000 - $74,999	45,251	21.1%	163,025	22.3%	23,858,639	20.5%
$75,000 - $99,999	31,955	14.9%	115,506	15.8%	16,759,239	14.4%
$100,000 +	44,608	20.8%	144,748	19.8%	22,811,187	19.6%
Total	**214,462**	**100.0%**	**731,053**	**100.0%**	**116,383,605**	**100.0%**
Median Household Income (2008)	$57,976		$58,391		$54,749	
Median Household Income (2013)	$67,382		$67,904		$64,042	
Projected Annual Increase	3.24%		3.26%		3.39%	

Source: ESRI, GVA Marquette Advisors

In 2008, nearly 57% of all households (or about 121,800 households) in Las Vegas had incomes of over $50,000, compared to 54.5% for the United States as a whole. There are more than 44,600 households with incomes of $100,000 or greater, representing roughly 21% of all households.

Employment

Recent employment growth trends for the Las Vegas-Paradise MSA (Clark County) are shown on the tables on the following pages. The first table presents *covered* employment in the Las Vegas-Paradise MSA from 1998 through 2008. Covered employment data is calculated as an annual average and *reveals the number of jobs in the area by place of employment*, which are covered by unemployment insurance. Most farm jobs, self-employed people, and some other types of jobs are not covered by unemployment insurance and are not included in the table. The data comes from the U.S. Bureau of Labor Statistics.

The second table presents resident employment data, which is calculated as an annual average and reveals the work force and *number of employed persons residing in the Las Vegas-Paradise MSA.* It is important to note that not all of these individuals necessarily work within the MSA, although they do reside there.

Covered Employment

According to the U.S. Bureau of Labor Statistics, the Las Vegas-Paradise MSA had approximately 915,500 jobs in 2008, down about 11,400 jobs in 2007. The region is obviously well known for its gaming and tourism industries. The region employs about 270,100 workers in the Leisure and Hospitality sector, representing about 30% of all jobs in the MSA. Despite the strength in Leisure and Hospitality, a development slow-down has contributed to a decline in employment in some sectors. Most notably, in 2008, Construction employment was down by 9,100 jobs compared to a year ago, with Professional & Business Services employment down by 3,300 jobs and Financial Activities down by 2,700 jobs over the past year. Clearly not all industries have shown declines in recent months, however. The Government sector added 4,300 jobs, while Education and Health Services added 2,800 jobs and Transportation & Warehousing added 900 jobs between 2007 and 2008.

In spite of more recent declines, the Las Vegas-Paradise MSA has demonstrated steady employment growth over the past 10 years, adding more than 300,000 jobs (nearly 50%) during this time. The Leisure and Hospitality Sector led the way, adding about 69,200 jobs between 1998 and 2008.

Covered Employment, 1998-2008
Las Vegas-Paradise MSA, NV

Industry Description	1998 Total Jobs (Annual)	1999 Total Jobs (Annual)	2000 Total Jobs (Annual)	2001 Total Jobs (Annual)	2002 Total Jobs (Annual)	2003 Total Jobs (Annual)	2004 Total Jobs (Annual)	2005 Total Jobs (Annual)	2006 Total Jobs (Annual)	2007 Total Jobs (Annual)	2008 Total Jobs (Annual)	Change, 1998 -2008 Total No.	Change, 1998 -2008 Pct.
Natural Resources & Mining	600	700	600	500	300	300	400	400	500	500	400	-200	-33.3%
Construction	67,100	67,800	66,400	68,500	69,100	74,900	88,600	101,500	108,600	102,400	93,300	26,200	39.0%
Manufacturing	18,600	19,300	20,200	21,000	21,200	21,900	23,400	25,000	27,100	26,800	25,500	6,900	37.1%
Utilities	3,300	3,200	3,100	3,100	3,200	3,200	3,300	3,300	3,200	3,100	3,100	-200	-6.1%
Wholesale	16,500	17,200	17,700	19,700	20,000	19,800	20,500	22,200	23,600	24,200	24,000	7,500	45.5%
Retail	65,600	69,700	74,900	79,200	80,800	84,600	89,300	94,000	97,700	100,100	99,900	34,300	52.3%
Transportation & Warehousing	20,000	22,300	24,700	25,600	25,100	25,200	27,000	29,100	31,600	33,600	34,500	14,500	72.5%
Information	10,300	11,800	13,300	13,300	11,400	10,300	10,300	10,400	11,000	11,500	11,000	700	6.8%
Financial Activities	35,200	37,000	38,000	41,000	41,500	43,500	46,200	48,800	50,200	50,200	47,500	12,300	34.9%
Professional & Business Services	62,300	68,000	74,600	80,100	81,300	86,400	95,900	106,100	115,200	115,500	112,200	49,900	80.1%
Education & Health Services	35,100	37,200	40,800	45,100	47,800	50,500	54,100	57,600	60,100	63,500	66,300	31,200	88.9%
Leisure & Hospitality	200,900	223,400	234,100	236,000	232,000	238,700	247,700	262,300	271,700	272,500	270,100	69,200	34.4%
Other Services	16,600	18,000	18,600	19,900	20,300	20,300	22,700	23,500	24,800	25,600	26,000	9,400	56.6%
Government	62,500	66,400	70,600	73,800	77,000	80,200	83,200	87,500	92,100	97,400	101,700	39,200	62.7%
Total Private and Government	**614,600**	**662,000**	**697,600**	**726,800**	**731,000**	**759,800**	**812,600**	**871,700**	**917,400**	**926,900**	**915,500**	**300,900**	**49.0%**

Source: Bureau of Labor Statistics

Resident Employment

The table below shows resident employment from 1998 through 2008 for Clark County. The County has experienced a significant increase in its labor force, adding over 332,800 workers over the past ten years, reflecting a 5.0% annual labor force growth rate. The number of employed persons has also showed a large increase, growing by more than 294,180 workers, reflecting a 4.6% average annual growth rate.

As with *covered* employment, *resident* employment data also reflects the ongoing economic recession. We note that the 2007 year-end unemployment rate of 4.8% had jumped to 6.2% by December of 2008. More than 67,000 workers are unemployed in the County, an increase of about 21,130 unemployed workers over a twelve-month period.

Resident Employment (Annual Averages) and Unemployment Trends
Clark County, 1998 - 2008

Year	Labor Force	Employment	Unemployment	Unemployment Rate
1998	666,406	637,980	28,426	4.3%
1999	705,744	675,963	29,781	4.2%
2000	727,521	693,933	33,588	4.6%
2001	759,562	717,631	41,931	5.5%
2002	783,659	737,301	46,358	5.9%
2003	806,062	762,771	43,291	5.4%
2004	834,523	796,165	38,358	4.6%
2005	871,661	835,297	36,364	4.2%
2006	917,325	878,962	38,363	4.2%
2007	953,644	907,717	45,927	4.8%
2008	999,216	932,160	67,056	6.7%
Change, 1997- 2008	**332,810**	**294,180**	**38,630**	**2.4%**
	49.9%	**46.1%**	**135.9%**	

Source: Bureau of Labor Statistics, Nevada Department of Employment, Training & Rehab

Major Employers

As of first quarter 2008 (most recent available data), the Clark County School District was by far the region's single largest employer, with over 38,200 employees. The next largest employer was Clark County Government, with about 10,450 employees. Following Clark County are seven casino/hotel resorts which employ between 5,500 and 10,000 employees each. These include the Venetian, Bellagio, MGM Grand, Wynn, Mandalay Bay, Caesars Palace, and The Mirage. Rounding out the top 10 employers is the Las Vegas Metropolitan Police Dept., with just over 5,500 employees. The table on the following page shows the region's 10 largest employers according to the Clark County Planning Dept.

Largest 10 Employers Clark County, 1st Quarter 2008	
Name of Company	**Total Employees**
Clark County School District	38,237
Clark County Government	10,453
Venetian Hotel & Resorts	9,800
Bellagio Hotel & Casino	9,521
MGM Grand Hotel, Inc.	9,521
Wynn Las Vegas	9,300
Mandalay Bay Resort & Casino	7,936
Caesars Palace Hotel & Casino	6,400
Mirage Hotel & Casino	5,710
Las Vegas Metropolitan Police	5,507
Total	**112,385**
Source: Clark County Comprehensive Planning & Employee Relations/Public Affairs	

Transportation & Travel Patterns

Las Vegas is ideally placed as a major transportation hub for the western United States. Moreover, the region is well served by a transportation system providing excellent links to other parts of the U.S. and the world.

Highways

- **U.S. Interstate 15** is the fourth-longest north-south transcontinental interstate highway in the United States, traveling through the states of California, Nevada, Arizona, Utah, Idaho, and Montana, as well as up to Alberta, Canada. I-15 crosses through major cities that include Los Angeles, Las Vegas, and Salt Lake City. Los Angeles is approximately 270 miles away from Las Vegas to the south, while Salt Lake City is roughly 430 miles away to the north.

- **U.S. Highway 93** is a main arterial is a major north-south United States highway in the Western United States. The southern terminus is at U.S. Route 60 in Wickenburg, Arizona. The northern terminus is at the Canadian border north of Eureka in Lincoln County, Montana, where the roadway continues into Roosville, British Columbia, as Highway 93. Major cities that US-93 travels through include Las Vegas, Phoenix (AZ), Twin Falls (ID), and Missoula (MT). Phoenix is only roughly 290 miles from Las Vegas to the southeast.

- **U.S. Highway 95** is a north-south highway in western United States. The highway's northern terminus is in Boundary County, Idaho, at the Canadian border crossing of Eastport, where it continues north as British Columbia Highway 95. Its southern terminus is in San Luis, Arizona, on the Mexican border, where a short spur leads to Mexican Federal Highway 2 at San Luis Río Colorado, Sonora. Reno (NV) is roughly 450 miles from Las Vegas and is accessed via U.S. Highway 95.

McCarran International Airport

McCarran International Airport is the principal commercial airport serving the Las Vegas region. The airport is located five miles south of the central business district of Las Vegas, within the unincorporated town of Paradise. McCarran is owned by Clark County and operated by the Clark County Department of Aviation. It serves as a focus city for Allegiant Air, Southwest Airlines, and US Airways; McCarran is also the largest operation base for both Allegiant and Southwest Airlines.

McCarran is ranked among the 12 busiest airports in the world based on the amount of passenger activity, serving over 40 air carriers. With over 1,100 flights arriving and departing daily, McCarran International Airport offers direct flights to more than 125 U.S. Cities. In 2008, McCarran accommodated about 44,074,700 enplanements/deplanements, which is down 7.7% compared to the prior year, but up 21.5% from five years ago. The table below shows total passengers for McCarran International Airport from 2002 through 2008.

Enplanements/Deplanements
McCarran International Airport, 2002-August 2008

Year	Total Passengers	Domestic	Charter & International
2008	44,074,707	41,850,201	2,224,506
2007	47,728,414	43,001,110	2,781,195
2006	46,193,329	41,772,944	2,639,684
2005	44,267,362	39,316,207	2,757,593
2004	41,441,531	36,910,019	3,284,127
2003	36,265,932	32,560,018	3,112,080
2002	35,009,011	31,108,364	3,249,287

Source: Las Vegas Convention and Visitors Authority, McCarran International Airport

Maximum capacity for the airport is estimated at **53 million passengers** and 625,000 aircraft movements. As McCarran is predicted to reach this capacity around 2017, Ivanpah Airport is currently being planned as a relief airport. As McCarran continues to expand and come closer to reaching capacity, future plans are in the works. Some of those plans include:

- **Terminal 3:** The new $1.6 billion Terminal 3 will be built in one phase. Its planned opening in early-2012 would provide 14 additional gates, including six designated for international travelers. Once it opens, McCarran will have 117 gates. Like terminal 2, it will be all inclusive, providing bag claim, ticketing and parking facilities.

- **Las Vegas Monorail Connection:** A plan to extend the Las Vegas Monorail to McCarran is under consideration. The proposed extension will add stops at Terminal 1 and at Terminal 3.

Tourism

Tourism, gaming and conventions are the economic driving forces for Las Vegas. Often referred to as the Entertainment Capital of the World, Las Vegas is famous for the number of large hotel/casino resorts and their associated entertainment. Nineteen of the twenty-five largest hotels in the world are located in Las Vegas.

The table and graphs on the following pages show a comparison of Las Vegas historical visitor counts, visitor origins and hotel/motel room inventory over the past several years.

Annual Visitor Volume

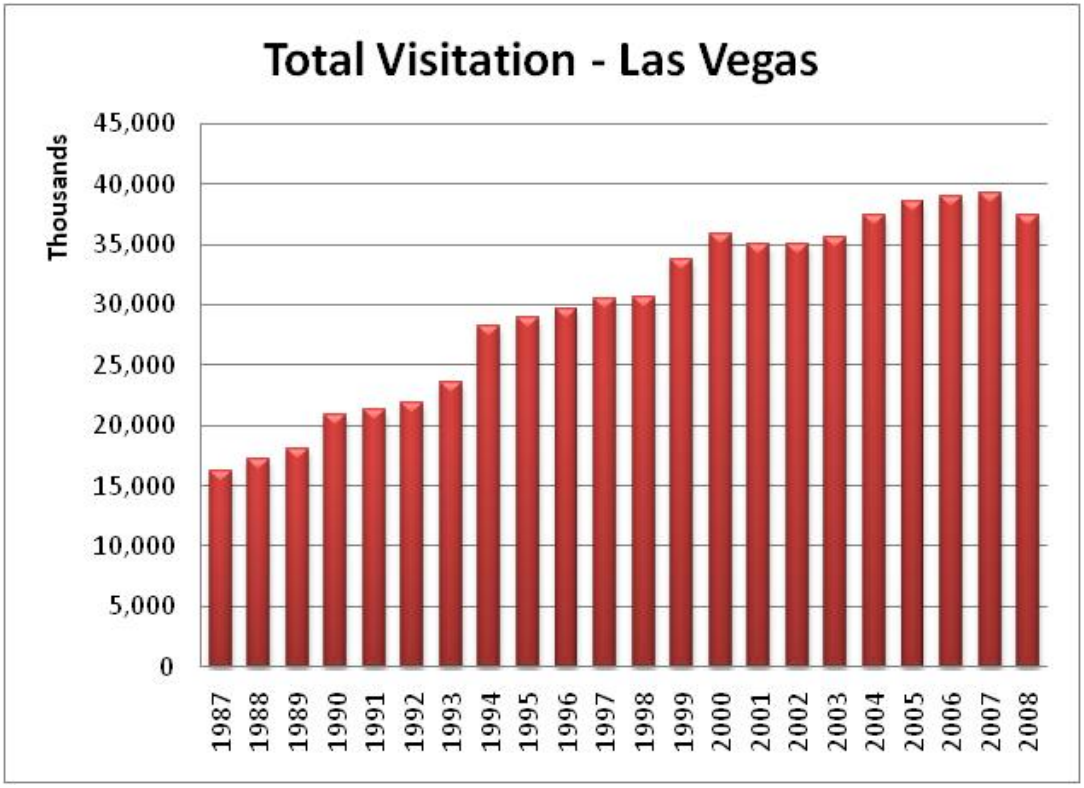
In 2008, nearly **37.5 million** people visited Las Vegas according to the Las Vegas Convention and Visitors Authority (LVCVA). Between 2000 and 2008, Las Vegas visitation showed an annual growth rate of about 1.2%. LVCVA published stats show that 2008 visitor volume was down about 4.4% compared to 2007. More recent declines are reflective of a sluggish national and even international economy, which have created downward pressure on both business and leisure travel. The 2008 4.4% decline actually surpassed the 2.3% decline experienced during the prior 2001-2002 U.S. recession. At that time, Las Vegas visitation declined for about a one-year timeframe, before stabilizing in 2003 and then showing impressive growth in 2004-2005. Visitor contribution was not yet available for 2008.

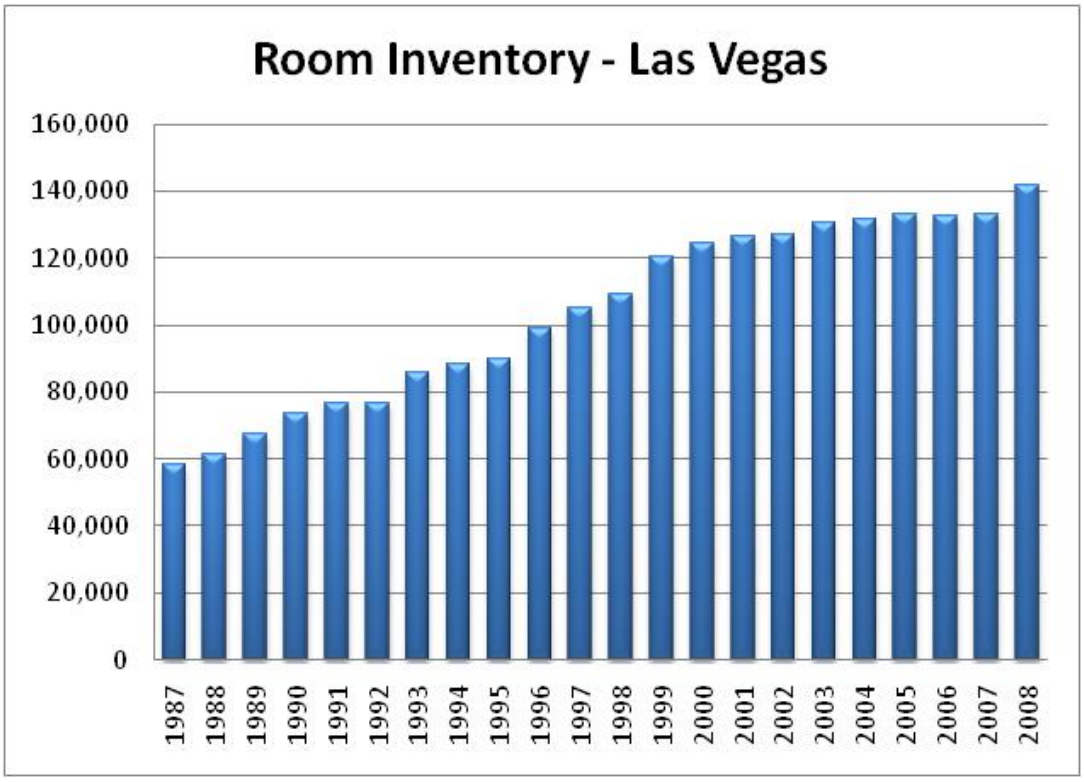
Las Vegas Visitor Counts, Economic Contribution & Hotel/Motel Room Iventory Growth
1987-2008

	Total Visitation		Visitor Contribution**		Hotel/Motel Room Inventory	
Year	Number	% Change	Amount	% Change	Number	% Change
1987	16,216,102	-	$8,602,966,000	-	58,474	-
1988	17,199,808	6.1%	$10,039,448,000	16.7%	61,394	5.0%
1989	18,129,684	5.4%	$11,912,941,000	18.7%	67,391	9.8%
1990	20,954,420	15.6%	$14,320,746,000	20.2%	73,730	9.4%
1991	21,315,116	1.7%	$14,326,554,000	0.0%	76,879	4.3%
1992	21,886,865	2.7%	$14,686,644,000	2.5%	76,523	-0.5%
1993	23,522,593	7.5%	$15,127,267,000	3.0%	86,053	12.5%
1994	28,214,362	19.9%	$19,163,212,000	26.7%	88,560	2.9%
1995	29,002,122	2.8%	$20,686,800,000	8.0%	90,046	1.7%
1996	29,636,361	2.2%	$22,533,258,000	8.9%	99,072	10.0%
1997	30,464,635	2.8%	$24,952,189,000	10.7%	105,347	6.3%
1998	30,605,128	0.5%	$24,577,469,000	-1.5%	109,365	3.8%
1999	33,809,134	10.5%	$28,695,178,000	16.8%	120,294	10.0%
2000	35,849,691	6.0%	$31,462,337,000	9.6%	124,270	3.3%
2001	35,017,317	-2.3%	$31,907,492,000	1.4%	126,610	1.9%
2002	35,071,504	0.2%	$31,612,938,000	-0.9%	126,787	0.1%
2003	35,540,126	1.3%	$32,777,906,000	3.7%	130,482	2.9%
2004	37,388,781	5.2%	$33,724,467,000	2.9%	131,503	0.8%
2005	38,566,717	3.2%	$36,733,453,000	8.9%	133,186	1.3%
2006	38,914,889	0.9%	$39,406,265,000	7.3%	132,605	-0.4%
2007	39,196,761	0.7%	$41,578,079,000	5.5%	132,947	0.3%
2008	37,481,552	-4.4%	-	-	141,608	6.5%

** Visitor contribution as shown above include F&B, transportation, shopping, sight-seeing and lodging expenditures. Does NOT include gaming.

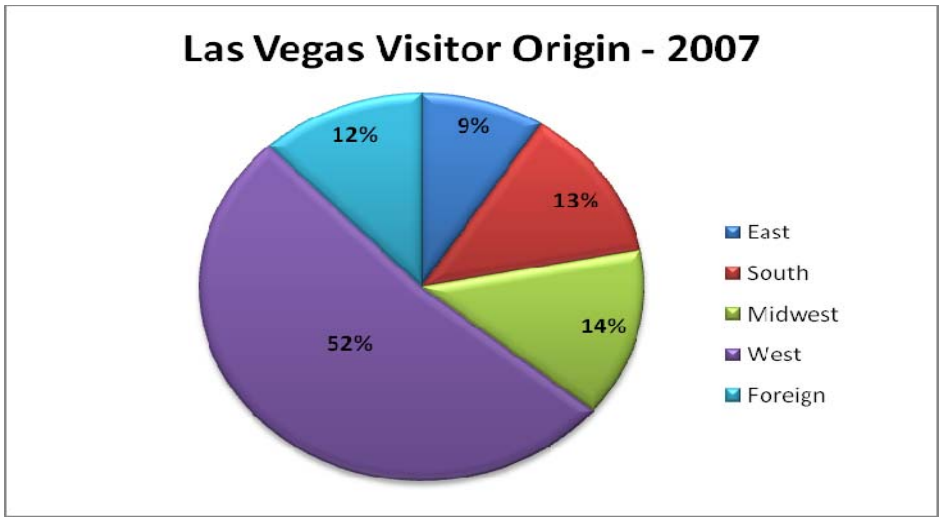
Source: Las Vegas Convention and Visitors Authority


Total Visitation - Las Vegas
Thousands
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Room Inventory - Las Vegas
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120,000
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Visitor Origins

According to the "Las Vegas Visitor Profile" report in 2007 (LVCVA), 88% of Las Vegas visitors originated from the United States, with the remaining 12% coming from a foreign country. Just over half of Las Vegas visitors (52%) are from the Western states[2], while 14% from the Midwest[3], 13% from the South[4], and 9% from the East[5].



Distribution of Visitors by Point of Origin
Las Vegas, NV: 1995-2007

Origin	1995	2000	2005	2007
USA	**87%**	**87%**	**88%**	**88%**
East	10%	9%	9%	9%
South	12%	13%	13%	13%
Midwest	14%	18%	14%	14%
West	51%	48%	52%	52%
Foreign	13%	13%	12%	12%
Western States	**51%**	**48%**	**52%**	**52%**
California	**35%**	**30%**	**33%**	**31%**
Southern Cal	*31%*	*26%*	*29%*	*25%*
Northern Cal	*4%*	*4%*	*4%*	*6%*
Arizona	**3%**	**4%**	**6%**	**9%**
Other Western States	**12%**	**14%**	**13%**	**13%**

Source: Las Vegas Convention and Visitors Authority, Las Vegas Visitor Profile 1995-2007

[2] Western States include: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada (excluding Clark County), New Mexico, Oregon, Utah, Washington, & Wyoming.
[3] Midwest States include: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, & Wisconsin.
[4] Southern States include: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, & West Virginia.
[5] Eastern States include: Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, & Vermont.

Approximately 31% of Las Vegas visitors in 2007 originated from California, compared to 36% in 1995. California now makes up a smaller share of Vegas visitors, due in large part to the expansion of Indian gaming throughout the state this decade, particularly in Southern California. Interestingly, Northern California visitors comprised 6% of Vegas visitation last year, up from 4% in 1995 in spite of the development of major casinos throughout that region.

Hotel/Motel Room Supply Trends

As of year-end 2008, there were a total of 141,608 hotel and motel rooms in Las Vegas. Las Vegas "Strip" hotels contained nearly 77,000 rooms. The most recently completed hotel in this market is the Wynn-Encore, which opened December 22, 2008. Prior to Wynn-Encore was the Las Vegas Sands' "Palazzo" (3,066 rooms), which is connected to The Venetian. The Palazzo opened in late December of 2007. The Vegas Strip is in the midst of a significant development wave, with approximately 22,000 hotel rooms planned in various projects, although due to the current economic conditions, two of the projects have been stalled. These projects are the Octavius Tower in Ceasar's Palace and Echelon by Boyd Gaming. The Octavius Tower will complete the exterior of the building, but hold off on completion of the interior until market conditions improve. Echelon suspended its construction for 2009 and may be downsized or built in phases. The table below includes an update of the list of planned/proposed casino hotel projects along the Vegas Strip as of this writing; these projects are discussed in detail in the market analysis section of this report.

Planned/Proposed Casino Hotel Projects
Las Vegas Strip - March 2009

Project Name	Location	Projected Completion	Hotel Rooms
Plaza Las Vegas (Subject)	Fashion Show Dr. & Las Vegas Blvd.	2014-2018	5,116
Octavius Tower - Caesars Palace	Caesars Palace	2009 - Stalled (1/09)	665
Fontainebleau	Riviera Blvd. & Las Vegas Blvd.	Fall 2009 - UC	3,812
MGM City Center	Flamingo Rd. & Las Vegas Blvd.	2009-2010	4,800
The Cosmopolitan	Harmon Ave. & Las Vegas Blvd.	2010	3,000
Echelon	Stardust Rd & Las Vegas Blvd. (former Stardust property)	2012-2014 - Stalled	5,000
Total			**22,393**

UC = Under Construction

Sources: Casino City; Las Vegas Today & Tomorrow.com; GVA Marquette Advisors

Las Vegas Visitor Spending

The Las Vegas Convention & Visitors Association (LVCVA) also publishes an annual report on visitor spending. It is important to note that this report is based upon a survey of approximately 3,500 visitors and thus expenditure amounts do not reflect actual revenues at Las Vegas resorts. Rather, the survey respondents provide an estimate of their daily and/or trip budget on various items, including gaming, lodging, food and beverage, shows, sight-seeing and transportation within the Las Vegas area. From this report, we have assembled average daily expenditure data per visitor for each of the past five years. This information is displayed on the table on the following page. The most recent survey reflects 2007 data as compiled by LVCVA. In 2007, survey participants indicated an average daily budget of approximately $372. Of that total, the average daily gaming budget comprised 31.9%, or about $109 per day. Interestingly, the surveys indicate that gaming as a percentage of Vegas spending has declined from nearly 36% two years ago to 31.9% in 2007. This is attributable mainly to the expansion of non-gaming attractions throughout Las Vegas.

It is also interesting to note that the 2007 visitor survey showed a 2.5% decline in overall per-day visitor spending between 2006 and 2007, including a 12.9% decline in gaming expenditures. In fact, however, this does not match up with actual net win statistics for the Las Vegas market, as gaming revenues actually grew by 1.7% in 2007.

Visitor spending data was not yet available for 2008 as of this analysis date, although published reports indicate that 2008 gaming revenue is down 10.0% from last year for the Las Vegas market. Gaming revenues are examined in much more detail later in the market analysis section of this report.

Average Daily Expenditures per Las Vegas Visitor																								
	F&B		Transport		Shopping		Shows		Sightseeing		Lodging		Gambling		Total									
2003	$45.57	14.9%	$17.26	5.6%	$34.45	11.3%	$19.26	6.3%	$16.28	5.3%	$66.47	21.7%	$93.91	34.9%	$293.20									
2004	$51.91	15.0%	$19.70	5.7%	$42.63	12.4%	$21.08	6.1%	$20.89	6.1%	$70.38	20.4%	$104.25	34.3%	$330.84									
2005	$55.31	14.2%	$19.63	5.0%	$48.95	12.5%	$23.58	6.0%	$24.80	6.4%	$78.98	20.2%	$122.52	35.7%	$373.77									
2006	$56.70	14.2%	$21.79	5.5%	$44.80	11.2%	$23.83	6.0%	$30.47	7.6%	$79.68	20.0%	$124.72	35.5%	$381.99									
2007	$56.62	14.6%	$21.55	5.6%	$40.75	10.5%	$23.79	6.1%	$42.20	10.9%	$78.73	20.3%	$108.66	31.9%	$372.30									

Source: Las Vegas Convention & Visitors Authority

Las Vegas Conventions

Las Vegas continues to be one of the world's premier meeting and convention destinations, with more meeting space (**9.0+ million square feet**) than any other city in the world. Las Vegas conventions can accommodate all types and sizes of groups ranging from a small intimate poolside gathering to a lavish banquet for 10,000 people, or a major international convention. The city has earned its distinction as a world-class meeting destination by providing some of the most complete, flexible and extensive meeting and convention facilities and services in the world. Two of the largest convention centers in City include the **Las Vegas Convention Center** and the **Sands Expo Center and Venetian Congress Facility**.

The **Las Vegas Convention Center** is one of the largest convention centers in the world with over **3.2 million square feet** of exhibit and meeting space. The massive facility offers 16 exhibit halls (1,940,631 square feet) separable by movable walls, 144 meeting rooms (more than 241,000 square feet) to handle seating capacities ranging from 20 to7,500, and a lobby and concourse area with 109,515 square feet. The Las Vegas Convention Center is about to embark on an $890 million expansion, the 14th in its history. The expansion is intended to increase the center's space by 500,000 square feet, with 86,000 square feet of meeting space.

The **Sands Expo Center and Venetian Congress facility**, located at "The Venetian," houses **1.8 million square feet** of combined meeting and event space (the 3rd largest in the Country). The Sands Expo Center is the site of numerous events throughout the year, including portions of the Consumer Electronics Show (CES) and the World Shoe Association show. In 2008, an expansion for the Sands Expo Center was announced, with the first part adding another story to the existing building, and then constructing a new 2.0 million square foot Expo center. The Expo Center will be located just east of the Wynn Las Vegas employee parking garage.

Sports

Las Vegas does not currently have a major-league professional sports franchise, although the metropolitan population is as large as or larger than many cities that do have them. Nonetheless, the city currently has two minor league sports teams, in baseball and hockey: The Las Vegas 51s of the Pacific Coast League (the AAA farm club of the Toronto Blue Jays), and the Las Vegas Wranglers of the ECHL (an affiliate of the Calgary Flames.

In the past, the city had teams in the Canadian Football League, the XFL and the Arena Football League. There was recent mention in the local media that the San Diego Chargers of the NFL may be considering Las Vegas as a potential future relocation destination. There is speculation that the completion of a new arena (under construction and expected to open in 2010) will bring teams from the NBA and/or NHL. The city is also reportedly on the short list of Major League Soccer for an expansion franchise in the near future. There have also been contacts between city officials and several Major League Baseball owners regarding relocation. Major League Baseball will hold their 2008 winter meetings in Las Vegas, and it is a foregone conclusion that a strong case for a team will be made on behalf of the city.

High profile limited-duration sporting events have been successful. Las Vegas hosted the 2007 NBA All-Star Game. The NASCAR Sprint Cup series has drawn up to 165,000 fans. Las Vegas also hosts a significant number of professional fights. Many of these fights (such as those in MMA's UFC) take place near downtown or on the Strip in one of the major resort/hotel/casino event centers. Mandalay Bay is frequently a top contender as a venue for the UFC. The National Finals Rodeo has drawn thousands of fans to the city since 1985, and a contract extension was signed in 2005 keeping the event in Las Vegas through 2014. The NBA Summer League is currently held in the city, and the USA Olympic basketball team trained in the city in 2008.

The University of Nevada, Las Vegas competes in NCAA Division I in men's and women's sports. UNLV is a member of the Mountain West Conference. The College of Southern Nevada also has an athletic program, with significant success in baseball at the community college level.

NEIGHBORHOOD ANALYSIS

Property Location & Neighborhood Boundaries

The subject property is located at the intersection of Las Vegas Boulevard and Fashion Show Drive. The immediate neighborhood is often referred to as the "North Strip" area. The general neighborhood boundaries are as follows:

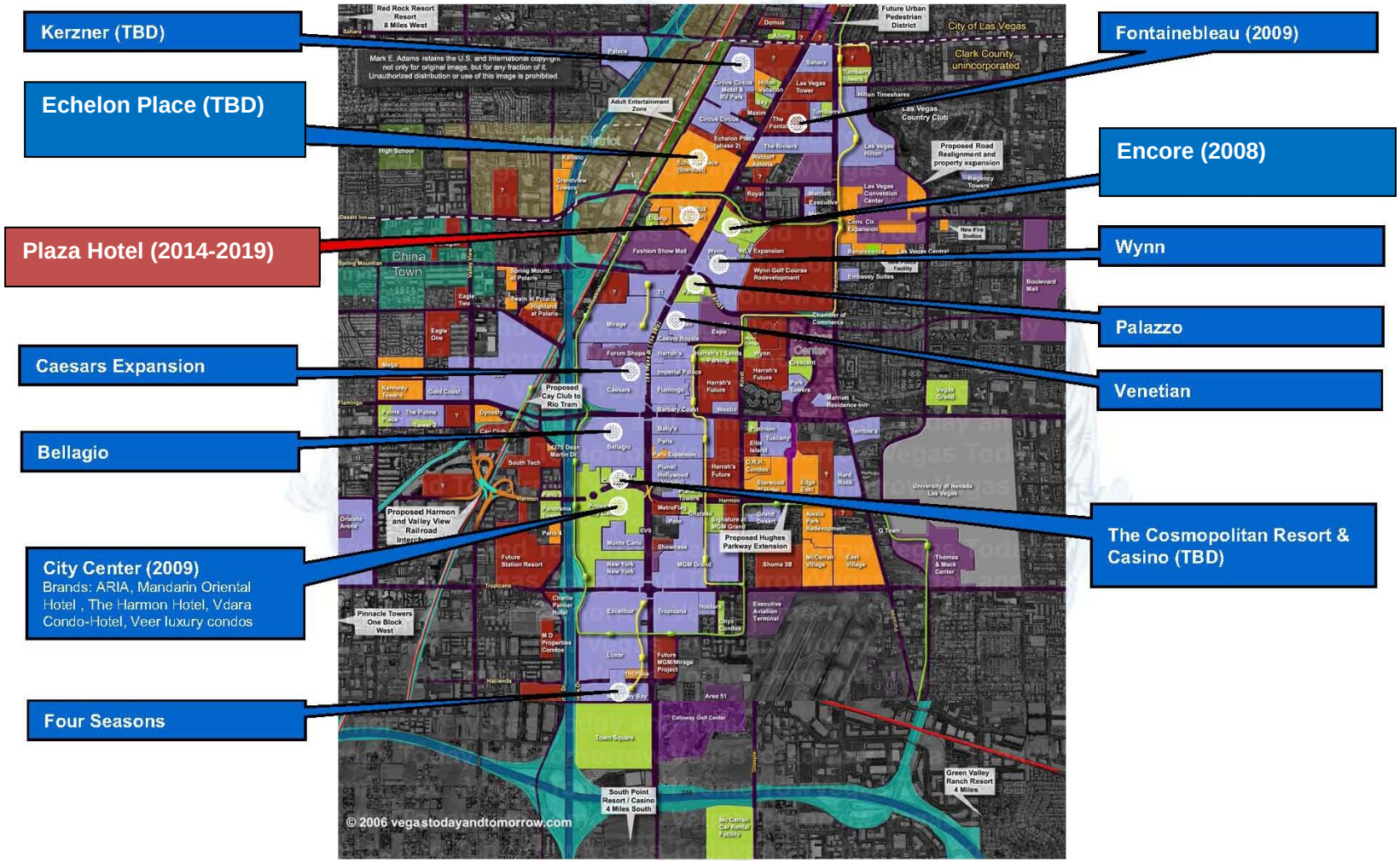
North: Former Stardust property (site of future Echelon development by Boyd Gaming)
South: The Mirage (Las Vegas Boulevard & Sands Ave.)
West: Industrial Road
East: Paradise Rd (effectively the back side of Wynn & The Venetian casinos)

The location is excellent and maturing rapidly. The Wynn, located on the east side of Las Vegas Boulevard, anchors this location. The Echelon, when complete will augment the location. The Plaza, ultimately, will complete the upgrade of this location and could push the center of "strip gravity" to Fashion Show Drive and Las Vegas Boulevard. The maps and aerial photographs provided on the following pages depict the location of the subject site within the context of the Las Vegas Strip as a whole and the developing "North Strip" neighborhood.

Access

Vehicular access to the property will be available at Las Vegas Blvd., Fashion Show Dr. and also E. Desert Inn Rd. Las Vegas Boulevard, also known as the "Las Vegas Strip," is the primary north-south artery serving the immediate neighborhood and the area's larger gaming and resort market. It intersects with all east-west cross streets in the neighborhood. The subject site has approximately 1,300 feet of frontage on Las Vegas Boulevard.

Property Location (cont'd)



Source: El Ad IDB Las Vegas, LLC

Land Use & Development Trends

Immediate neighbors to the property include the following:

North: former Stardust site (future Echelon development)
East: Wynn Las Vegas & Wynn-Encore
West: Trump Hotel & Towers
South: Fashion Show Mall

Land use within the immediate neighborhood is primarily gaming and resort-related, as well as significant vacant land parcels, which will be developed as gaming, hotel and/or residential condominium uses in the future. As will be discussed in detail in the forthcoming market analysis, the Las Vegas Strip is undergoing a significant transformation, whereby a number of new gaming resorts are in development or planned. Approximately 22,000 new hotel rooms are in development or planned for the Strip, including multiple developments within the immediate North Strip neighborhood.

Recent and ongoing major North Strip developments include the following:

Palazzo - 3,066 rooms, 3,340 gaming positions (completed Dec. 2007) (open)

Trump Hotel & Towers – Phase I – 1,282 rooms (condo-hotel) (completed in 2008) – Phase II includes an identical tower, construction on-hold

Plaza Las Vegas (subject property) – 5,116 rooms, 5,167 gaming positions – (2014-2019)

Wynn-Encore – 2,034 rooms – 70,000 sf casino - (completed and opened December 2008)

Echelon (former Stardust site) – 5,000 rooms, 140,000 sf casino. Construction has been stalled.

Fontainebleau – 3,812 rooms, 100,000 sf casino (Fall 2009 – currently under construction)

The current center point of this North Strip neighborhood is generally considered to be Las Vegas Boulevard and Sands Ave where The Venetian is located. However, considering the current and expected future development trends noted above, we expect that the center point within the North Strip submarket will actually shift northward to Las Vegas Blvd. & Fashion Show Drive in future years as new hotel casinos are developed, including the subject, Wynn-Encore, Palazzo, Echelon and Fontainebleau. Visitor activity is expected to increase dramatically at this end of the Strip and the proposed Plaza Las Vegas will be strategically located to accommodate visits by not only its hotel guests but others staying at nearby resorts.

SITE ANALYSIS

(As-is site and area photographs and a complete property survey are provided in the Addenda).

Size

The total acreage of the property subject to this analysis is 34.57 acres, or 1,505,869 square feet.

This includes the "fee site" at 18.39 acres (801,068 sf) and the "leasehold site" at 16.18 acres (704,801 sf).

Shape

Somewhat irregular, but generally rectangular.

Improvements

The site consists of raw, unimproved land as of the date of this appraisal.

Access

Pedestrian access to the site is currently available at all sides. Once developed as The Plaza Las Vegas, pedestrians will be able to access the property at the south, east and north. Additionally, it is important to note that the property will be integrated with the neighboring Fashion Show Mall (immediately south), Wynn Resort (immediately east) and Echelon (immediately north) by way of future skywalk bridges.

Vehicular access is available to the site via a 30-foot access easement from curb cuts along Las Vegas Blvd. and Fashion Show Dr. The subject also has direct frontage along Desert Inn Rd.

Topography & Drainage

The site is generally level and at grade with adjacent roadways. Site topography appears to be conducive to development as planned and the appraiser's inspection did not reveal any drainage problems which would impede any of the planned project components.

Soil Conditions

Soil reports were provided on behalf of the client by Western Techonologies, Inc. and were made available for review by the appraiser. The Western Technologies report indicates that the site should support the development as planned. The appraiser assumes this to be true in accordance with the soils report findings and recommendations.

Utilities

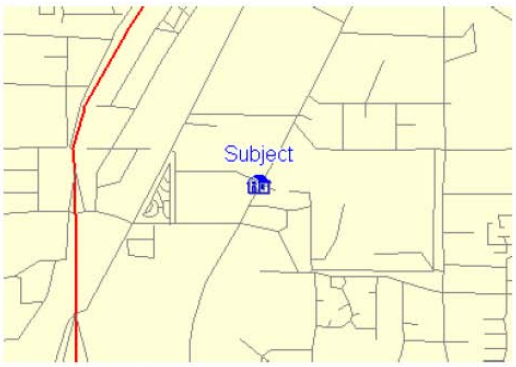
The property is located within the jurisdiction of Clark County and all municipal utilities are available at the site, including water, sewer, electricity, gas and services such as garbage collection, police and fire protection.

Flood Hazard Information

According to FEMA flood hazard information (Zone X, per community map panel #32003C2560E). A flood zone map is shown below.

The Flood Insights Test Results For: Page 1 of 1
Las Vegas Blvd & N Fashion Show Dr, Las Vegas,NV 89109
Original Input Address: Las Vegas Blvd & N Fashion ShowDr, Las Vegas,NV 89109

Flood Zone Determinations
Flood Webservice Error: Flood Data Not Available. in clsTestFlood (Flood)
CensusTract
Copyright 2000, First American Flood Data Services. All rights reserved.



FloodMap Legend
Flood Zones
- Areas inundated by 500-year flooding
- Areas outside of the 100- and 500-year floodplains
- Areas inundated by 100-year flooding
- Areas inundated by 100-year flooding with velocity hazard
- Floodway areas
- Floodway areas with velocity hazard
- Areas of undetermined but possible flood hazards
- Areas not mapped on any published FIRM

Copyright 2005, CDS Business Mapping. All rights reserved.

Alquist Priolo Fault Zones
Area Defined as an Earthquake Hazard

Produced by FloodInsights.Com, a service of CDS Business Mapping, LLC (617)737-4444 10/28/08

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In conclusion, the appraiser's site analysis indicates that the property should support the planned development project and, in fact the property is strategically located for development to its highest and best use.

ZONING

The property is subject to zoning regulation by the Clark County, Nevada. The property is currently zoned "H-1 – Residential / Casino / Condo Hotel District." The planned development components, including gaming, hotel and residences are legal and conforming as "special uses" within this zoning district. Moreover, the project sponsors have been granted all required zoning entitlements, as of March 19, 2008 in accordance with the conditions documented in the March 27, 2008 approval letter from Clark County as presented on the following pages.

KUMMER KAEMPFER

KUMMER KAEMPFER BONNER RENSHAW & FERRARIO

ATTORNEYS AT LAW

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Carson City, NV 89703
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Fax: 775.882.0257

April 1, 2008

VIA: Regular Mail

Mr. Danny Wade
El Ad, Las Vegas, LLC
8920 Canyon Springs Drive
Las Vegas, Nevada 89117

Re: UC-1375-07 Notice of Final Action

Dear Danny:

As you know, the Clark County Board of County Commissioners approved the above referenced matter on March 19, 2008. Enclosed is a copy of the approval letter from the County dated March 27, 2008 along with the applicable conditions of approval.

If you have any questions, please feel free to call me.

Sincerely,

KUMMER KAEMPFER BONNER RENSHAW & FERRARIO

Tabitha D. Fiddyment

TF/ap
Encl.

Department of Comprehensive Planning
Land Use Planning

500 S Grand Central Pky • Box 551744 • Las Vegas NV 89155-1744
(702) 455-4314 • Fax (702) 455-3271

Barbara Ginoulias, Director • Rod Allison, Assistant Director

NOTICE OF FINAL ACTION

March 27, 2008

TABITHA KEETCH - KKBR&F
3800 HOWARD HUGHES PKWY
7TH FLOOR
LAS VEGAS, NV 89169

REFERENCE: UC-1375-07

On the date indicated above, a Notice of Final Action was filed with the Clark County Clerk, Commission Division, pursuant to NRS 278.0235 and marking the commencement of the twenty-five (25) day limitation period specified therein.

The above referenced application was presented before the Clark County Board of County Commissioners at their regular meeting of **March 19, 2008** and was **APPROVED** subject to the conditions listed below and/or on the attached sheet. You will be required to comply with all conditions prior to the issuance of a building permit or a business license whichever occurs first.

Time limits to commence, complete or review this approval apply only to this specific application. A property may have several approved applications on it, each will have its own expiration date. It is the applicant's responsibility to keep each application current.

CONDITIONS:

Current Planning

- **Height of Towers #1, #3, #4, #5, #6, & #7 per the FAA determination;**
- **A Development Agreement as agreed upon by the applicant to mitigate impacts of the project including but not limited to issues identified by the technical reports and studies; and issues identified by the Board of County Commissioners;**
- **Grading, excavation not within 45 feet of any existing public rights-of-way, specific structures such as parking structure up to 35 feet in height, but not within 45 feet of any existing public rights-of-way, MEP (mechanical and electrical plumbing) undergrounds, dewatering, underground utilities, may be issued prior to final approval of the Development Agreement;**
- **Resort condominium units proposed within specific towers shall be located on same floors or levels;**
- **Pedestrian realms per plans on file;**
- **Design review as a public hearing on significant changes to the plans;**
- **All applicable standard conditions for this application type.**
- **Applicant is advised that approval of this application does not constitute or imply approval of a liquor or gaming license or any other County issued permit, license or approval; approval of this use permit only approves any relaxed standards that depart from the development and improvement standards required by Title 30 provided such relaxed standards completely comply with the approved plans on file;**

BOARD OF COUNTY COMMISSIONERS
RORY REID, Chairman • CHIP MAXFIELD, Vice-Chairman
SUSAN BRAGER • TOM COLLINS • CHRIS GIUNCHIGLIANI • LAWRENCE WEEKLY • BRUCE L. WOODBURY
VIRGINIA VALENTINE, P.E., County Manager

Department of Comprehensive Planning
Land Use Planning

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Barbara Ginoulias, Director • Rod Allison, Assistant Director

any change in circumstances or regulations may be justification for the denial of an extension of time; and that this application must commence within 2 years of approval date or it will expire.

Civil Engineering

- Compliance with the Development Agreement with Clark County;
- Applicant to perform a record of survey to determine underlying title rights in relationship to "as built" improvements on Las Vegas Boulevard South, a Transportation Study shall identify the necessary improvements in relation to the determination of necessary rights-of-way;
- Right-of-way dedication for Las Vegas Boulevard South to accommodate a proportionate share of a 100 foot half street;
- Construct full off-sites;
- Detached sidewalk will require dedication to back of curb and granting necessary easements for utilities, pedestrian access, streetlights, and traffic control, which may require a vacation of excess right-of-way or execute a License and Maintenance Agreement for non-standard improvements in the right-of-way;
- Drainage study and compliance;
- Traffic study and compliance;
- Traffic study to also address: a) dedication and construction of bus turnouts including passenger loading/shelter areas in accordance with Regional Transportation Commission standards, b) required width of all public access walkway segments so that a minimum Level of Service "C" is achieved under peak pedestrian volumes, c) turnover analysis for the porte-cochere and recommendation of mitigation measures as applicable, d) any additional right-of-way dedications to Clark County as required by the traffic study to accommodate any physical improvements and pedestrian volumes generated by this project, e) identification and implementation of Traffic Demand Management (TDM) measures, f) impacts to Regional Air Quality due to the traffic generated by this development, g) project access feasibility on Las Vegas Boulevard South and Desert Inn Road, h) any additional right-of-way requirements for Industrial Road, and i) on-site circulation;
- The design and construction of the pedestrian bridges to be coordinated with Clark County Public Works with the financial cooperation from Wynn Resorts and Echelon;
- The Developer is required to grant easements or right-of-way to accommodate the foot prints of the pedestrian grade separation structures at the southwest corner of the intersection of Las Vegas Boulevard South and Echelon Resort Drive/Wynn Drive;
- The Developer to maintain a 24 foot queuing area for the landing of the escalators of the future grade separated pedestrian crossing, with no obstructions in this area, the queuing area will be in addition to the 10 feet of effective sidewalk width;
- Traffic impact mitigation plan to be reviewed by the staffs of the Regional Transportation Commission, Freeway and Arterial System of Transportation (FAST), Clark County Traffic Management Division and Clark County Civil Engineering Division;
- All project driveways to be constructed with exclusive right turn lanes;

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- Project off-site improvement plans to be coordinated with Wynn and Echelon project;
- Developer to provide for and construct an additional left turn lane on west leg of Fashion Show Drive;
- The Developer shall be required to provide pavement, pavement marking and signs to create continuous two-way left turn lanes (TWLTL) centered in the ultimate street centerline of Fashion Show Drive from Las Vegas Boulevard South to Industrial Road;
- The Developer to construct street lights along Las Vegas Boulevard South frontage to meet current Clark County Uniform Standards;
- The Developer will be required to provide a pedestrian queuing area at the Fashion Show Drive and Las Vegas Boulevard South intersection;
- Reconstruct any unused driveways with full off-sites;
- Any median reconstruction or modifications to be coordinated with Clark County Public Works Beautification project;
- Vacate any unnecessary rights-of-way and/or easements;
- Any applicable vacations to be recordable prior to building permit issuance or applicable map submittal;
- Nevada Department of Transportation approval, if necessary.

Department of Aviation

- No building permits shall be released for the project prior to the Department of Aviation notifying Zoning Plan Check that the applicant has received all necessary airspace approvals;
- Applicant is required to file a valid FAA Form 7460-1, "Notice of Proposed Construction or Alteration" with the FAA, in accordance with 14 CFR Part 77, or submit to the Director of Aviation a "Property Owner's Shielding Determination Statement" and request written concurrence from the Department of Aviation;
- If applicant does not obtain written concurrence to a "Property Owner's Shielding Determination Statement," then applicant must also receive either a Permit from the Director of Aviation or a Variance from the Airport Hazard Areas Board of Adjustment (AHABA) prior to construction as required by Section 30.48 Part B of the Clark County Unified Development Code.
- Applicant is advised that the FAA's determination is advisory in nature and does not guarantee that a Director's Permit or an AHABA Variance will be approved; issuing a stand-alone noise disclosure statement to the purchaser or renter of each residential unit in the proposed development and to forward the completed and recorded noise disclosure statements to the Department of Aviation's Noise Office is strongly encouraged; the Federal Aviation Administration will no longer approve remedial noise mitigation measures for incompatible development impacted by aircraft operations which was constructed after October 1, 1998; and that and funds will not be available in the future should the residents wish to have their buildings purchased or soundproofed.

BOARD OF COUNTY COMMISSIONERS
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VIRGINIA VALENTINE, P.E., County Manager

TITLE 30 STANDARD CONDITIONS

Administrative Street Naming, Street Name Change, and Street Address System Change:

1. Applicant is responsible for street name signs in accordance with Clark County Standards.

Extensions of Time:

2. Unless otherwise stated, the original expiration day continues to be in effect.
3. **Administrative Extension of Time.** The expiration date of an application may be extended to match the expiration date for a subsequent related application, building permit, or map. Administrative extensions will expire at 5:00 p.m. on the specified expiration date unless the use or construction is commenced (construction must be completed for zone change extensions) or unless a different time period is stated in the conditions of approval (holidays and weekends will not extend the expiration day). All administrative extensions must be applied for prior to 5:00 p.m. on the expiration date.
4. **Extension of Time Subject to a Hearing.** This application will expire at 5:00 p.m. on the expiration date unless the use or construction is commenced (construction must be completed for zone change extensions) or unless a different time period is stated in the conditions of approval (holidays and weekends will not extend the expiration day). All extensions must be applied for prior to 5:00 p.m. on the expiration date.
5. All conditions imposed on the original approval and any new conditions must be satisfied.

Waiver of Conditions

1. All original conditions of approval are still in effect unless waived or amended.

Tentative/Final Map:

2. **Tentative Map.** This application will expire at 5:00 p.m. in two years from the date on which the Board of County Commissioners and/or Planning Commission took action unless a **Final Map** is recorded on all or part of the subdivision (holidays and weekends will not extend the expiration day).
3. If the property is located within one mile of the boundary of public sewerage treatment facility, an odor easement must be executed.
4. All geologic hazards must be plotted on a plot plan, and habitable structures shall comply with the restrictions specified in all applicable Building and Fire Codes.
5. Drainage and/or traffic studies must be submitted and approved and all improvements must comply with the approved studies. Further, street and flood channel dedication and/or improvements may be required.
6. All necessary utility easements will be retained or reserved. The property owner(s) must execute a Resolution of Intent if required.
7. All conditions of approval, applicable state statutes, and local ordinances must be satisfied, including all applicable Building and Fire Code requirements for hazardous materials, prior to recording the **Final Map**.
8. Approval of this application does not constitute approval of a liquor or gaming license or any other County issued permit, license, or approval.
9. The Board of County Commissioners and/or the Planning Commission have no authority to grant, promise or commit water service. Approval of this application does not constitute any commitmentfor water service or any commitment for priority status for future water service.
10. Plotting or relinquishing all utility easements.
11. Post Office and Fire Department approval of all street names.
12. If applicable, all beneficiaries of record to sign a consent statement to record with the Final Map.

Vacation and Abandonment:

13. **Vacation and Abandonment.** This application will expire in two years at 5:00 p.m. on the expiration date (holidays and weekends will not extend the expiration day) unless all conditions of approval have been satisfied and an **Order of Vacation** is recorded by the County. Any extension of time must be applied for prior to 5:00 p.m. on the expiration date. Vacation of easements and/or rights-of-way must conform to the plans as submitted with revisions as specified by the Board of County Commissioners and/or Planning Commission.
14. Drainage and/or traffic studies must be submitted and approved, and all improvements must comply with the approved studies. Additionally, street and flood channel dedications and/or improvements will be required.
15. If the property is located in a flood zone, a drainage study must be submitted and approved by the Regional Flood Control District prior to any permits.
16. All necessary utility easements will be retained or reserved.

HIGHEST AND BEST USE ANALYSIS

The highest and best use of the subject real estate as it is regarded in this report conforms to the following definition:

> 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.

The definitions of highest and best use indicate that there are two types of highest and best use. The first type is highest and best use of land or a site as though vacant. The second is highest and best use of a property as improved. Each type requires a separate analysis. Moreover, in each case the existing use may or may not be different from the site's highest and best use.

Any determination of highest and best use includes identifying the motivations of probable purchasers. The motivations are based on perceptions of benefits that accrue to property ownership. Different motivations influence highest and best use and are significant to an appraiser's conclusions about the highest and best use of any parcel of real estate.

The first type of highest and best use -- highest and best use of land or a site as though vacant -- assumes that a parcel of land is vacant or that it can be made vacant through the demolition of any improvements. The question to be answered in the analysis of this type of highest and best use is, "If the land is (or were) vacant, what use should be made of it?" That is, what type of building or other improvements (if any) should be constructed on the land?

The second type of highest and best use -- highest and best use of a property as improved -- pertains to the use that should be made of the property as it exists.

The purpose of estimating the highest and best use for land or a site is to identify the use that causes the land to have value. There are two reasons for identifying the highest and best use of land as though vacant in an appraisal. First, the identification is required in certain appraisal techniques that require a separate land value. Second, the identification helps to identify comparable properties.

There are also two reasons for analyzing the highest and best use of a property as improved. The first is to identify the use of the property that is expected to produce the highest overall return per dollar of invested capital. The second reason is to help in identifying comparable properties.

For use to be the highest and best use of both land as though vacant and property as improved it must meet four criteria. The criteria are that the highest and best use must be (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive. These criteria should usually be considered sequentially because, for instance, it makes no difference that a use is financial¬ly feasible if it is physically impossible to construct an improvement or if such a use is not legally permitted. Only when there is a reasonable possibility that one of the prior

unacceptable conditions can be changed is it appropriate to proceed with the analysis. For example, if the current zoning does not accommodate a likely candidate for highest and best use, but there is a possibility that the zoning can be changed, the proposed use could be considered on that basis. Some factors to consider under each criterion are discussed below.

Physically Possible

Size, shape, area, and terrain affect the uses to which land may be developed. Because of limited size, certain parcels can reach their highest and best use only as part of an assemblage. Availability and capacity of public utilities and the site's topography and subsoil conditions affect future utilization of the site.

Highest and best use of a property as improved also depends on physical considerations. Whether or not the property is in good repair and can continue to accommodate the current use may be relevant. If the property should be converted to another use, the cost of conversion must be analyzed relative to the returns to be generated by the converted use. Obviously, the costs of conversion depend on the property's existing physical status.

Legally Permissible

Except for a legally nonconforming property, the first area of inquiry in questionable cases is to determine what is legally permissible. Private restriction, zoning, building codes, historic district controls, and environmental regulations are considered because they may preclude many possible highest and best uses.

Financially Feasible

After determining the uses that are physically possible and legally permissible, an appraiser need not consider the uses that do not meet those criteria. The uses that do meet them are analyzed further to determine those that are likely to produce some income, or return, greater than the combined income needed to satisfy operating expenses, financing expenses, and capital amortization. All uses that are expected to produce a positive return are regarded as financially feasible.

Maximally Productive

Among financially feasible uses, the use that provides the highest rate of return, or value, is the highest and best use.

Analysis of the Subject Property and Conclusions

The subject property is currently vacant, although all public utilities are available at the site. Site conditions, the project development budget as assumed and projected financial performance as presented in this analysis indicate that the development as proposed is physically possible and financially feasible. The proposed development is a legal and conforming use in accordance with the property’s current zoning, H-1, and the development program as described has been granted all

zoning related entitlements. From our analysis of the proposed resort gaming operation and related market conditions we believe that the proposed gaming use is also the maximally productive use of this property in comparison with other forms of development.

In summary, we believe the highest and best use, as vacant and available for development, is for the construction of a resort gaming facility and condominium residences for-sale, as depicted on the development plans provided by the project sponsor and presented in this report. This is supported by physical, legal, and financial considerations.

The following section of the report contains an assessment of market conditions related to the proposed development, culminating with utilization and financial projections for the resort gaming complex.

COMPETITIVE MARKET ANALYSIS

MARKET ANALYSIS INTRODUCTION

This section of the report contains an assessment of relevant market conditions related to the proposed Plaza Las Vegas development project. Key profit centers for the property will be as follows:

- Hotel room rentals
- Casino gaming
- Residential condominium sales

Secondary but related profit centers will include retail and food and beverage sales, convention space rentals and related income, spa/health club income.

Our analysis focuses on each of the primary profit centers. Utilization and financial projections are presented later in the report for all project components.

GAMING MARKET ENVIRONMENT

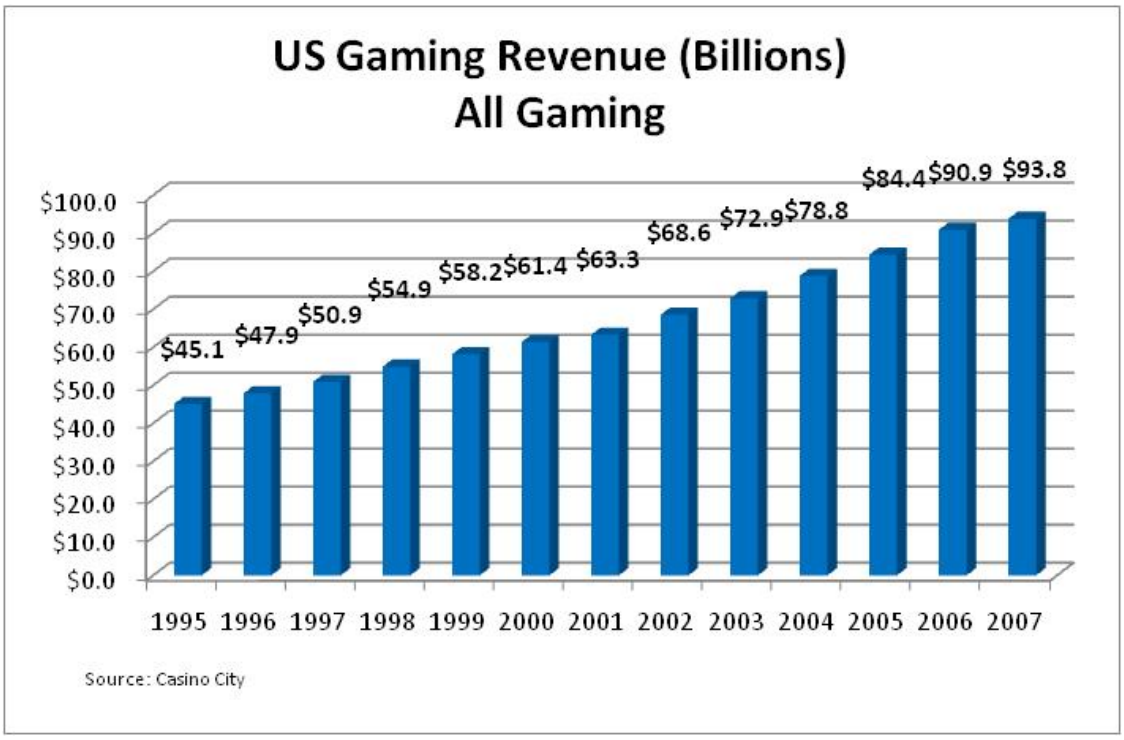
This section presents an analysis of the competitive market within which the proposed casino hotel in Las Vegas, NV will operate. We begin with a discussion of the national and regional gaming industries, followed by an overview of Las Vegas gaming and hotel room demand and supply considerations. Projections of overall market potential and estimates of facility utilization & financial performance are presented later in the report along with the assumptions upon which the projections are based.

U.S. Gaming Industry Background

According to the most recent statistics published by the American Gaming Association, the total gross win (or money lost) at all legal gaming operations in the U.S. equaled **$93.3 billion** in 2007, up 3.2% for the year. **This equates to nearly $436 per year for every adult (age 21+) in the country (based on 2007 adult population estimate).** Total gaming revenue is generated from five main gaming activities, including: Charitable Gaming, Lotteries, Race/Sports Wagering, Casino/Card Rooms, and Tribal Gaming.

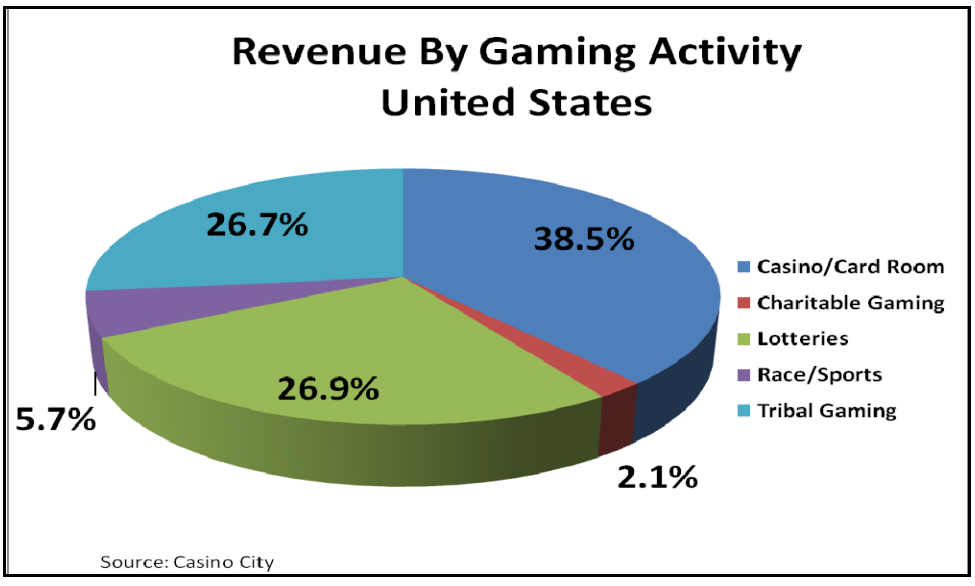
U.S. gaming statistics for 2008 will not be available until later this year. A weak U.S. economy is having its effects on casino gaming, more recently however, as people are traveling less frequently and spending less on leisure activities, including gaming.

Las Vegas, often times considered “recession-proof” is now feeling the effects of the current economic downturn. After five consecutive years of significant increases, Clark County gaming revenues showed a decline over the past year, down 9.9% from 2007, to a total of $9.66 billion in 2008. Gaming revenues for the Las Vegas Strip submarket were down 10.3% in 2008.



Market Share

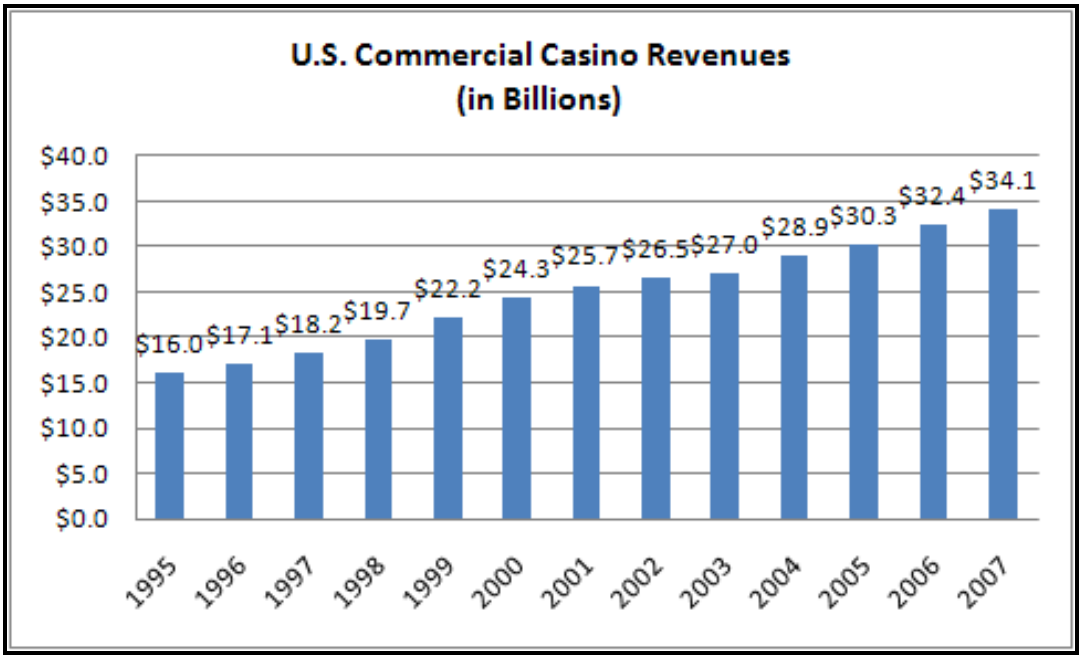
Casino City reports show that commercial casinos and card rooms accounted for 38.5% of nationwide gaming revenues in 2006, followed by Lotteries with 26.9%, and Tribal Gaming at 26.7%. Despite growth occurring in all categories, Tribal Gaming was the only activity which has shown an increase in revenue share in each of the past four years leading up to 2006, jumping from 21.3% in 2002 to 26.7% in 2006.



Commercial Casinos and Card Rooms

Commercial casino and card room gaming is represented mostly by commercial casinos and riverboats. This includes mostly large traditional casinos which offer both slots and table games. Commercial casinos can be found in Nevada, New Jersey, Mississippi, Louisiana, Michigan, and Colorado, while dockside casinos are located in Indiana, Illinois, Missouri, and Iowa.

Gross commercial gaming revenues continued to show steady growth, totaling **$32.42 billion** in 2006, up 6.8% from 2005. Preliminary data from the American Gaming Association indicates that commercial casino revenues totaled approximately $33.14 million in 2007, reflecting a 5.3% growth rate for the year.



Source: American Gaming Association

There were a total of 460 commercial casinos in 11 states in 2006, employing a total of 366,197 workers. This represents an increase of 11,273 jobs, a 3.2% increase over the prior year. Casino visitation also continued to increase, as more than ¼ of the U.S. adult population visited a casino in 2006 according to Harrah's Entertainment/TNS. In 2006, U.S. casinos attracted a total of 56.2 million patrons, an increase of 3.4 million visitors from 2005.

Card room gaming has also become quite popular, due in part to the recent boom and exposure in televised poker. In 2006, it was estimated that about 14% of all adults had played poker during the past year (American Gaming Association). In Nevada and New Jersey (the two largest commercial gaming states) revenues in poker rooms increased from $207.2 million in 2005 to $238.1 million in 2006, a 15% increase. Poker revenues in these two states have increased in each of the last five years, with the largest increase occurring between 2003 and 2004, jumping nearly 45% in one year. The remaining card room states (California, Florida, Minnesota, Montana, and Washington) had a

total of 713 card rooms and generated a total of $1.1 billion in revenues in 2006, a 7.8% increase from 2005.

Tribal Gaming

Tribal Gaming is comprised of gambling businesses operated on Indian reservations in the U.S. Tribes have limited sovereignty and therefore are able to exist outside direct state regulation. Tribal gaming recently has been the fastest growing gaming activity in the U.S. There are now 420 Indian casinos located in 30 states.

Class I, II, and III Gaming

The Indian Gaming Regulatory Act (IGRA) defines three formal classes of Tribal gaming: Class I, Class II, and Class III. A brief description of each follows.

> ***Class I –*** *This type of gaming includes social games for prizes of minimal value and traditional forms of Indian gaming as part of, or in connection with, tribal ceremonies or celebrations. Class I gaming is regulated solely by tribes*
>
> ***Class II*** *– This type of gaming includes bingo, pulltabs, lotteries, punchboards, tip jars, instant bingo, other games similar to bingo, and certain non-house banked card games such as poker. The use of technological aids in conducting such games is permitted. Class II gaming is regulated by tribes if certain conditions set forth in the Indian Gaming Regulatory Act are met.*
>
> ***Class III*** *– This type of gaming includes all other types of gaming not considered to be Class I or Class II, including slot machines, other video and electronic games of chance, craps, roulette, pari-mutuel wagering, and house-banked card games like blackjack. Class III gaming is governed by tribal-state compacts.*

The rate of growth in Indian gaming continues to outpace the growth in commercial gaming. In 2007, Indian gaming revenues increased to **$22.4 billion**, up 2.1% for the year. This rate of growth is down slightly, however, from the 15%+ growth rates of 2004 and 2005, as many Tribal gaming markets have also matured and development has slowed. Much of the growth in Tribal gaming in recent years has been focused in California. California's 57 casinos now account for more than 30 percent of the nation's Indian gaming revenue.

Growth in Indian gaming is partly a result of the addition of more gambling facilities in better locations, paired with an increase in the popularity and social acceptability of gambling as a form of entertainment. A recent survey conducted by the American Gaming Association found that 85 percent of adults in this country believe casino gambling is an acceptable form of entertainment. The aging of the U.S. population is also a contributing factor to growth in the Tribal gaming industry, since older adults and retirees comprise a key market segment for casinos.

Las Vegas Gaming Industry

Las Vegas, NV remains the most popular gaming resort destination in the United States, with more than 93,500 total gaming positions and over 141,600 hotel/motel rooms. The table on the following page presents a summary of gaming revenues for the Las Vegas Strip, Las Vegas as a whole, and the United States for 1995 through 2008. The table also shows changes in the Las Vegas gaming supply (number of positions) by year during this timeframe and the average win per position/day for the Las Vegas Strip and Las Vegas as a whole. The following are key points from our analysis.

- In 2007, Las Vegas casinos generated net win (also sometimes referred to as GGR or gross gambling revenue, net of player winnings) of **$7.66 billion**, representing approximately 8.0% of the U.S. gaming industry. In 2008, net win totaled **$6.89 billion**, down 10% from the prior year. The Las Vegas Strip submarket accounted for **$6.035 billion** in net win in 2008, representing about 87.5% of the Las Vegas market.

- During the late 1990s, the Las Vegas market captured between about 8.5% and 9.6% of U.S. gaming revenues. However, the Las Vegas market share began to decline in the early 2000s, due in large part to the expansion of Indian gaming in the U.S., particularly in California. By 2003, Las Vegas' share of U.S. gaming revenue had dipped to 7.7%. More recently, however, Las Vegas has seen its share of U.S. gaming revenues rebound to between 8.0% and 8.3%. This is due in part to significant marketing efforts by the Las Vegas gaming & resort industry, and also the addition of new casinos and resort amenities within this market.

- In terms of the number of gaming positions, the Las Vegas market has actually seen about a 15% decline since 2001. In recent years, a number of older casinos have been demolished to make way for new high-end resort casinos, many of which are now in various stages of development.

- Coinciding with a U.S. recession, several U.S. gaming markets have seen a marked downturn in visitation and net win this year. Las Vegas is one such market, as both leisure spending and convention business is down. According to the Nevada Gaming Control Board, Las Vegas gaming revenues for 2008 were down 10% compared to last year. Revenues on the Las Vegas Strip are down 10.3% compared to just a year ago. LVCVA statistics show that Las Vegas visitation was down by 4.4% in 2008. Nonetheless, Las Vegas still has tremendous appeal as a leisure destination, although guests are spending less per visit within this market due to the current economic climate.

Gaming Market Performance												
U.S. & Las Vegas, 1995-2008												
Total Net Win ($000s)	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
Las Vegas Strip Gaming Revenues	$3,781,059	$3,785,028	$4,456,954	$4,773,647	$4,674,407	$4,625,146	$4,723,600	$5,278,837	$5,948,909	$6,595,025	$6,730,820	$6,035,918
Annual change	6.6%	0.1%	17.8%	7.1%	-2.1%	-1.1%	2.1%	11.8%	12.7%	10.9%	2.1%	-10.3%
Total Las Vegas Area	$4,613,683	$4,645,403	$5,339,490	$5,676,227	$5,561,061	$5,476,556	$5,609,379	$6,189,940	$6,894,117	$7,529,275	$7,657,461	$6,892,925
Annual change	5.8%	0.7%	14.9%	6.3%	-2.0%	-1.5%	2.4%	10.3%	11.4%	9.2%	1.7%	-10.0%
U.S. Total Gaming (000s)	$50,900,000	$54,900,000	$58,200,000	$61,400,000	$63,300,000	$68,600,000	$72,900,000	$78,800,000	$84,400,000	$90,900,000	$93,800,000	N/A
Annual Change	6.3%	7.9%	6.0%	5.5%	3.1%	8.4%	6.3%	8.1%	7.1%	7.7%	3.2%	N/A
Las Vegas % of U.S. Total Gaming	9.1%	8.5%	9.2%	9.2%	8.8%	8.0%	7.7%	7.9%	8.2%	8.3%	8.2%	N/A
Total Gaming Positions	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
Las Vegas Strip Area	69,128	71,793	78,103	80,214	80,606	76,892	75,713	74,375	74,418	71,398	68,798	69,317
Annual change	2.2%	3.9%	8.8%	2.7%	0.5%	-4.6%	-1.5%	-1.8%	0.1%	-4.1%	-3.6%	0.8%
Total Las Vegas Area	97,701	99,976	106,888	109,603	109,768	104,209	103,426	100,035	99,901	96,222	93,380	93,570
Annual change	1.8%	2.3%	6.9%	2.5%	0.2%	-5.1%	-0.8%	-3.3%	-0.1%	-3.7%	-3.0%	0.2%
Total Net Win per Position/Day	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
Las Vegas Strip Area	$150	$144	$156	$163	$159	$165	$171	$194	$219	$253	$268	$239
Total Las Vegas Area	$129	$127	$137	$142	$139	$144	$149	$170	$189	$214	$225	$202
Sources: American Gaming Association; Nevada Gaming Control Board												

- From our own analysis, paired with our review of other gaming industry analysts' reports and commentary, we note that the long-term fundamentals pertaining to the U.S. and Las Vegas gaming industries remain strong. Gaming will continue to be a popular form of entertainment nationwide and even internationally. Moreover, the aging of the large baby-boomer generation should contribute to an increase in overall casino visitation nationwide over the next several years, since older adults comprise a major segment of the U.S. gaming market. Las Vegas, like no other U.S. market, has established itself as the premier resort gaming destination and the destination for adult oriented leisure activities in general. Thus, we expect Las Vegas visitation and gaming revenues will pick up in conjunction with improvements in the U.S. economy.

Las Vegas Hotel Market Trends

The Las Vegas market is comprised of approximately 141,600 total hotel and motel rooms. This includes a distribution of about 119,600 hotel rooms and 22,000 motel rooms. The Las Vegas Strip sub-market contains some of the largest resorts in the world, with 27 major resorts and nearly 77,000 hotel rooms.

The table on the following page summarizes Las Vegas hotel occupancy trends for 2002-2008 as published by the LVCVA. It is important to note that the hotel supply, occupancy and rooms sold data shown on the table includes only hotel properties, not motels. However, the published average daily rate (ADR) statistics do in fact include Las Vegas motel properties, which holds down the market ADR somewhat. We would expect that the Las Vegas Plaza would compete primarily with luxury resort properties within the Las Vegas Strip market and thus those properties are examined in more detail later in this analysis.

The following are key points from our analysis of Las Vegas hotel/motel market statistics.

- Las Vegas hotels achieved a combined occupancy rate of 89.8% in 2008, down from 94.0% last year. Room demand is down just 2.0% from a year ago, however. The Vegas market has seen two major hotel additions over the past year or so. Las Vegas Sands opened The Palazzo, a 3,066-room casino hotel in December of 2007. This property is physically connected to The Venetian in the North Strip area. In December of 2008, a second major North Strip development was completed, when Steve Wynn opened Encore, a 2,034-room hotel.

- The blended hotel/motel ADR for Las Vegas was reportedly $119.19 in 2008. Room rates showed impressive growth between 2004 and 2007, with annual rate gains ranging from 10.4% to 16.0% during that span. Over the past year, however, the market's average room rate showed a significant -9.8% decline. The sluggish economy has led several Las Vegas resort operators to use more frequent and more substantial room rate specials in order to attract guests over the past several months.

Hotel Occupancy and Rate Trends
Las Vegas, Nevada
1992-2008

Annual Statistics

	2002	2003	2004	2005	2006	2007	2008
Hotel Occupancy Rate	88.8%	89.6%	92.0%	91.8%	93.2%	94.0%	89.8%
Total Rooms	106,316	110,832	113,133	116,444	116,372	116,492	119,558
Available Room Nights	38,805,340	40,453,680	41,293,545	42,502,060	42,475,780	42,519,580	43,638,670
Occupied Room Nights (Demand)	34,459,142	36,246,497	37,990,061	39,016,891	39,587,427	39,968,405	39,187,526
Avg. Room Rate (ADR)*	$76.69	$82.48	$89.78	$103.12	$119.66	$132.09	$119.19

% Change

	'02 - '03	'03 - '04	'04 - '05	'05 - '06	'06 - '07	2008
Occupancy Rate	0.8%	2.4%	-0.2%	1.4%	0.8%	-4.2%
Room Supply	4.2%	2.1%	2.9%	-0.1%	0.1%	2.6%
Room Demand	5.2%	4.8%	2.7%	1.5%	1.0%	-2.0%
ADR	7.5%	8.9%	14.9%	16.0%	10.4%	-9.8%

* Published market ADR is reflective of both **Hotel and Motel units** in Las Vegas. Occupancy statistics are for Hotel product only.

Source: Las Vegas Convention & Visitors Authority

Las Vegas Strip Casino Hotel Market

Considering its location, components and overall quality level, we expect that The Plaza Las Vegas will compete primarily with other "high-end", luxury gaming resorts on the Las Vegas Strip (i.e. those with ADR of about $200+). Secondary competition will come from "upper mid range" properties along the Strip (i.e. those with ADR of about $150+). A summary of casino and hotel properties along the Las Vegas Strip is provided on the table on the following page. The following are key points from our analysis of the current Las Vegas Strip casino and hotel supply.

Total Strip Room and Gaming Supply Summary

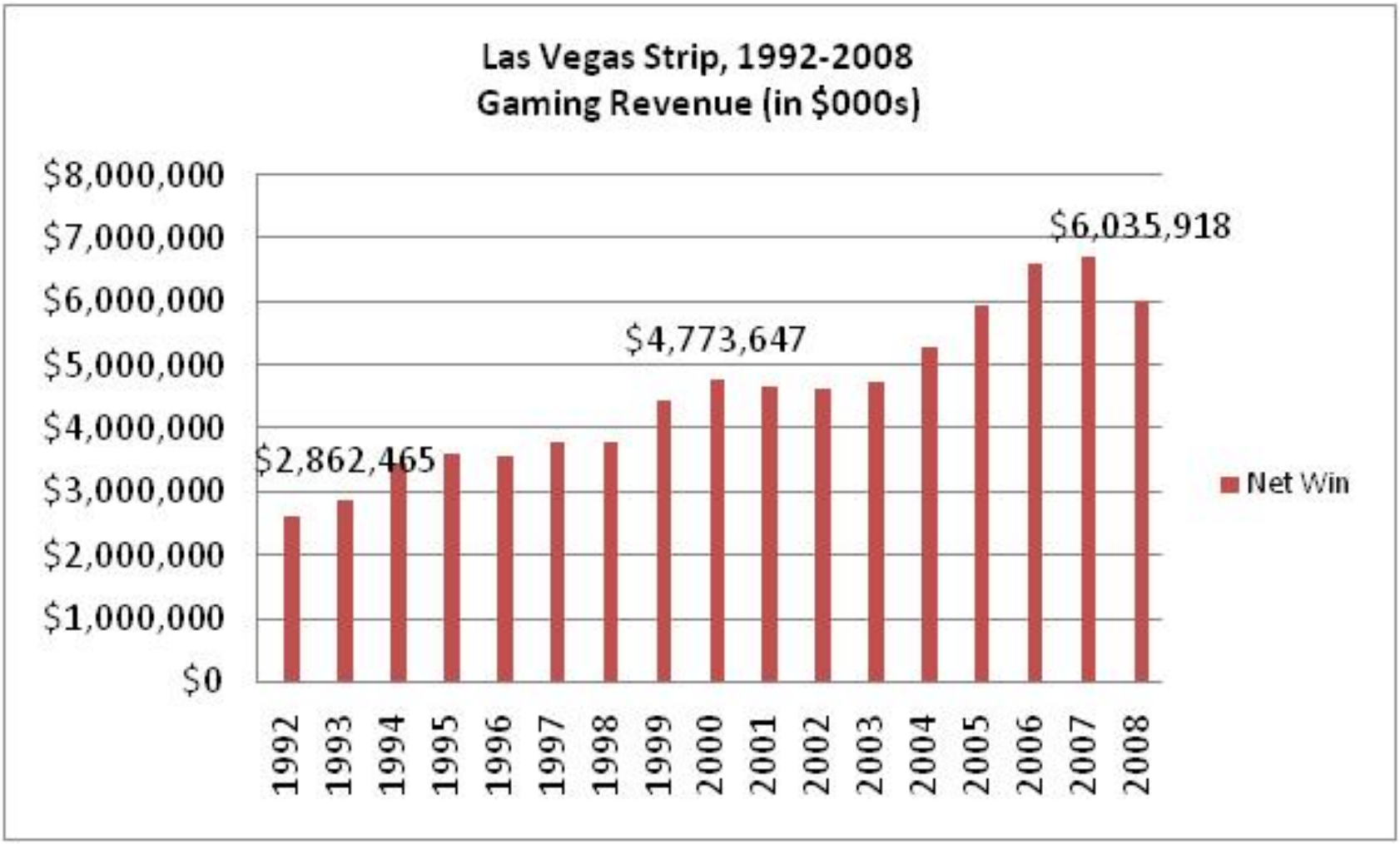
- Las Vegas Strip properties offer a total of 77,450 rooms and 67,254 gaming positions. The combined market occupancy rate for 2007 was 94.2%. Market ADR was not published. However, ADR and occupancy statistics were compiled for individual properties as available from annual reports and 10Ks. Based on our analysis of available property information, we found that occupancy rates in 2007 generally ranged from around 91% to more than 98%. In 2007, ADR for "high end" resorts ranged from $227 (Mandalay Bay) to $300 (Wynn).

- Wynn and Las Vegas Sands corporate filings for 2008 were available for review, although MGM had not filed as of the date of this analysis. Wynn saw a decline in its occupancy rate from 96% in 2007 to 91.8% in 2008, while its ADR declined from $300 to $288. Meanwhile, Las Vegas Sands reports indicate that its Wynn/Palazzo properties achieved a combined occupancy rate of 91.3% in 2008 and a combined ADR of $232, compared to $258 at the Venetian last year. In total, the Wynn and LVS properties on the North Strip accommodated a total of 3,273,757 room nights, up from 2,398,023 in 2007, reflecting a 36.5% increase for the year. So, while both properties posted a decline in the respective hotel occupancy rates, visitor activity at the North End of the Strip has clearly increased overall as a result of the Palazzo's first full year of operations in 2008.

Strip Gaming Revenue Trends

- Strip gaming revenues (net) totaled more than **$6.03 billion** in 2008, down 10.3% compared to 2007. Strip gaming revenues had increased in each of the last five years prior to the decline this past year.

- As discussed earlier in this analysis, Las Vegas visitation was down 4.4% in 2008, and these fewer guests are also opting to spend less on gaming while in Las Vegas.


Las Vegas Strip, 1992-2008
Gaming Revenue (in $000s)
$8,000,000
$7,000,000
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$0
$2,862,465
$4,773,647
$6,035,918
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
Net Win

Summary of Las Vegas Strip Casino Hotels

Property	Year Built	Gaming Machines	Tables Non-Poker	Poker Tables	Total Tables	Total Positions	On-Site Hotel Rooms	2007 ADR	2007 Occupancy	2008 ADR	2008 Occupancy	Positions per Room	# of Bars & Restaurants	Convention SF
High End Properties														
Wynn Las Vegas	2005	2,000	161	27	188	3,370	2,716	$300	96.0%	$288	91.8%	1.24	22	200,000
Wynn-Encore	2008	2,750	100	26	126	3,684	2,034	N/A	N/A	N/A	N/A	1.81	22	60,000
Wynn Total		4,750	261	53	314	7,054	4,750					1.49	22	260,000
Venetian	1999	1,725	142	39	181	3,070	4,027	$258	98.4%	$258	98.4%	0.76	18	1,900,000
Palazzo	2007	1,900			180	3,340	3,066	N/A	N/A	N/A	N/A	1.09	10	350,000
Venetian/Palazzo Total		3,625				6,410	7,093	N/A	N/A	N/A	N/A	0.90	28	2,250,000
Trump Int'l Hotel (non-gaming)	2008	-	-	-	-	-	1,282	N/A	N/A	N/A	N/A			
Mandalay Bay	1999	2,020	144	10	154	3,118	4,332	$227	93.6%	N/A	N/A	0.72	23	1,700,000
Bellagio	1998	2,450	157	65	222	4,134	3,933	$265	95.9%	N/A	N/A	1.05	23	125,000
Sub-Total High End		**12,845**	**562**	**128**	**690**	**20,716**	**20,108**	**$262**	**95.9%**	**N/A**	**N/A**	**4.16**	**96**	**4,335,000**
Upper Mid-Range Properties														
Caesars Palace	1966	1,440	151	63	214	3,064	3,340	N/A	N/A	N/A	N/A	0.92	22	240,000
MGM Grand	1993	2,640	176	22	198	4,070	5,044	$163	96.2%	N/A	N/A	0.81	23	593,000
Mirage	1989	2,060	121	30	151	3,177	3,044	$181	97.4%	N/A	N/A	1.04	19	200,000
Treasure Island	1993	1,722	75	8	83	2,319	2,885	$146	98.0%	N/A	N/A	0.80	14	18,000
New York-New York	1997	1,860	83	-	83	2,441	2,023	$142	97.7%	N/A	N/A	1.21	15	21,000
Paris	1999	2,500	149	8	157	3,615	2,916	N/A	N/A	N/A	N/A	1.24	13	140,000
Sub-Total Upper Mid Range		**12,222**	**755**	**131**	**886**	**18,686**	**19,252**	**$158**	**97.1%**	**N/A**	**N/A**	**1.00**	**106**	**1,212,000**
Other Strip Properties														
Stratosphere	1996	1,350	48	6	54	1,740	2,444	N/A	N/A	N/A	N/A	0.71	16	8,100
Sahara	1952	1,086	60	16	76	1,650	1,720	N/A	N/A	N/A	N/A	0.96	7	7,500
Circus Circus	1968	1,800	70	8	78	2,362	3,900	N/A	91.6%	N/A	N/A	0.61	7	21,400
Riviera	1955	994	35	7	42	1,302	2,072	N/A	N/A	N/A	N/A	0.63	5	150,000
Casino Royale	1992	440	14	-	14	538	152	N/A	N/A	N/A	N/A	3.54	5	0
Harrah's	1992	1,599	102	12	114	2,421	2,526	N/A	N/A	N/A	N/A	0.96	11	28,700
Imperial Palace	1980	888	46	10	56	1,300	2,640	N/A	N/A	N/A	N/A	0.49	9	40,000
Flamingo	1946	1,412	108	18	126	2,330	3,565	N/A	N/A	N/A	N/A	0.65	12	73,000
Bill's Gamblin Hall & Saloon	1979	642	36	-	36	894	200	N/A	N/A	N/A	N/A	4.47	4	0
Bally's	1973	1,250	65	10	75	1,795	2,814	N/A	N/A	N/A	N/A	0.64	13	175,000
Planet Hollywood	2000	1,850	95	8	103	2,587	2,567	N/A	N/A	N/A	N/A	1.01	23	75,000
Tropicana	1957	1,296	35	6	41	1,595	1,878	N/A	N/A	N/A	N/A	0.85	7	45,000
Monte Carlo	1996	1,650	75	15	90	2,310	3,213	$132	96.9%	N/A	N/A	0.72	13	25,800
Luxor	1993	1,640	100	14	114	2,466	4,408	$132	98.2%	N/A	N/A	0.56	13	20,000
Excalibur	1990	1,925	73	14	87	2,562	3,991	$100	94.9%	N/A	N/A	0.64	6	12,000
Subtotal		**19,822**	**962**	**144**	**1,106**	**27,852**	**38,090**	**N/A**	**N/A**	**N/A**	**N/A**	**0.73**	**151**	**681,500**
Total/Average		**44,889**	**2,279**	**403**	**2,682**	**67,254**	**77,450**	**N/A**	**94.2%**	**N/A**	**N/A**	**0.87**	**353**	**6,228,500**

Note: one table equals 7 gaming positions, poker tables equal 9 gaming positions.

Sources: Casino City; Las Vegas Conv. & Visitors Authority; Annual Reports & 10Ks for Wynn, LV Sands, and MGM Mirage; GVA Marquette Advisors

Analysis of Wynn & Venetian/Palazzo

Among the current gaming and resort competitors, we have analyzed most closely the Wynn and Venetian/Palazzo properties due to their high-end market positioning, their proximity to The Plaza site, and the availability of individual property information. MGM corporate filings were also analyzed, as were those of Harrah's, although very limited information is available on a per-property basis. The following table summarizes the key property and performance characteristics of Wynn (excluding Encore) and Venetian/Palazzo in 2007 and 2008.

Wynn Resort was completed in 2005 at a reported $2.5 billion. The property contains 2,716 rooms and 3,370 total gaming positions. It also offers 200,000 sf of on-site convention/meeting space and approximately 76,000 sf of retail space. Wynn reported a 96.0% occupancy rate in 2007 (951,686 rooms sold) and an ADR of $300. Total gross revenues were reportedly $1.398 billion. This equates to an average of $1,469 per occupied room. Gaming comprised nearly 46% of facility revenues, followed by F&B at 22% and Rooms at 20%.

In 2008, Wynn saw his occupancy dip from 96.0% to 91.8%, while gaming revenues were down by by more than 25%. Rooms sold decreased from 951,686 in 2007 to 910,050 in 2008. Overall revenue at Wynn Las Vegas as down 10% for the year. At Wynn, the average revenue per occupied room in 2008 was calculated at $1,380, compared to $1,469 in 2007.

The Venetian was completed by Las Vegas Sands in 1999 and contains 4,027 rooms and 3,070 gaming positions. The Venetian achieved a 98.4% occupancy rate in 2007, but a considerably lower ADR compared to Wynn, at $258. The Venetian reported total revenues of $1.13 billion in 2007, which equates to an average of $783 per occupied room, much lower compared to the Wynn average at $1,469. This is due to a number of factors, including the larger number of rooms and non-gaming components, notably its convention space, which drives a higher overall utilization level but somewhat lower average spend per guest.

In December of 2007, LV Sands opened the 3,066-room Palazzo, bringing the Venetian/Palazzo room total up to 7,093, making it by far the largest resort on the Strip. The Palazzo also includes another 3,340 gaming positions, and 350,000 sf of convention space. The project reportedly cost approximately $1.8 billion. For 2008, the combined properties accomodated a total of 2,363,707 room nights, compared to 1,446,337 the prior year at The Venetian. Combined ADR was $232, compared to $258 a year ago at The Venetian. Net win at Venetian/Palazzo for 2008 totaled $522.4 million, or about $232 per occupied room.

The Wynn and Venetian/Palazzo resort models are clearly distinguished. Wynn offers high-end accommodations within a gaming-focused revenue platform. The LV Sands properties, meanwhile, are convention-oriented, attracting a slightly less affluent customer base overall and deriving a greater percentage of revenues from non-gaming components, especially room rentals. Based on the planned development program, we expect that The Plaza will function more similar to the Wynn model, attracting a very affluent customer base and generating overall revenues which are among Vegas market leaders on a per-occupied room basis.

Wynn-LV & The Venetian/Palazzo
2007 & 2008 Perfromance Summary

	Wynn Las Vegas - 2007		Wynn Las Vegas - 2008		Venetian - 2007		Venetian/Palazzo - 2008	
	Amt.	**Pct.**	**Amt.**	**Pct.**	**Amt.**	**Pct.**	**Amt.**	**Pct.**
Facilities								
Rooms	2,716		2,716		4,027		7,093	
Gaming Positions	3,370		3,370		3,070		6,410	
Bars & Restaurants	22		22		18		28	
Retail Sq. Ft.	76,000		76,000		510,000		600,000	
Convention Sq. Ft.	200,000		200,000		1,900,000		350,000	
Gaming Positions per Room Ratio	1.24		1.24		0.76		0.90	
Revenue Summary (in $000s)	**($000s)**		**($000s)**		**($000s)**		**($000s)**	
Gaming	$ 642,300	45.9%	$ 479,711	38.2%	$ 405,014	35.8%	$ 522,437	n/a
Rooms	$ 285,700	20.4%	$ 268,515	21.4%	$ 373,155	33.0%	$ 535,797	n/a
F&B	$ 311,000	22.2%	$ 305,702	24.3%	$ 217,052	19.2%	n/a	n/a
Retail	$ 94,800	6.8%	$ 202,122	16.1%	$ -	0.0%	n/a	n/a
Conv., Entertainment*	$ 64,500	4.6%	$ -	0.0%	$ 137,092	12.1%	n/a	n/a
Total (including comps)	$ 1,398,300	100.0%	$ 1,256,050	100.0%	$ 1,132,313	100.0%	n/a	n/a
Hotel Occupancy								
Total Occupied Rooms	951,686		910,050		1,446,337		2,363,707	
Occupancy Rate	96.0%		91.8%		98.4%		91.3%	
Revenue per Occupied Room								
ADR	$ 300		$ 288		$ 258		$ 232	
Gaming	$ 675		$ 527		$ 280		$ 221	
F&B	$ 327		$ 336		$ 150		n/a	
Retail	$ 100		$ 222		$ -		n/a	
Conv., Entertainment	$ 68		$ -		$ 95		n/a	
Total	$ 1,469		$ 1,373		$ 783		n/a	
* Conv., Entertainment income as shown for Venetian also includes retail income.								
Total Gaming Positions	3,370		3,370		3,070		6,410	
Win per Position/Day	$ 522		$ 390		$ 361		$ 223	
Sources: GVA Marquette Advisors; LV Sands and Wynn corporate filings.								

Evolution of the "High End" and "Upper Mid-Range" Casino Hotel Supply

- "High End" and "Upper Mid Range" properties currently contain approximately 56% of the Strip hotel rooms in 2008. Over the next several years, however, we expect the addition of several new "high end" gaming resorts, mostly at the north end of the Strip. As such, we expect that Wynn and Venetian/Palazzo will continue to be the preferred luxury resorts within the Strip market, along with several of the other new resorts. Slightly older properties such as Bellagio and Mandalay Bay will likely drop from "High End" to "Upper Mid Range" status, being replaced within the High End market by newer resorts such as The Plaza, MGM City Center, Echelon and Fontainebleau. Current "Upper Mid-Range" resorts such as Treasure Island, Mirage and New York, NY will also effectively lose their status within the Upper Mid Range market, unless they are undergo substantial renovations and upgrades.

  The table on the following page summarizes the "High End" and "Upper Mid Range" casino resort supply within the Strip market in 2008 and as projected in 2020. We expect that some of the current market-leading properties are will lose some of their appeal with the affluent customer base, due to the addition of new upscale resorts over the next several years.

2008 "High End" & "Upper Mid Range" Hotel Supply Las Vegas Strip			
Property	**Room Supply**	**%**	
"High End" Strip			
Wynn/Encore	4,750	6.6%	
Venetian/Palazzo	7,093	9.8%	
Trump (non-gaming)	1,282	1.8%	
Bellagio	3,933	5.4%	
Mandalay Bay	4,332	6.0%	
Total "High End" Strip	**21,390**	**29.6%**	
"Upper Mid Range" Strip			
Mirage	3,044	4.2%	
Treasure Island	2,885	4.0%	
MGM Grand	5,044	7.0%	
New York, New York	2,023	2.8%	
Caesar's	3,340	4.6%	
Paris	2,916	4.0%	
Total "Mid Range" Strip	**19,252**	**26.6%**	
Total "High End" & "Upper Mid Range" Strip	**40,642**	**56.2%**	
Total Las Vegas Strip	**72,350**	**100.0%**	
Source: GVA Marquette Advisors			

Projected 2020 "High End" & "Upper Mid Range" Hotel Supply Las Vegas Strip		
Property	**Room Supply**	**%**
"High End" Strip		
Wynn/Encore	4,750	4.7%
Venetian/Palazzo	7,093	7.0%
The Plaza	5,116	5.0%
Trump (non-gaming)	2,564	2.5%
Echelon	5,000	4.9%
Fontainebleu	3,812	3.7%
Cosmopolitan	3,000	2.9%
MGM City Center	4,800	4.7%
Total "High End" Strip	**36,135**	**35.5%**
"Upper Mid Range" Strip		
Bellagio	3,933	3.9%
Mandalay Bay	4,332	4.3%
MGM Grand	5,044	5.0%
Caesar's	4,025	4.0%
Paris	2,916	2.9%
Total "Mid Range" Strip	**20,250**	**19.9%**
Total "High End" & "Upper Mid Range" Strip	**56,385**	**55.4%**
Total Las Vegas Strip	**101,742**	**100.0%**

Planned Casino Resort Additions – Las Vegas Strip

Several gaming resort developments are under construction or planned for the Las Vegas Strip, most of which are located within the northern portion of the Strip. The table on the following page summarizes the key components and expected timing of these developments.

- In total, these developments will bring another **22,000 hotel rooms** and more than **16,000 gaming positions** to the Las Vegas Strip. As well, it is likely that other existing resort properties will be repositioned or demolished entirely to make way for new facilities in the years ahead. For example, the Hooters Casino is expected to be rebranded and repositioned. Other properties such as Imperial Palace and the Tropicana which have been purchased over the past several months will likely ultimately be demolished for new resort projects. However, for our analysis purposes we assume that the net increase in gaming and hotel rooms on the Vegas Strip will consist of 17,300 new rooms and approximately 16,000 gaming positions as presented on the following page.

- **Wynn -** Steve Wynn has announced that in a future phase, the current golf course will be converted to a 1.5-million sq. ft. convention center, flanked by two major hotels with a total of 5,200 rooms. This would bring the room total to 10,000+ for Wynn-Las Vegas. A 20-acre lake is planned between the convention hall and the hotels. Exact details and timing of such a project are undetermined as of this writing.



Planned/Proposed Casino Hotel Projects
Las Vegas Strip

Project Name	Location	Projected Completion	Hotel Rooms	Casino SF	Estimated Gaming Positions	Retail SF	Convention SF	Other/Notes
Plaza Las Vegas (Subject)	Fashion Show Dr. & Las Vegas Blvd.	2014-2019	5,116	300,000	5,167	420,000	245,000	930 condos; 40,000 sf spa, extensive pool deck; 1,300 seat theater
Octavius Tower - Caesars Palace	Caesars Palace	2009	665	0	0	N/A	373,000	Expanding convention center (110,000 SF of meeting space, 263,000 SF ballroom), 3 new pools, expanding sportsbook, adding new casino, restaurants and retail
Fontainebleau	Riviera Blvd. & Las Vegas Blvd.	2009-2010	3,812	100,000	2,900	300,000	390,000	Hotel mix includes approx. 1,000 condo hotel units; 3,200-seat performing arts center, 60,000 SF spa
Echelon	Stardust Rd & Las Vegas Blvd. (former Stardust property)	2012-2014	5,000	140,000	3,000	300,000	750,000	Construction started but temporarily suspended. 5 towers (Echelon - 2,500 rooms, Enclave-650 rooms, Shangri-la - 350 rooms, Mondrian - 860 rooms, Delano - 550 rooms). Each hotel will have its own spa. The property will feature 30 restaurants & bars, a 4,000-seat theater, and a 1,500-seat theater.
MGM City Center	Flamingo Rd. & Las Vegas Blvd.	2009-2010	4,800	165,000	3,500	300,000	450,000	Two 400-room condo/hotel/casinos (Mandarin Oriental - 227 condos & Harmon hotel, Spa, and Residences - 207 condos.), 1 residential (Veer Towers - 337 condos), a condo/hotel (Vdara - 1,543 units), 500,000 SF retail/entertainment., ARIA Resort & Casino (4,0
The Cosmopolitan	Harmon Ave. & Las Vegas Blvd.	2010	3,000	75,000	1,500	300,000	150,000	3,000 condo hotel units; 1,800 seat theater
Total			**22,393**		**16,067**			

Sources: Casino City; Las Vegas Today & Tomorrow.com; GVA Marquette Advisors

- **Caesar's Palace expansion (under construction - stalled)**, owned by Harrah's Entertainment, is constructing a 665-room hotel addition. This project was expected to be completed in 2009. However, Harrah's has delayed completion due to current market conditions. Nonetheless, the project is well underway for our analysis purposes is assumed to be completed in the next two to three years. The project will also expand the property's convention and meeting space by 373,000 sq. ft. Additional pools, retail and restaurant space is also being added, as well as an expanded sports-book area.



- **Echelon (construction suspended in Summer 2008)**, by Boyd Gaming, is planned for the former Stardust property immediately north of the planned Plaza Las Vegas. The project will include a total of five towers, offering 5,000 hotel rooms. A 140,000 sf gaming floor is planned, as well as a 750,000 sf convention center, 30 restaurants and bars, 300,000 sf of retail space, and two theaters.

  Construction on Echelon was suspended in August of 2008 by Boyd Gaming, who cited the current economic environment and weak credit markets. Boyd has stated that they hope to resume construction sometime in 2009, "assuming credit market conditions and the economic outlook improves." Here again, we assume for our analysis purposes that construction will resume within the next two to three years.



- **MGM City Center (under construction)** is situated on a 68-acre site between the Bellagio and Monte Carlo casinos. The $11+ billion project is considered the most expensive privately funded construction project in the history of the United States. The project features more than ¼ mile of frontage on the Las Vegas Strip. When complete, City Center will include a mix of more than 5,000 residential and hotel units, anchored by the ARIA Resort & Casino, with 4,000 rooms and a 165,000 sf casino. The development, expected to be completed in 2009 and 2010, will feature 500,000 sf of retail and entertainment space and a 150,000 sf convention facility.



- **Fontainebleau (under construction)** is being built just north of the Riviera on the 24-acre site of the former Algiers and El Rancho casinos. The project is anchored by a condo-hotel element, through an alliance with Turnberry. The project will feature 3,812 rooms, including approximately 1,000 condo-hotel units. Other key components include a 100,000-sf gaming floor, 300,000 sf of retail space, a 390,000 sf convention center, as well as a theater and a 60,000 sf spa. The project is expected to be completed in 2009-2010.



- **The Cosmopolitan (under construction)** is a new development situated between the massive City Center project and the Bellagio. In 2008 Deutsche Bank foreclosed on developer Bruce Eichner, who defaulted on a $760 million loan. Deutsche Bank is continuing on the project while seeking an operating partner. Related Companies is overseeing the construction project at this time. The 3,000 condo-hotel units will range from 600 to 900 square feet. The project will feature a 75,000 sf gaming floor, 300,000 sf of retail and entertainment space and 150,000 sf of convention and meeting space, as well as an 1,800-seat theater. The Cosmopolitan is expected to open in 2010.



Key Points: Casino-Resort Market Analysis

The following are key points from our assessment of U.S. and Las Vegas casino-resort market trends:

- The Las Vegas Strip remains the most popular resort gaming destination in the United States, offering more than 25 full service casino resort properties and an expanding array of shopping, dining and other leisure activities.

- Las Vegas attracted more than 37.4 million visitors last year. Las Vegas Strip resorts, offering more than 75,000 hotel rooms, attracted more than 25.0 million guests in 2007 (most recent statistics available as of this writing). The market achieved a combined occupancy rate of 94.2% in 2007.

- Market leading hotels on the Las Vegas Strip achieved occupancy rates ranging from approximately 94.0% to 98.0% in 2007, with an overall ADR of approximately $262.

- Wynn-Las Vegas, located immediately across from the planned Plaza project and currently the premier Strip resort among affluent gamers, commanded an ADR of $300 in 2007, with an occupancy rate of 98.4%. Wynn's ADR dropped to $288 in 2008, with hotel occupancy declining to 91.8%. Some of this decline is attributable to the opening of The Palazzo by Las Vegas Sands in December 2007.

- The Palazzo expansion resulted in Las Vegas Sands attracting 2,363,700 hotel guests in 2008, compared to 1,446,000 in 2007 within The Venetian. Visitor spending on gaming declined at Palazzo, to $232 per occupied room in 2008 compared to $258 in 2007. Overall revenue statistics for 2008 for the Venetian/Palazzo were not available as of this analysis date.

- Wynn saw guest spending decline from $1,469 per occupied room in 2007 to $1,380 per occupied room in 2008. Wynn's net win declined from $675 per occupied room in 2007 to $527 in 2008. Other categories such as Food and Beverage, and Retail spending posted gains for the year, offsetting in part the sharper declines in gaming activity at Wynn.

- Strip casinos captured more than $6.03 million in net gaming win in 2008.

- Las Vegas as a whole accounted for approximately $7.7 million in gaming last year, representing 8.0% of U.S. gaming expenditures.

- The ongoing downturn in the U.S. and even the world economy has impacted the Las Vegas market more recently. National gaming statistics for 2008 will not be compiled for several months. However, Las Vegas Strip resorts saw gaming revenues decline by about 10.3%. Las Vegas visitation was down 4.4% in 2008, meaning that Vegas is

attracting fewer visitors and those visitors are spending less on such trips due to the economic environment.

- In spite of the current economic downturn, the long-term fundamentals supporting continued growth in the U.S. gaming and resort industry remain strong. Most notably, gaming has become a popular leisure activity among a growing share of the U.S. population base, with more than 80% of adults indicating that casino gambling is an acceptable form of entertainment, compared to about 30% twenty five years ago. (American Gaming Association). Meanwhile, casinos should see a boost in visitation due to the aging of the large baby boomer generation, since older adults have long been a key market for casino facilities because they have more free time and have shown a higher propensity to visits casinos as a form of entertainment. At the same time, casino gambling has become more popular among young adults and other ethnic groups, such as Asians, and modern casinos are now just beginning to tap these growing market segments.

- Although we are unable to predict the timing of an economic turnaround in the United States, we expect a marked improvement in U.S. and world economic conditions well in advance of The Plaza's planned opening date (2014). Further, Las Vegas resort operators have demonstrated a keen ability to attract guests from all over the U.S. and worldwide. Considering the sustained popularity of Las Vegas resorts and the wave of development ongoing and planned for this market, we expect that Vegas casinos will likely command a larger percentage of U.S. gaming revenues in the years ahead, absent some unforeseen major expansion of Indian gaming within the U.S.

- In short, Las Vegas has continued to grow as gaming has matured nationwide. There is no basis to predict that this will change. As an example, massive increases in gas prices fueled by oil price increases over the past two years has completely reversed in the last few months and that alone factor should have a positive impact on visitation to Las Vegas in the months ahead.

- Much of the ongoing Las Vegas development is concentrated in the North Strip area near the Plaza site. We expect that this activity will actually provide strong synergistic benefits to The Plaza and other casino resorts in this area.

LAS VEGAS CONDO MARKET

General Market Demand & Supply Trends

Inventory

Hanley Wood estimates that as of year-end 2008 there were approximately 18,000 new attached housing units in the Las Vegas market. It is important to note that this includes only 994 units which are actually complete, another 2,300 units which are currently under construction, and 14,600 units planned (pre-construction marketing). Several projects have been cancelled or suspended, or are attempting to achieve a substantial pre-sale rate in order to begin construction. At 18,000 units, the unsold inventory as of Dec 2008 compares favorably with the 2007 figure of 28,000 units.

Market Absorption

Las Vegas had long been one of the hottest housing markets in the Country, with housing demand being fueled by in-migration by both empty-nesters/retirees and younger households moving to Las Vegas for the purpose of a new job, often within the resort/gaming industry or the construction industry. Beginning in 2002 through 2004 several developers purchased sites throughout Las Vegas, announcing major high-rise condo developments and/or condo-hotel projects. Pre-sales began in earnest in 2004-2005, with a robust initial market response through much of 2006. According to Hanley Wood, a nationally recognized provider of U.S. and regional housing market statistics, new attached home sales in Las Vegas (including condos and townhouse style units) increased from fewer than 2,900 units in 2002 to more than 19,000 units in 2005. In fact, between 2003 and 2006, Hanley Wood reports that a total of nearly 38,500 new attached housing units were sold in Las Vegas. This equates to an average of 9,625 sales per year during this timeframe. Sales activity began to slow in late 2006 and this trend continues to date, corresponding with the current national economic recession and credit crisis. In 2007, new condo and townhouse sales in Las Vegas totaled 5,932 units according to Hanley Wood, compared to 2,538 closings in 2008.

A number of projects have been cancelled or put on hold, as pre-sales activity is basically stagnant. Projects with inventory are moving units, albeit at a slower pace compared to past years. Local developers and market experts indicate that demand fundamentals remain relatively strong, however buyers are struggling to either secure financing within the current mortgage environment or sell an existing home in order to close on a new unit that they may have reserved several months ago.

As noted previously, the market showed a strong initial response to Vegas high-rise condos and condo hotel units. Although pre-sales were strong, actual closings now pose a challenge for some developers due to the current credit market and overall slowdown in the residential market which may preclude with reservations from closing on a new condo until their current home is sold. Projects such as the Trump Tower (1,282 units) and Palms Place (599 units) began closings in February of 2008 at the beginning of the mortgage meltdown. Although it takes

longer for buyers to secure a mortgage in today's market, closing have been steady at both properties. As reported in Casino City Times on Oct. 14, 2008, referencing a Deutsche Bank report, the Trump project has closed on a total of 269 units over the past eight months, equating to an average of 34 sales per month. Meanwhile, Palms had closed on 43 units per month during the same timeframe. The third tower in the MGM Signature project reported an average of 30 closings per month over the past 16 months. As published in Casino City Times on Oct. 14, 2008, Bill Lerner, a Deutsche Bank analyst wrote in a recent letter to investors that the typical rate of closings in such projects within a "normal" economic environment would be closer to 100 units per month in this market.

Rapid pre-sales activity experienced by multiple high-rise condo projects is demonstrative of strong market acceptance of the Vegas lifestyle and demand for this product. More recent slowdowns in actual unit closings are attributable to the current economic environment and a mortgage market adjustment. Going forward, economists and housing market experts expect that banks will begin to lend with more regularity, although credit standards have already been adjusted and will continue to be more stringent. That said, affluent buyers and high net worth individuals are typically less affected by mortgage lending standards, although some undoubtedly will remain on the sidelines for some time due to concerns about the overall investment value of a new purchase and/or as they wait to sell their current home.

High Rise Condo and Condo-Hotel Pricing

We analyzed current pricing at several high rise condo and condo-hotel developments along the Las Vegas Strip, as well as a handful of newer off-strip developments. A summary of unit sizing, pricing and price psf information is provided on the following page. We would expect The Plaza Las Vegas to compete for the very high end of the market due to its projected quality and the exclusivity attributable to The Plaza "brand." Accordingly, we believe that projects such as MGM City Center, Trump Tower, Sky Las Vegas, The Signature at MGM Grand and Park Towers are the best indicators of supportable market pricing for condo units at The Plaza. The majority of units in those developments are priced between $1,000 and $2,000 per square foot. Projects such as Fontainebleau, Cosmopolitan and St. Regis Residences at The Palazzo have not yet begun marketing and thus pricing information was not available. Nonetheless, we expect pricing for those units will be in line with the current market leaders.

In conclusion, we expect that the current mortgage and housing market correction will last for several months, but that market conditions will improve significantly by 2010-2011, well in advance of actual condo sales activity at The Plaza, which is expected to begin in 2013/2014. Based on our assessment of The Plaza project as proposed and current market information, we conservatively project that The Plaza condos will command an overall average price in the range of $1,400 to $1,500 per square foot, assuming that the first unit closings begin in 2014. Also, based on the experience of other projects in this market we expect annual unit sales would be in the range of 100 to 200 units per year for our projection period, depending somewhat upon the number of units available per the phasing plan.

Summary of Active Listings
Las Vegas Condos and Condo Hotel Projects

Project Name	Location	Type	Status/ Year*	# of Units	Price Range Low		Price Range High	Unit Sizes (in SF) Low		Unit Sizes (in SF) High	Price per SF Range		
Name of Project													
Las Vegas Strip Area													
MGM City Center - Vdara	Flamingo Rd. & Las Vegas Blvd.	Condotel	U/C	1,543	$638,000	-	$2,023,000	500	-	1,750	$1,276	-	$1,156
MGM City Center - Mandarin Oriental	Flamingo Rd. & Las Vegas Blvd.	Condo-hotel	U/C	227	$1,500,000	-	$4,500,000	1,000	-	3,910	$1,500	-	$1,151
MGM City Center - The Harmon	Flamingo Rd. & Las Vegas Blvd.	Condo-hotel	U/C	207	$1,277,000	-	$8,700,000	986	-	3,715	$1,295	-	$2,342
MGM City Center - Veer Tower	Flamingo Rd. & Las Vegas Blvd.	Condo	U/C	350	$500,000+			538	-	1,651	$929+		
Pallazo Condo Tower (St. Regis Residences)	Between Pallazo & Venetian	Condo	2010	398	$2,000,000	-	$20,000,000	1,700	-	10,000	$1,176	-	$2,000
The Cosmopolitan	Harmon Ave. & Las Vegas Blvd.	Condo-hotel	2010	3,000	$700,000	-	$1,500,000	n/a	-	n/a	n/a	-	n/a
Fontainebleu Resort	Riviera Blvd & Las Vegas Blvd.	Condo-hotel	2009	1,018	N/A	-	N/A	500	-	10,000	N/A	-	N/A
Allure Las Vegas	200 N. West Sahara	Condo	2007	878	$200,000	-	$1,100,000	664	-	1,563	$301	-	$704
Sky Las Vegas	2700 Las Vegas Blvd	Condo	2007	409	$400,000	-	$7,990,000	778	-	5,500	$514	-	$1,453
Metropolis	360 E. Desert Inn Road	Condo	2005	71	$499,000	-	$2,950,000	1,783	-	3,151	$280	-	$936
Trump Las Vegas	Fashion Show Drive	Condotel	2008/10	1,282	$600,000	-	$6,000,000	515	-	3,500	$1,165	-	$1,714
Las Vegas Off-Strip													
Panorama Towers I & II	4525 & 4575 Dean Martin Dr.	Condo	2005/06	1,134	$330,000	-	$4,000,000	700	-	4,400	$471	-	$909
Panorama Towers III & IV	Dean Martin Drive	Condo	U/C	1,134	N/A	-	N/A	995	-	3,960	N/A	-	N/A
Palms Place	4381 W. Flamingo Rd.	Condo-hotel	2008	599	$500,000	-	$7,000,000	600	-	7,000	$833	-	$1,000
The Signature at MGM Grand	145 E. Harmon Ave.	Condo-hotel	2006/07	1,728	$265,000	-	$2,350,000	520	-	1,456	$510	-	$1,614
Turnberry Towers	322 Karen	Condo	2008	632	$329,900	-	$1,300,000	814	-	1,937	$405	-	$671
The Platinum	211 East Flamingo Road	Condo	2006	255	$280,000	-	$1,395,000	900	-	2,400	$581	-	$311
Park Towers	1 Hughes Center Drive	Condo	2000	84	$4,400,000	-	$20,000,000	2,251	-	6,779	$1,955	-	$2,950

*** U/C = under construction**

Source: GVA Marquette Advisors

UTILIZATION &
FINANCIAL PROJECTIONS

UTILIZATION ANALYSIS & FINANCIAL PROJECTIONS

Introduction

Based on our market analysis, we have concluded that there is sufficient market support for the subject facilities, as proposed. In this section we present a summary of utilization and financial projections for The Plaza Las Vegas, assumed to open in phases from 2014 through 2020 in accordance with the schedule as provided within this report (see pages 7 & 8). We have developed projections of overall utilization and financial performance for three primary profit centers, including:

- Hotel room rentals
- Casino gaming
- Condo sales

Other revenues, including food & beverage sales, retail, convention center income, spa income and other miscellaneous sales were estimated based on overall facility utilization expectations, per-occupied room expenditure averages, and as a percentage of gaming resort revenue, based on our firm's analysis of similar resort operations, notably competitive high-end casino resort operations along the Las Vegas Strip such as the Wynn and Las Vegas Sands properties (Venetian/Palazzo). These revenues and the assumptions used are discussed in the forthcoming section containing financial projections for the property.

Casino-Resort Utilization & Projected Revenues

Based on our analysis of the regional and national population characteristics and the current and projected future gaming market environment, we have estimated the potential utilization for the proposed Plaza Las Vegas for a ten-year period assumed to commence January 1, 2014. In developing the utilization estimates, several key assumptions were made, including the following:

- The casino will be capable, at the discretion of management, of offering any type of gaming device, game or prize structure legally available to and/or commonly in use by any other gaming operation in the State of Nevada;

- Management personnel for all facility components will have extensive experience in the operation of comparable facilities;

- All components of the gaming and resort complex will use comprehensive accounting and control systems capable of providing management with accurate and timely performance data, as well as ensuring control and reporting of all transactions;

- Management will ensure a comprehensive program of on-going maintenance covering all facilities, furnishings and equipment;

- Throughout the period under analysis, management will institute an aggressive program of advertising and promotions targeted toward gaming demand on a regional, national and international basis;

- The resort will incorporate the facilities described herein, in accordance with the phasing schedule contained in this report; and,

- No new casino resorts, other than those mentioned and assumed as competitors in this report, will enter the competitive market during the projection period.

In addition, all findings, estimates, assumptions and conclusions discussed in this report are integral parts of the analyses and estimates that follow.

Projected Las Vegas Gaming & Resort Market Performance

We have closely analyzed historical and recent statistics related to the U.S. gaming market and that of Las Vegas, specifically. The U.S. gaming market has shown steady growth for the past several years, driven by developing commercial and tribal casino industries, expanding market acceptance of gambling, and increases in the popularity of casino gambling as a leisure activity. As well, growth in key population segments which show a strong propensity to gamble, notably older adults and retirees (baby boomers) has also driven demand. More recently, casinos and resort enterprises have had success in attracting other market segments such as younger, affluent gamblers and certain ethnic groups. Although more recent 2008 statistics show marked declines for the Las Vegas gaming market, as well as some others, these underlying demand fundamentals remain strong. While we have noted that although Las Vegas 2008 gaming numbers are off approximately 10%, Las Vegas visitation is off only 4.4% during the same time. Hotel occupancies dipped to 89.4% in 2008, although North Strip high-end properties Wynn and Venetian/Palazzo posted occupancy rates of 91%+. So Las Vegas continues to attract substantial visitation, although its guests more recently have opted to spend less per visit for a variety of reasons related to the current economic climate.

Considering this analysis, we have developed projections of the U.S. and Las Vegas gaming markets for 2009-2022, as outlined on the following page. Historical numbers (1997-2008) are presented first, followed by our market forecast.

- Our market forecast assumes a sustained downturn in U.S. gaming through 2008 (-10.0% and 2009 (-3.0%), compared to declines in Las Vegas in 2008 (-10.0%) and 2009 (-4.0%) based on recent market statistics. We expect modest growth of 3.0% beginning in 2010, with an estimated annual growth rate of 5.0% for U.S. gaming through 2022.

Total Net Win ($000s)	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
U.S. Total Gaming Revenue	$54,900,000	$58,200,000	$61,400,000	$63,300,000	$68,600,000	$72,900,000	$78,800,000	$84,400,000	$90,900,000	$95,700,000	$86,130,000
Annual Growth %	7.9%	6.0%	5.5%	3.1%	8.4%	6.3%	8.1%	7.1%	7.7%	5.3%	-10.0%
Las Vegas Total	$4,645,403	$5,339,490	$5,676,227	$5,561,061	$5,476,556	$5,609,379	$6,189,940	$6,894,117	$7,529,275	$7,657,461	$6,892,925
Annual Growth %	0.7%	14.9%	6.3%	-2.0%	-1.5%	2.4%	10.3%	11.4%	9.2%	1.7%	-10.0%
Vegas Net Win as % of U.S. Total	8.5%	9.2%	9.2%	8.8%	8.0%	7.7%	7.9%	8.2%	8.3%	8.0%	8.0%
Las Vegas Strip	$3,785,028	$4,456,954	$4,773,647	$4,674,407	$4,625,146	$4,723,600	$5,278,837	$5,948,909	$6,595,025	$6,730,820	$6,035,918
Annual Growth %	0.1%	17.8%	7.1%	-2.1%	-1.1%	2.1%	11.8%	12.7%	10.9%	2.1%	-10.3%
Strip Net Win as % of Vegas Total	81.5%	83.5%	84.1%	84.1%	84.5%	84.2%	85.3%	86.3%	87.6%	87.9%	87.6%

	Forecast														
Total Net Win ($000s)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
U.S. Total Gaming Revenue	$83,546,100	$86,052,483	$90,355,107	$94,872,863	$99,616,506	$104,597,331	$104,597,331	$104,597,331	$109,827,197	$109,827,197	$109,827,197	$115,318,557	$115,318,557	$115,318,557	$121,084,485
Annual Growth %	-3.0%	3.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Las Vegas Total	$6,617,208	$6,367,884	$6,776,633	$7,305,210	$7,969,320	$8,576,981	$9,005,830	$9,456,122	$9,928,928	$10,425,374	$10,946,643	$11,493,975	$12,068,674	$12,672,107	$13,305,713
Annual Growth %	-4.0%	-3.8%	6.4%	7.8%	9.1%	7.6%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Vegas Net Win as % of U.S. Total	7.9%	7.4%	7.5%	7.7%	8.0%	8.2%	8.6%	9.0%	9.0%	9.5%	10.0%	10.0%	10.5%	11.0%	11.0%
Las Vegas Strip	$5,794,481	$5,545,157	$5,953,906	$6,482,484	$7,146,594	$7,754,254	$8,183,103	$8,592,259	$9,021,872	$9,472,965	$9,946,613	$10,443,944	$10,966,141	$11,514,448	$12,090,171
Annual Growth %	-4.0%	-4.3%	7.4%	8.9%	10.2%	8.5%	5.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Strip Net Win as % of Vegas Total	87.6%	87.1%	87.9%	88.7%	89.7%	90.4%	90.9%	90.9%	90.9%	90.9%	90.9%	90.9%	90.9%	90.9%	90.9%

- We expect a strong "bounce back" in the Las Vegas gaming market. Our projections of Las Vegas gaming revenues reflect an analysis of current and future development trends, with Las Vegas entering a substantial expansion mode, and in consideration of Las Vegas' share of overall U.S. gaming revenues historically.

- In total, we expect the U.S. gaming market will decline from $95.7 billion in 2007 to approximately $83.5 billion in 2009, before increasing to $104.5 billion in 2015 and $115.3 billion in 2020.

- The Las Vegas market is projected to decline from $7.7 billion in 2007 to about $6.6 billion in 2009, before increasing to $9.0 billion in 2015 and $11.5 billion by 2020. We expect that Las Vegas Strip casino resorts will account for approximately 90% of overall Vegas gaming revenues, or $10.4 billion by 2020.

- Based on our analysis of historical and recent Las Vegas hotel occupancy along with overall visitation and gaming market trends, we have projected a slight decline in Las Vegas hotel occupancy in 2009 and no growth in 2010. Our long-term growth forecast indicates that Las Vegas occupied rooms should increase from approximately 24.4 mil. in 2008 to 35.3 mil. in 2015 and 35.8 mil. by 2020.

The Plaza Las Vegas Utilization & Revenue Forecast

- The planned Las Vegas Plaza hotel casino is project to open in phases from 2014 through 2020. A total of 3,000 rooms will open in 2014, along with 2,919 total gaming positions. Another 671 rooms will be added in 2016. In 2018 the property will open another 723 rooms and a second casino with another 2,248 gaming positions. The last phase in 2020 will include another 723 hotel rooms. At completion in 2020, The Plaza will contain 5,116 total guest rooms & suites and 5,167 gaming positions along with a diverse mix of support components and amenities as described in this report.

- The Plaza will compete with a group of other "high end" and "upper mid range" resort properties along the Las Vegas Strip. The following table summarizes the projected competitive resort supply in 2020.

Projected 2020 "High End" & "Upper Mid Range" Hotel Supply Las Vegas Strip		
Property	Room Supply	%
"High End" Strip		
Wynn/Encore	4,750	4.7%
Venetian/Palazzo	7,093	7.0%
The Plaza	5,116	5.0%
Trump (non-gaming)	2,564	2.5%
Echelon	5,000	4.9%
Fontainebleu	3,812	3.7%
Cosmopolitan	3,000	2.9%
MGM City Center	4,800	4.7%
Total "High End" Strip	**36,135**	**35.5%**
"Upper Mid Range" Strip		
Bellagio	3,933	3.9%
Mandalay Bay	4,332	4.3%
MGM Grand	5,044	5.0%
Caesar's	4,025	4.0%
Paris	2,916	2.9%
Total "Mid Range" Strip	**20,250**	**19.9%**
Total "High End" & "Upper Mid Range" Strip	**56,385**	**55.4%**
Total Las Vegas Strip (all properties)	**101,742**	**100.0%**

- We estimate that the high end and upper mid-range resorts identified above, with their 56,385 total rooms, will capture approximately 55% of the projected Strip hotel room demand. This would equate to an estimated 19,100,000 room nights in 2015 and 19,700,000 roomnights by 2020. The Plaza Las Vegas will share this projected demand with the other 12 properties noted above. We have developed projections of room occupancy for The Plaza by year, based on its "fair share" of the projected high end and upper-mid range market. Its "fair share" can be calculated based on its supply of rooms divided by the total competitive supply. This analysis yields the following projections of room occupancy for The Plaza for 2014 through 2023.

The Plaza Las Vegas
Projected Hotel Occupancy by Year

Year	Rm. Supply	Available Room Nights/Year	Projected Occupied Rms.	Occupancy Rate
2014	3,000	1,095,000	965,630	88.2%
2015	3,000	1,095,000	1,040,907	95.1%
2016	3,671	1,339,915	1,247,461	93.1%
2017	3,671	1,339,915	1,273,723	95.1%
2018	4,394	1,603,810	1,493,147	93.1%
2019	4,394	1,603,810	1,524,582	95.1%
2020	5,116	1,867,340	1,738,494	93.1%
2021	5,116	1,867,340	1,775,093	95.1%
2022	5,116	1,867,340	1,829,993	98.0%
2023	5,116	1,867,340	1,829,993	98.0%

Source: GVA Marquette Advisors

- Revenue projections for The Plaza were also developed based upon the projected level of utilization and the expected affluent customer profile. We have also analyzed the historical operating performance and revenues on a per-occupied-room basis for other high-end Strip resorts, particularly Wynn, Venetian, Bellagio and Mandalay Bay. Revenues were calculated on a per-occupied room and gross basis for the property. Revenues for The Plaza are projected as follows on a per-occupied room basis (in 2008 dollars):

Rooms (ADR)	$300
Gaming (net win)	$425
Food & Beverage	$300
Retail, Convention, & Other	$130

Expenditures per occupied room are inflated at a rate of 3.0% per year for the projection period.

The table on the following page summarizes projected revenue from operating components (thereby excluding condo sales) for The Plaza from 2014 through 2023.

The Plaza Las Vegas
Projected Hotel Occupancy & Revenues, 2014-2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Projected Plaza Occupied Rooms	965,630	1,040,907	1,247,461	1,273,723	1,493,147	1,524,582	1,738,494	1,775,093	1,829,993	1,829,993
Projected Plaza Occupancy Rate	88.2%	95.1%	93.1%	95.1%	93.1%	95.1%	93.1%	95.1%	98.0%	98.0%
Rooms Revenue	$337,970,575	$375,246,974	$463,200,931	$487,141,106	$588,192,579	$618,592,849	$726,548,271	$764,099,345	$811,363,222	$835,704,119
Net Win based on $500/occupied room (2013)	$482,815,107	$536,067,105	$661,715,616	$694,179,143	$836,162,382	$876,634,527	$1,029,188,176	$1,060,063,821	$1,091,865,736	$1,124,621,708
F&B based on $350/occupied room (2013)	$337,970,575	$375,246,974	$463,200,931	$486,562,262	$586,806,814	$617,455,623	$723,213,313	$744,909,712	$767,257,003	$790,274,713
Other Revenue based on $150/occupied room (2013)	$144,844,532	$160,820,132	$198,514,685	$208,890,605	$250,848,714	$263,752,649	$309,451,850	$318,735,406	$328,297,468	$338,146,392
Total Revenue	$1,303,600,790	$1,447,381,184	$1,786,632,163	$1,876,773,116	$2,262,010,490	$2,376,435,648	$2,788,401,610	$2,887,808,284	$2,998,783,429	$3,088,746,932
Total Revenue per Occupied Room	$1,350	$1,391	$1,432	$1,473	$1,515	$1,559	$1,604	$1,627	$1,639	$1,688

Source: GVA Marquette Advisors

Operating Expenses

Financial projections for The Plaza Las Vegas were also developed for 2014 through 2023. Operating revenues are based upon the expected utilization and customer spending estimates as outlined above. Operating expenses were developed for the property based on our analysis of expense ratios for comparable high-end casino resort properties along the Las Vegas Strip, especially Wynn and Venetian. The table on the following page summarizes income and operating expenses for Wynn and Las Vegas Sands. It is important to note that these are blended financials including both Las Vegas and Macau properties held by both companies, as reported in their 10K reports. We also show analyzed this information for MGM-Mirage and Harrah's on a consolidated basis (all properties), as well as income and EBITDA ratios on a property-specific basis for The Bellagio, MGM Grand, and Mandalay Bay.

Based on our analysis of these comparables, we have projected **stabilized departmental expenses** for The Plaza on a % of gross revenues (before promotional allowances) as follows:

Department	Expenses as % of Dept. Gross Sales
Rooms	26%
Casino	60%
F & B	55%
Retail, Convention & Other	65%

Other **undistributed operating expenses** are projected at 15% of total facility revenues on a stabilized basis, also based on the experience of property comparables.

The **ground lease expense** is included as a line item expense in accordance with the lease agreement. The lease calls for an annual payment of $3,500,000 through 2013, and then increases to $3,750,000 for the balance of the projection period. A copy of the ground lease is included in the Addenda.

Summary of 2007 Financial Performance & Operating Expense Ratios

	Wynn Consolidated		LV Sands Consolidated		Harrah's Consolidated		MGM Mirage Consolidated		Bellagio		MGM Grand		Mandalay Bay	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%
Revenue														
Casino	$ 1,949,870	67.5%	$ 2,250,421	72.5%	$ 8,831,000	70.2%	$ 3,239,054	38.6%	$ -	n/a	$ -	n/a	$ -	n/a
Rooms	$ 339,391	11.7%	$ 437,357	14.1%	$ 1,353,600	10.8%	$ 2,130,542	25.4%	$ -	n/a	$ -	n/a	$ -	n/a
F&B	$ 353,983	12.3%	$ 238,252	7.7%	$ 1,698,800	13.5%	$ 1,651,655	19.7%	$ -	n/a	$ -	n/a	$ -	n/a
Conv, Retail, Other	$ 245,201	8.5%	$ 178,392	5.7%	$ 695,900	5.5%	$ 1,376,417	16.4%	$ -	n/a	$ -	n/a	$ -	n/a
Gross Revenues	$ 2,888,445	100.0%	$ 3,104,422	100.0%	$ 12,579,300	100.0%	$ 8,397,668	100.0%	$ -	n/a	$ -	n/a	$ -	n/a
(Less: Comps)	$ (200,926)	-7.0%	$ (153,855)	-5.0%	$ (1,835,600)	-14.6%	$ (706,031)	-8.4%	$ -	n/a	$ -	n/a	$ -	n/a
Operating Revenues	$ 2,687,519	93.0%	$ 2,950,567	95.0%	$ 10,743,700	85.4%	$ 7,691,637	91.6%	$ 1,305,072	n/a	$ 1,203,584	n/a	$ 966,034	n/a
Departmental Expenses		% of Dept.		% of Dept.		% of Dept.		% of Dept.		% of Dept.		% of Dept.		% of Dept.
Casino	$ 1,168,119	59.9%	$ 1,435,662	63.8%	$ 4,595,200	52.0%	$ 1,677,884	51.8%	$ -	n/a	$ -	n/a	$ -	n/a
Rooms	$ 83,237	24.5%	$ 94,219	21.5%	$ 266,300	19.7%	$ 570,191	26.8%	$ -	n/a	$ -	n/a	$ -	n/a
F&B	$ 212,622	60.1%	$ 118,273	49.6%	$ 716,500	42.2%	$ 984,279	59.6%	$ -	n/a	$ -	n/a	$ -	n/a
Ent., Retail, Other	$ 161,087	65.7%	$ 97,689	54.8%	$ -	0.0%	$ 906,793	65.9%	$ -	n/a	$ -	n/a	$ -	n/a
Total Dept. Expenses	$ 1,625,065	56.3%	$ 1,745,843	56.2%	$ 5,578,000	44.3%	$ 4,139,147	49.3%	$ -	n/a	$ -	n/a	$ -	n/a
Departmental Profit	$ 1,062,454	36.8%	$ 1,204,724	38.8%	$ 5,165,700	41.1%	$ 3,552,490	42.3%	$ -	n/a	$ -	n/a	$ -	n/a
Undistributed Operating Expenses														
Administrative & General	$ 310,820	11.6%	$ 319,357	10.8%	$ 2,421,700	22.5%	$ 1,334,256	17.3%	$ -	n/a	$ -	n/a	$ -	n/a
Bad Debt	$ 36,109	1.3%	$ 26,369	0.8%	$ -	0.0%	$ -	0.0%	$ -	n/a	$ -	n/a	$ -	n/a
Other	$ 60,857	2.1%	$ 126,301	4.1%	$ -	0.0%	$ -	0.0%	$ -	n/a	$ -	n/a	$ -	n/a
Total	$ 407,786	14.1%	$ 472,027	15.2%	$ 2,421,700	19.3%	$ 1,334,256	15.9%	$ -	n/a	$ -	n/a	$ -	n/a
EBITDA	$ 654,668	22.7%	$ 732,697	23.6%	$ 2,744,000	21.8%	$ 2,218,234	26.4%	$ 433,640	33.2%	$ 388,379	32.3%	$ 280,808	29.1%
Source: Corporate Filings.														

Financial Projections – The Plaza Las Vegas, 2014-2023

Detailed financial projections are provided on the following page, first for the "operating" components and then for the condo sales.

Revenue projections are concurrent with the utilization and performance analysis presented in this section. The project's operating components are expected to be entirely constructed by Jan. 1, 2020. The property is expected to be fully established within the Las Vegas market and reach financial stabilization by 2022. Our financial projections indicate that the property's operating components (excluding condo sales) will command operating revenues (after deducting for comps and promotional allowances) of **$2.795 billion** in 2022. The project is projected to produce a stabilized EBITDA in 2022 of **$840 million**, or about 28% of gross revenues.

Condo sales are projected based upon the development phasing by tower as outlined earlier in this report and reflect estimated supportable pricing and absorption based upon our market analysis. In total, the project's 930 condos are expected to generate approximately **$2.17 billion** in gross sales revenue (before marketing & brokerage commissions) between 2014 and 2021.

Plaza Casino Las Vegas - Phase I & II operating components (excluding condo sales)

Projected Income & Expenses, 2014-2023

	2014		2015		2016		2017		2018		2019		2020		2021		2022		2023	
	Amt.	**%**	**Amt.**	**%**	**Amt.**	**%**	**Amt.**	**%**	**Amt.**	**%**	**Amt.**	**%**	**Amt.**	**%**	**Amt.**	**%**	**Amt.**	**%**	**Amt.**	**%**
Revenue																				
Rooms Revenue	$ 337,970,575	25.9%	$ 375,246,974	25.9%	$ 463,200,931	25.9%	$ 487,141,106	26.0%	$ 588,192,579	26.0%	$ 618,592,849	26.0%	$ 726,548,271	26.1%	$ 764,099,345	26.5%	$ 811,363,222	27.1%	$ 835,704,119	27.1%
Casino	$ 482,815,107	37.0%	$ 536,067,105	37.0%	$ 661,715,616	37.0%	$ 694,179,143	37.0%	$ 836,162,382	37.0%	$ 876,634,527	36.9%	$ 1,029,188,176	36.9%	$ 1,060,063,821	36.7%	$ 1,091,865,736	36.4%	$ 1,124,621,708	36.4%
F&B	$ 337,970,575	25.9%	$ 375,246,974	25.9%	$ 463,200,931	25.9%	$ 486,562,262	25.9%	$ 586,806,814	25.9%	$ 617,455,623	26.0%	$ 723,213,313	25.9%	$ 744,909,712	25.8%	$ 767,257,003	25.6%	$ 790,274,713	25.6%
Entertainment, Retail, Other	$ 144,844,532	11.1%	$ 160,820,132	11.1%	$ 198,514,685	11.1%	$ 208,890,605	11.1%	$ 250,848,714	11.1%	$ 263,752,649	11.1%	$ 309,451,850	11.1%	$ 318,735,406	11.0%	$ 328,297,468	10.9%	$ 338,146,392	10.9%
Gross Revenues	$ 1,303,600,790	100.0%	$ 1,447,381,184	100.0%	$ 1,786,632,163	100.0%	$ 1,876,773,116	100.0%	$ 2,262,010,490	100.0%	$ 2,376,435,648	100.0%	$ 2,788,401,610	100.0%	$ 2,887,808,284	100.0%	$ 2,998,783,429	100.0%	$ 3,088,746,932	100.0%
(Less: Comps)	$ (104,288,063)	-8.0%	$ (115,790,495)	-8.0%	$ (142,930,573)	-8.0%	$ (150,141,849)	-8.0%	$ (180,960,839)	-8.0%	$ (186,389,664)	-7.8%	$ (191,981,354)	-6.9%	$ (197,740,795)	-6.8%	$ (203,673,019)	-6.8%	$ (209,783,209)	-6.8%
Operating Revenues	**$ 1,199,312,727**	**92.0%**	**$ 1,331,590,689**	**92.0%**	**$ 1,643,701,590**	**92.0%**	**$ 1,726,631,266**	**92.0%**	**$ 2,081,049,651**	**92.0%**	**$ 2,190,045,983**	**92.2%**	**$ 2,596,420,256**	**93.1%**	**$ 2,690,067,489**	**93.2%**	**$ 2,795,110,410**	**93.2%**	**$ 2,878,963,723**	**93.2%**
Departmental Expenses		% of Dept.		% of Dept.		% of Dept.		% of Dept.		% of Dept.		% of Dept.		% of Dept.		% of Dept.		% of Dept.		% of Dept.
Rooms	$ 94,631,761	28.0%	$ 101,316,683	27.0%	$ 120,432,242	26.0%	$ 126,656,687	26.0%	$ 152,930,071	26.0%	$ 160,834,141	26.0%	$ 188,902,551	26.0%	$ 198,665,830	26.0%	$ 210,954,438	26.0%	$ 217,283,071	26.0%
Casino	$ 313,829,820	65.0%	$ 329,681,270	61.5%	$ 397,029,370	60.0%	$ 416,507,486	60.0%	$ 501,697,429	60.0%	$ 525,980,716	60.0%	$ 617,512,905	60.0%	$ 636,038,293	60.0%	$ 655,119,441	60.0%	$ 674,773,025	60.0%
F&B	$ 209,541,757	62.0%	$ 206,385,835	55.0%	$ 254,760,512	55.0%	$ 267,609,244	55.0%	$ 322,743,748	55.0%	$ 339,600,593	55.0%	$ 397,767,322	55.0%	$ 409,700,342	55.0%	$ 421,991,352	55.0%	$ 434,651,092	55.0%
Ent., Retail, Other	$ 99,942,727	69.0%	$ 104,533,085	65.0%	$ 129,034,545	65.0%	$ 135,778,893	65.0%	$ 163,051,664	65.0%	$ 171,439,222	65.0%	$ 201,143,703	65.0%	$ 207,178,014	65.0%	$ 213,393,354	65.0%	$ 219,795,155	65.0%
Total Dept. Expenses	**$ 717,946,065**	**55.1%**	**$ 741,916,873**	**51.3%**	**$ 901,256,669**	**50.4%**	**$ 946,552,311**	**50.4%**	**$ 1,140,422,912**	**50.4%**	**$ 1,197,854,671**	**50.4%**	**$ 1,405,326,480**	**50.4%**	**$ 1,451,582,478**	**50.3%**	**$ 1,501,458,585**	**50.1%**	**$ 1,546,502,343**	**50.1%**
Departmental Profit	**$ 481,366,662**	**36.9%**	**$ 589,673,816**	**40.7%**	**$ 742,444,921**	**41.6%**	**$ 780,078,956**	**41.6%**	**$ 940,626,739**	**41.6%**	**$ 992,191,312**	**41.8%**	**$ 1,191,093,775**	**42.7%**	**$ 1,238,485,011**	**42.9%**	**$ 1,293,651,825**	**43.1%**	**$ 1,332,461,380**	**43.1%**
Less: Operating Expenses	**$ 221,612,134**	**17.0%**	**$ 217,107,178**	**15.0%**	**$ 267,994,824**	**15.0%**	**$ 281,515,967**	**15.0%**	**$ 339,301,573**	**15.0%**	**$ 356,465,347**	**15.0%**	**$ 418,260,241**	**15.0%**	**$ 433,171,243**	**15.0%**	**$ 449,817,514**	**15.0%**	**$ 463,312,040**	**15.0%**
Less: Ground Lease Pmt.	**$ 3,500,000**	**0.3%**	**$ 3,750,000**	**0.3%**	**$ 3,750,000**	**0.2%**	**$ 3,750,000**	**0.2%**	**$ 3,750,000**	**0.2%**	**$ 3,750,000**	**0.2%**	**$ 3,750,000**	**0.1%**	**$ 3,750,000**	**0.1%**	**$ 3,750,000**	**0.1%**	**$ 3,750,000**	**0.1%**
EBITDA	**$ 256,254,528**	**19.7%**	**$ 368,816,638**	**25.5%**	**$ 470,700,097**	**26.3%**	**$ 494,812,988**	**26.4%**	**$ 597,575,165**	**26.4%**	**$ 631,975,965**	**26.6%**	**$ 769,083,534**	**27.6%**	**$ 801,563,769**	**27.8%**	**$ 840,084,311**	**28.0%**	**$ 865,399,340**	**28.0%**

Source: GVA Marquette Advisors

Plaza Las Vegas - Revenue from Condo Sales

	2014	2015	2016	2017	2018	2019	2020	2021
Tower 2								
Total Unit Count	240	90						
Total Sq. Ft. (net sellable)	344,000	129,000						
Projected Avg. Unit Size (SF)	1,433	1,433						
Projected Avg. Price PSF	$ 1,400	$ 1,442						
Projected Avg. Price per Unit	$ 2,006,667	$ 2,066,867						
Projected Sales Rate per Year	150	90						
Projected Revenue from Condo Sales	$ 301,000,000	$ 186,018,000	$ -	$ -	$ -	$ -	$ -	$ -
Tower 1								
Total Unit Count	0	0	340	240	40			
Total Sq. Ft. (net sellable)	0	0	469,000	331,059	55,176			
Projected Avg. Unit Size (SF)	0	0	1,379	1,379	1,379			
Projected Avg. Price PSF	$ -	$ -	$ 1,500	$ 1,545	$ 1,591			
Projected Avg. Price per Unit	$ -	$ -	$ 2,069,118	$ 2,131,191	$ 2,195,127			
Projected Sales Rate per Year	0	0	100	200	40			
Projected Revenue from Condo Sales	$ -	$ -	$ 206,911,765	$ 426,238,235	$ 87,805,076	$ -	$ -	$ -
Tower 5								
Total Unit Count	0	0	0	0	175	50		
Total Sq. Ft. (net sellable)	0	0	0	0	235,000	67,143		
Projected Avg. Unit Size (SF)	0	0	0	0	1,343	1,343		
Projected Avg. Price PSF	$ -	$ -	$ -	$ -	$ 1,700	$ 1,751		
Projected Avg. Price per Unit	$ -	$ -	$ -	$ -	$ 2,282,857	$ 2,351,343		
Projected Sales Rate per Year	0	0	0	0	125	50		
Projected Revenue from Condo Sales	$ -	$ -	$ -	$ -	$ 285,357,143	$ 117,567,143	$ -	$ -
Tower 6								
Total Unit Count	0	0	0	0	0	0	175	50
Total Sq. Ft. (net sellable)	0	0	0	0	0	0	277,000	79,143
Projected Avg. Unit Size (SF)	0	0	0	0	0	0	1,583	1,583
Projected Avg. Price PSF	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,000	$ 2,060
Projected Avg. Price per Unit	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,165,714	$ 3,260,686
Projected Sales Rate per Year	0	0	0	0	0	0	125	50
Projected Revenue from Condo Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ 395,714,286	$ 163,034,286
Total Revenue from Condo Sales	**$ 301,000,000**	**$ 186,018,000**	**$ 206,911,765**	**$ 426,238,235**	**$ 373,162,219**	**$ 117,567,143**	**$ 395,714,286**	**$ 163,034,286**
Summary								
Total Units Sold	150	90	100	200	165	50	125	50
Total SF (Sold Units)	215,000	129,000	137,941	275,882	223,034	67,143	197,857	79,143
Avg. Sale Price	$ 2,006,667	$ 2,066,867	$ 2,069,118	$ 2,131,191	$ 2,261,589	$ 2,351,343	$ 3,165,714	$ 3,260,686
Avg. Sale Price PSF	$ 1,400	$ 1,442	$ 1,500	$ 1,545	$ 1,673	$ 1,751	$ 2,000	$ 2,060

Source: GVA Marquette Advisors

VALUATION

VALUATION

Introduction

We have been asked to provide an opinion of the "Value in Use," as of December 31, 2008, subject to the assumptions noted within this report. The property "As Is" consists of vacant land, fully entitled for development to its highest and best use, consisting of a multi-use gaming, resort and residential condominium project as described in this report. A complete set of plans and construction cost estimates have been provided and are assumed for purposes of this report. **Extraordinary assumptions** include the following:

- The property will be completed in phases between Jan. 1, 2014 and Dec. 31, 2020 and on budget in accordance with the assumed development budget and phasing schedule as outlined in this report.

In accordance with IASCF standards, in developing an opinion of the "Value in Use," the appraiser has relied upon the income approach to value the land via a discounted cash flow approach (or "DCF"), given the unique income-producing characteristics of the development. Moreover, we note that the likely buyer would also place primary reliance upon the income and profitability characteristics of the asset in making an investment decision on such a property.

Income Approach to Value

Normally, the sale of a gaming asset such as the subject is based upon the income flow generated by that operation. For this reason the Income Approach to value is considered to be the primary indicator of value in use, with the valuation based upon market-derived cash flow projections. We have relied upon such an approach in valuing the subject gaming operation. The table below sets forth a range of publicly traded casino gaming and resort companies and their EBITDA multiples as of December 2008.

As shown on the table, EBITDA multiples for the publicly-traded gaming companies range from approximately 4.5x (Century Casinos) to 12.39x (Pinnacle Entertainment). In estimating the value of the subject property, we have considered both current and historical EBITDA multiples for similar luxury casino resort operators. Considering market information and the characteristics of the subject property and its surrounding competitive market, we believe that an EBITDA multiple of **14x** is appropriate for The Plaza Las Vegas at the subject valuation date; obviously, since the project is currently not started, this multiple becomes a starting point for the residual calculation in the cash flow analysis.

Summary of Selected Gaming Company EBITDA Multiples
Selected Casino/Resort Companies

	EBITDA Multiples		
Company	Dec. 31, 2007	Oct. 1, 2008	Dec. 31, 2008
Las Vegas Sands	18.36	29.11	11.38
Wynn	8.44	16.59	8.70
MGM Mirage	4.84	10.29	7.03
Boyd Gaming Corp.	7.02	8.16	8.32
Ameristar	7.99	8.59	7.45
Pinnacle Entertainment	19.82	17.94	12.39
Isle of Capri Casinos	16.85	9.06	7.49
Trump Entertainment Resorts	n/a	12.43	n/a
Century Casinos	18.26	5.58	4.50

* EBITDA Multiples = Going concern value (total market cap + outstanding debt) / EBITDA

Source: Yahoo Finance

It is important to note that many of the stock prices and gaming company valuations experienced a marked decline beginning in the Summer and Fall of 2008. As such, EBITDA multiples for many of the companies listed above declined significantly during this time. We note that the decline in valuations is not attributable entirely to a business downturn in Las Vegas, but rather due to other factors including a dramatic sell-off ongoing throughout the stock market due to the current economic environment, over-leveraging by several gaming companies, extensive development risk on the part of many companies, and a concurrent downturn in the Macau, China gaming market in which several gaming companies have made major investments recently. Most specifically, the downgraded valuations reflect investor's perceptions that the Chinese government may impose severe restrictions on travel which are a change of circumstance from what the Chinese Government had originally suggested.

Contained on the page following this analysis is an estimate of the discounted cash flows from the property performance projected, along with a second model which incorporates all of the estimated costs anticipated therein.

Pre-tax discount rates, as contained in the Addenda range from a low of 9% for full secured assets that are traditional income producing assets in place today to in excess of 20% for higher risk ventures. We have selected a range of rates that we believe appropriate given the fact that these projections require time and future dollars to be put in place. We believe the rates selected in each approach as shown following reflect adequate adjustments for time and risk.
Our ***base*** model projections include the following assumptions

- Discount Rate (pre-tax) Operating Components – 15.5%
- Discount Rate (pre-tax) - Condominium Development – 25.5%
- Present Value in Use based on time period of 14 years, calculated from Dec. 31, 2008 forward, assuming construction start in 2011, with construction completion in accordance with the assumed phasing schedule set forth in this report.

- Operating EBITDAs and condo sale proceeds as set forth in the prior analysis and financial projections.
- Project costs (excluding land acquisition and financing costs) estimated at $3.94 billion, including:

    - Phase I and II operating components (hotel, casino, retail, etc): $3.3 billion
    - Phase I and II condominium components: $635 million

The obvious variations set forth below are examples of the valuation results which occur under differing scenarios. In our opinion, we believe the base model results reflecting the discounting process as set forth above and the financial performance projections as derived from our the appraiser's market analysis provide the better indication of value in the case of the subject property as of the date of valuation; we temper our final opinion so as to acknowledge that interpretation of discount rates at this point in time, given economic circumstances, is subject to variability.

Sensitivity Analysis - Valuation Matrix
Plaza Las Vegas - as of December 31, 2008

	Model Assumptions			
		Discount Rates:		
	EBITDA	Operating Components	Condo Proceeds	**Indicated Value in Use**
	10% decline	15.5%	25.5%	$1,000,000,000
	As projected	16.0%	26.0%	$1,170,000,000
	As projected	15.6%	26.0%	$1,250,000,000
Base Model:	**As projected**	**15.5%**	**25.5%**	**$1,300,000,000**
	As projected	15.2%	25.0%	$1,360,000,000
	As projected	15.0%	25.0%	$1,410,000,000
	10% increase	15.5%	25.5%	$1,560,000,000

Source: GVA Marquette Advisors

FINAL RECONCILIATION OF VALUE

Based on our updated analysis as documented in this report, the appraiser has developed an opinion of Value in Use of the property as of December 31, 2008, subject to all extraordinary assumptions and limiting conditions outlined in this report is within the following range:

$1,250,000,000 to $1,300,000,000.

Discounted Cash Flow Analysis (DCF)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Phase I Costs (Operating Components)	$ (32,625,000)	$ (31,750,000)	$ (343,500,000)	$ (856,500,000)	$ (1,108,500,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$
Phase II Costs (Operating Components)	$ -	$ -	$ -	$ -	$ -	$ -	$ (213,000,000)	$ -	$ (437,000,000)	$ -	$ (262,000,000)	$ -	$
Add: EBITDA from Operating Components	$ -	$ -	$ -	$ -	$ -	$ 256,254,528	$ 368,816,638	$ 470,700,097	$ 494,812,988	$ 597,575,165	$ 631,975,965	$ 769,083,534	$ 801
Net Cash Flow from Operating Components	**$ (32,625,000)**	**$ (31,750,000)**	**$ (343,500,000)**	**$ (856,500,000)**	**$ (1,108,500,000)**	**$ 256,254,528**	**$ 155,816,638**	**$ 470,700,097**	**$ 57,812,988**	**$ 597,575,165**	**$ 369,975,965**	**$ 769,083,534**	**$ 801**
Phase I Condo Sales	$ -		$ -	$ -	$ -	$ 301,000,000	$ 186,000,000	$ -	$ -	$ -	$ -	$ -	$
Phase II Condo Sales	$ -		$ -	$ -	$ -	$ -	$ -	$ 206,911,765	$ 426,238,235	$ 373,162,219	$ 117,567,143	$ 395,714,286	$ 163
Total Condo Sales	$ -		$ -	$ -	$ -	$ 301,000,000	$ 186,000,000	$ 206,911,765	$ 426,238,235	$ 373,162,219	$ 117,567,143	$ 395,714,286	$ 163
Phase I Condo Costs	$ -		$ -	$ -	$ (130,000,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$
Phase II Condo Costs	$ -		$ -	$ -	$ -	$ -	$ (243,000,000)	$ -	$ (127,000,000)	$ -	$ (135,000,000)	$ -	$
Total Condo Costs	$ -		$ -	$ -	$ (130,000,000)	$ -	$ (243,000,000)	$ -	$ (127,000,000)	$ -	$ (135,000,000)	$ -	$
Net Income from Condo Sales	**$ -**	**$ -**	**$ -**	**$ -**	**$ (130,000,000)**	**$ 301,000,000**	**$ (57,000,000)**	**$ 206,911,765**	**$ 299,238,235**	**$ 373,162,219**	**$ (17,432,857)**	**$ 395,714,286**	**$ 163**

Valuation Analysis						
Operating						
Operating Discount Rate	15.5%		PV Cash Flows	$ (278,137,252)	Year 15 EBITDA	$ 865,399,340
Residual			PV Residual	$ 1,395,110,276	Market Multiple	14
PV of Enterprise Value			Net PV Enterprise	$ 1,116,973,024	Year 15 Future Value	$ 12,115,590,760
Codnominium Disc Rate	25.5%				PV of Residual at 15.5%	$ 1,395,110,276
NPV of Phase II Condo Sales				$ 167,523,330		
Indicated Value in Use				$ 1,284,496,354		
Rounded				**$ 1,300,000,000**		

Source: GVA Marquette Advisors

CERTIFICATE OF APPRAISER

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and we have no personal interest or bias with respect to the parties involved.
4. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. Our value conclusions as well as other opinions expressed herein are not based upon a requested minimum valuation, specific valuation or the approval of a loan.
6. Our analyses, opinions and conclusions were developed and this report has been prepared in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) and International Accounting Standards. We have read, understood and satisfied the competency provision of the USPAP, and we have not relied upon any departure provisions of USPAP.
7. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
8. Mr. Louis W. Frillman, MAI, CRE is a licensed appraiser in the state of Minnesota, License Number AP-4000728. Mr. Frillman obtained a temporary practice permit from the State of Nevada for purposes of this valuation assignment.
9. As of the date of this report, Louis W. Frillman, MAI, CRE has completed the requirements of the continuing education program of the Appraisal Institute.
10. The undersigned have made personal inspections of the property that is the subject of this report on multiple dates in March of 2009. Louis W. Frillman, MAI, CRE personally inspected the subject property.
11. No one provided significant valuation assistance to the person signing this report.
12. The appraiser's analyses, opinions and conclusions were developed and this report is intended to comply with the appraisal related mandates within Title XI of the Federal Financial Institution's Reform, Recovery and Enforcement Act of 1989 (FIRREA).
13. The date of this report, March 18, 2009, indicates that our perspective of the market conditions as of the effective date of the appraisal, December 31, 2008, was current.
14. Our estimate of the Value in Use of the property, as defined in International Accounting Standards guidelines, for the subject as of December 31, 2008 subject to the assumptions and limiting conditions set forth in this report is: $1,250,000,000 to $1,300,000,000.



Louis W. Frillman, MAI, CRE
State of NV Temp. Practice Permit: ATMP.00109019.CG