

Valuation Consultants

An Appraisal Report Of

3.22 Acres of Vacant Land

Located At

The Northeast Corner of West Mesquite Boulevard and Desert Drive
The Street Address is 105 West Mesquite Boulevard, Mesquite, Clark County, Nevada 89027

Clark County Assessor's Parcel Number (APN) 001-16-203-001

Prepared For

CITY OF MESQUITE
ATTN.: Aaron Baker
City Liaison Officer
10 East Mesquite Boulevard
Mesquite, Nevada 89027

Prepared By

Keith Harper, MAI
Valuation Consultants
File No: V-16-18

Date of Report

July 11, 2016

Date of "As Is" Market Value

June 24, 2016



Valuation Consultants

4200 Cannoli Circle
Las Vegas, NV 89103
Phone (702) 222-0018
Fax (702) 222-0047

July 11, 2016

CITY OF MESQUITE
ATTN.: Aaron Baker
City Liaison Officer
10 East Mesquite Boulevard
Mesquite, Nevada 89027

RE: An appraisal report of 3.22 acres of vacant land located at the northeast corner of West Mesquite Boulevard and Desert Drive. The street address is 105 West Mesquite Boulevard, Mesquite, Nevada 89027. The subject is also identified as Clark County Assessor Parcel Number (APN) 001-16-203-001.

Dear Mr. Baker:

At your request I, Keith Harper, MAI have visited and appraised the above-referenced property. The purpose of this appraisal is to provide the following opinion of value:

- “As Is” Market Value of the Fee Simple Estate of the 3.22 Acres of Land
- Market Values of the Fee Simple Estates of Parcels 1 and 3 based on the **extraordinary assumption** that the 3.22 acres is subdivided into three parcels per the Parcel Map completed by Bulloch Brothers Engineering, Inc. dated January 2016

The intended use of this appraisal is to assist in the internal decision making process. The intended user of this report is the City of Mesquite. There are no other intended uses or intended users.

To communicate my opinions of value, I prepared an Appraisal Report as defined by the 2016-2017 Edition of the *Uniform Standards of Professional Appraisal Practice* (USPAP). This is an Appraisal Report, which is intended to comply with the reporting requirements set under Standards Rule 2-2(a) of USPAP.

The date of this report is July 11, 2016, which is the date this appraisal was prepared. The date of the “as is” market value is June 24, 2016, which is the date of the site visit.

The subject property is 3.22 acres or 140,263 square feet of vacant land located at the northeast corner of West Mesquite Boulevard and Desert Drive. The physical street address is 105 West Mesquite Boulevard in Mesquite, Nevada, 89027. The site is generally level at street grade with all off-sites complete.

There is a concrete drainage channel that runs along the eastern boundary. The drainage channel is fenced in with metal fencing. The subject site is rectangular in shape and is zoned CR-3, Commercial – Central Business District per the City of Mesquite.

The subject also has a paved public trail bisecting the site north from south near the eastern boundary of the site. The site has frontage along three improved roadways. The subject site has one curb cut/access point along the south side of 1st North Street, three curb cut/access points along the east side of Desert Drive, and one curb cut/access point along the north side of West Mesquite Boulevard.

According to the Clark County Assessor and the parcel map that I have been provided by the client, the entire site totals 3.22 acres. However, as discussed there is a concrete drainage channel that runs through a portion of the eastern boundary of the site. According to the Parcel Map drawn by Bulloch Brothers Engineering, Inc. that is dated January 2016, the concrete drainage portion of the site identified as Parcel 2 totals approximately 12,084 square feet. Deducting this portion of the concrete drainage channel, the useable square feet totals approximately 128,045 square feet or 2.94 net acres. For the “as is” market valuation portion of this appraisal, the useable acreage of 2.94 net acres will be used.

Since the total site is currently under one ownership and is a total of 3.22 acres, the portion of the property that is within the drainage channel does have some contributory value. It could be used in density calculations and transfer to allow for the useable area to be developed with more building area. This value will also be considered in the final opinion of the “as is” market value.

The subject property is in the process of being subdivided into three individual parcels. According to the Parcel Map performed by Bulloch Brothers Engineering, Inc., dated January 2016, Parcel 1 is the northern parcel of the overall site totaling 71,218 square feet or 1.63 net acres. Parcel 1 has frontage along the south side of First North Street and the west side of Desert Drive. After the subdivision, this parcel will have the street address of 100 West First North Street, Mesquite, Nevada, 89027.

Parcel 3 is the south end of the overall site totaling 56,827 square feet or 1.30 net acres. Parcel 3 has frontage along the north side of West Mesquite Boulevard and the west side of Desert Drive. After the subdivision, this parcel will have the street address of 105 West Mesquite Boulevard, Mesquite, Nevada, 89027. Parcel 2 consists of the concrete drainage portion of the site which runs along the eastern boundary of the overall site. Parcel 2 consists of 12,084 square feet or 0.28 net acres.

For this assignment I was engaged to appraise the subject’s “As Is” Market Value of the entire site and appraise the Market Values of the Fee Simple Estates of Parcels 1 and 3 based on the

extraordinary assumption that the 3.22 acres is subdivided into three parcels per the Parcel Map completed by Bulloch Brothers Engineering, Inc. dated January 2016.

After considering the available facts and subject to the underlying assumptions and limiting conditions contained herein, it is my opinion that the market values of the subject property, as of the effective dates, are as follows:

Value Premise	Interest Appraised	Date of Valuation	Value Conclusion
“As Is” Market Value	Fee Simple Estate	June 24, 2016	\$650,000*
Market Value of Parcel 1	Fee Simple Estate	June 24, 2016	\$360,000**
Market Value of Parcel 3	Fee Simple Estate	June 24, 2016	\$310,000**

EXTRAORDINARY ASSUMPTION: an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions.

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (Source: *Uniform Standards of Professional Appraisal Practice, 2016-2017 Edition, Appraisal Standards Board of the Appraisal Foundation, Page U-3*)

The market values reported in this appraisal assignment are based on the following Extraordinary Assumptions:

* The useable acreage (2.94 acres) was calculated by deducting the portion of the site where the concrete drainage channel runs through the site. If the 2.94 useable acres used herein is found to be different, I reserve the right to re-analyze the “as is” market value of the subject property.

**The market values of Parcels 1 and 3 concluded in the report are based on the extraordinary assumption that the 3.22 acres is subdivided into the three parcels per the Parcel Map completed by Bulloch Brothers Engineering, Inc. dated January 2016.

If these extraordinary assumptions, that are directly related to this specific assignment, as of the effective date of the assignment results, are found to be false, my opinions or conclusions could be altered.

Aaron Baker
July 11, 2016
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Exposure Time & Marketing Time

Based on the market activity, and recognizing the location characteristics of the subject and its projected demand, the exposure time is projected to be 12 months or less. The marketing time, as the effective date of value, is also concluded at 12 months or less.

Thank you for the opportunity to complete this appraisal assignment. If you have any questions regarding the attached appraisal, or if I may be of further assistance, please contact me at any time.

Sincerely,

VALUATION CONSULTANTS



Keith Harper, MAI
Certified General Appraiser
License Number A.0000604-CG
State of Nevada
Expires: March 31, 2018

EXECUTIVE SUMMARY

Property Use:	Vacant Land
Location:	The subject property is located at the northeast corner of West Mesquite Boulevard and Desert Drive. The physical street address is 105 West Mesquite Boulevard, Mesquite, Nevada 89027.
Assessor's Parcel No. (APN):	001-16-203-001
Site Area:	3.22 acres or 140,263 square feet
Census Tract:	0056.07
FEMA Panel Number:	0387
Flood Zone:	No – The subject is not located within a flood hazard zone.
Zoning:	CR-3, Commercial – Central Business District per the City of Mesquite.
Highest and Best Use – “As Vacant”:	Future commercial development and completing the subdivision of the site into three individual parcels
Intended Use of the Appraisal:	The intended use of this appraisal is to assist in the internal decision making process.
Intended User of the Appraisal:	The intended user of this report is the City of Mesquite. There are no other intended uses or intended users.
Interest Appraised:	Fee Simple
Date of Site Visit: :	June 24, 2016
Effective Date of Values:	June 24, 2016
Exposure Time:	Approximately 12 months
Marketing Time:	Approximately 12 months

Summary of Final Value Opinions

Value Premise	Interest Appraised	Date of Valuation	Value Conclusion
“As Is” Market Value	Fee Simple Estate	June 24, 2016	\$650,000*
Market Value of Parcel 1	Fee Simple Estate	June 24, 2016	\$360,000**
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The market values reported in this appraisal assignment are based on the following Extraordinary Assumptions:

* The useable acreage (2.94 acres) was calculated by deducting the portion of the site where the concrete drainage channel runs through the site. If the 2.94 useable acres used herein is found to be different, I reserve the right to re-analyze the “as is” market value of the subject property.

**The market values of Parcels 1 and 3 concluded in the report are based on the extraordinary assumption that the 3.22 acres is subdivided into the three parcels per the Parcel Map completed by Bulloch Brothers Engineering, Inc. dated January 2016.

If these extraordinary assumptions, that are directly related to this specific assignment, as of the effective date of the assignment results, are found to be false, my opinions or conclusions could be altered.

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ADDENDA

SUBJECT PHOTOGRAPHS



Viewing North Across Subject
Along Eastern Boundary



Viewing Northwest Across Subject Property
Standing at the Southeast Corner



Viewing East Across Subject Property
Along Southern Boundary



Viewing North Across Subject
Along Western Boundary



Viewing Southeast Across Subject Property
Standing at the Northwest Corner



Viewing Southwest Across Subject Property
Standing at the Northeast Corner



Viewing East Along Mesquite Boulevard,
Subject to the Left



Viewing West Along Mesquite Boulevard,
Subject to the Right



Viewing East Along North Street,
Subject to the Right



Viewing North Along Desert Drive,
Subject to the Right

PROPERTY INTRODUCTION



Subject Identification

The subject property is 3.22 acres or 140,263 square feet of vacant land located at the northeast corner of West Mesquite Boulevard and Desert Drive. The physical street address is 105 West Mesquite Boulevard in Mesquite, Nevada, 89027. The site is generally level at street grade with all off-sites complete.

There is a concrete drainage channel that runs along the eastern boundary. The drainage channel is fenced in with metal fencing. The subject site is rectangular in shape and is zoned CR-3, Commercial – Central Business District per the City of Mesquite.

The subject also has a paved public trail bisecting the site north from south near the eastern boundary of the site. The site has frontage along three improved roadways. The subject site has one curb cut/access point along the south side of 1st North Street, three curb cut/access points along the

Valuation Consultants

File Number V-16-18

east side of Desert Drive, and one curb cut/access point along the north side of West Mesquite Boulevard.

According to the Clark County Assessor and the parcel map that I have been provided by the client, the entire site totals 3.22 acres. However, as discussed there is a concrete drainage channel that runs through a portion of the eastern boundary of the site. According to the Parcel Map drawn by Bulloch Brothers Engineering, Inc. that is dated January 2016, the concrete drainage portion of the site identified as Parcel 2 totals approximately 12,084 square feet. Deducting this portion of the concrete drainage channel, the useable square feet totals approximately 128,045 square feet or 2.94 net acres. For the "as is" market valuation portion of this appraisal, the useable acreage of 2.94 net acres will be used.

Since the total site is currently under one ownership and is a total of 3.22 acres, the portion of the property that is within the drainage channel does have some contributory value. It could be used in density calculations and transfer to allow for the useable area to be developed with more building area. This value will also be considered in the final opinion of the "as is" market value.

The subject property is in the process of being subdivided into three individual parcels. According to the Parcel Map performed by Bulloch Brothers Engineering, Inc., dated January 2016, Parcel 1 is the northern parcel of the overall site totaling 71,218 square feet or 1.63 net acres. Parcel 1 has frontage along the south side of First North Street and the west side of Desert Drive. After the subdivision, this parcel will have the street address of 100 West First North Street, Mesquite, Nevada, 89027.

Parcel 3 is the south end of the overall site totaling 56,827 square feet or 1.30 net acres. Parcel 3 has frontage along the north side of West Mesquite Boulevard and the west side of Desert Drive. After the subdivision, this parcel will have the street address of 105 West Mesquite Boulevard, Mesquite, Nevada, 89027. Parcel 2 consists of the concrete drainage portion of the site which runs along the eastern boundary of the overall site. Parcel 2 consists of 12,084 square feet or 0.28 net acres.

Property Ownership and History

According to the Clark County records, the City of Mesquite has owned the subject property since acquiring the property from Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-Day Saints on October 23, 2009, for \$1,717,000, as recorded in Document Number 20091023:02087 of the Official Records of Clark County.

To the best of my knowledge, the subject property is not in escrow or being marketed for sale.

The subject property is in the process of being subdivided into three individual parcels. According to the Parcel Map drawn by Bulloch Brothers Engineering, Inc. that is dated January 2016, Parcel 1 is the northern parcel of the overall site totaling 71,218 square feet or 1.63 net acres. Parcel 1 has frontage along the south side of First North Street and the west side of Desert Drive. Parcel 3 is the south end of the overall site totaling 56,827 square feet or 1.30 net acres. Parcel 3 has frontage along the north side of West Mesquite Boulevard and the west side of Desert Drive. Parcel

2 consists of the concrete drainage portion of the site which runs along the eastern boundary of the overall site. Parcel 2 consists of 12,084 square feet or 0.28 acres.

Legal Description

The legal description for the overall parent site of 3.22 acres as taken from the most recent recorded Grant Bargain and Sale Deed, is as follows:

That Portion of the Southeast Quarter (SE ¼) of the Northwest Quarter (NW ¼) of Section 16, Township 13 South, Range 71 East, M.D.B. &M, described as follows:

Parcel No. 2 as shown by map thereof on file in File 54 of Parcel Maps, Page 22, in the Office of the County Recorder of Clark County, Nevada.

Purpose of the Appraisal

The purpose of this assignment is to form the following value opinions:

- “As Is” Market Value of the Fee Simple Estate of the 3.22 Acres of Land
- Market Values of the Fee Simple Estates of Parcels 1 and 3 based on the **extraordinary assumption** that the 3.22 acres is subdivided into three parcels per the Parcel Map completed by Bulloch Brothers Engineering, Inc. dated January 2016

Intended Use of the Appraisal

The intended use of this appraisal is to assist in the internal decision making process.

Intended Users of the Appraisal

The intended user of this report is the City of Mesquite. There are no other intended uses or intended users.

Type of Report

To communicate my opinions of value, I prepared an Appraisal Report as defined by the 2016-2017 Edition of the *Uniform Standards of Professional Appraisal Practice* (USPAP). Please be advised that my opinion and conclusions set forth in the report may not be understood properly without additional information in my work file which is available upon request.

Market Value Defined

"Market Value" means the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit

in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

(Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, and Subpart C-Appraisals, 34.42 Definitions [f].)

“As Is” Market Value Defined

“As Is” Market Value is defined as, “The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.” *(Source: The Dictionary of Real Estate Appraisal, 6th ed. [Chicago: Appraisal Institute, 2015] page 13)*

Exposure Time Defined

“1. The time a property remains on the market. 2. The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.” *(Source: The Dictionary of Real Estate Appraisal, 6th ed. [Chicago: Appraisal Institute, 2015] page 83)*

Marketing Time Defined

“An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.” *(Source: The Dictionary of Real Estate Appraisal, 6th ed. [Chicago: Appraisal Institute, 2015] page 140)*

Property Rights Appraised

Fee Simple Estate is defined as, “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.” *(Source: The Dictionary of Real Estate Appraisal, 6th ed. [Chicago: Appraisal Institute, 2015] page 90)*

Site Visit Date

The subject property was visited on June 24, 2016.

Date of Valuation

The effective date of value is June 24, 2016, which is the date of the site visit.

Date of Report

The date of this report is July 11, 2016.

Scope of the Appraisal

The scope of the appraisal required investigating sufficient data relative to the subject property to derive the opinions of value. The depth of the analysis was intended to be appropriate in relation to the significance of the appraisal problem.

- **Extent to which the property is identified** – I was not provided with a title report, but I analyzed public records of the subject property. I relied on these public records and available maps for the size of the subject site. I reserve the right to modify my conclusions based upon surveys or other studies that reflect different sizes or dimensions than used in this appraisal. Because I did not have a title report, I am unaware of any easements that may or may not be present on the subject property. I did not perform a title search or survey of the subject property.

Based on an aerial photograph and a physical visit to the property, there do not appear to be any easements that adversely affect the utility of the subject property. However, as mentioned there is a concrete drainage channel that runs through the eastern boundary of the site.

- **Extent to which tangible property is visited** – On June 24, 2016, the subject property was visited in order to develop impressions of the physical characteristics based on visual observations of apparent and unapparent conditions. The entire site was viewed from all fronting roadways. The immediate area was driven and the majority of the comparables were viewed from the street.

This appraisal is not a property condition report, and should not be relied upon to disclose any conditions present in the property, and it does not guarantee the property to be free of defects. I am not a licensed inspector, and I did not make an “inspection” of the property.

I am not qualified to detect or identify hazardous substances, which may, or may not, be present on, in, or near the subject property. The presence of hazardous materials may negatively affect market value.

No responsibility is assumed for any such conditions or for any expertise or engineering required to detect or discover them. I urge the user of this report to obtain the services of specialists for the purpose of conducting inspections, engineering studies, or environmental audits. While I refer to FEMA flood maps, I am not a surveyor and not qualified to make flood plain determinations, and I recommend that a qualified party be consulted before any investment decision is made.

- **The type and extent of data researched** – Land Sales data was obtained through surveys with local real estate brokers, researching Costar Comps, the *Property Line* data service, and public records. The comparable properties were analyzed with consideration of such differences as legal encumbrances, conditions of sale, financing terms, market conditions, location, physical characteristics, and availability of utilities, zoning, and highest and best use.
- **The type and extent of analysis applied** – This is an appraisal report that will provide the “as is” market value of the overall site and market values of Parcels 1 & 3 based on the extraordinary assumption that overall 3.22 acres is subdivided into three parcels per the Parcel Map completed by the Bulloch Brothers Engineering, Inc. dated January 2016. Since the subject property is vacant land, only the Sales Comparison Approach will be used.

This appraisal report is intended to be an "appraisal assignment". That is, the intention was that the appraisal service was performed in such a manner that the results of the analysis, opinion, or conclusion be that of a disinterested third party.

Extraordinary Assumptions

EXTRAORDINARY ASSUMPTION: an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions.

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (*Source: Uniform Standards of Professional Appraisal Practice, 2016-2017 Edition, Appraisal Standards Board of the Appraisal Foundation, Page U-3*)

The market values reported in this appraisal assignment are based on the following Extraordinary Assumptions:

1) The useable acreage (2.94 acres) was calculated by deducting the portion of the site where the concrete drainage channel runs through the site. If the 2.94 useable acres used herein is found to be different, I reserve the right to re-analyze the “as is” market value of the subject property.

2) The market values of Parcels 1 and 3 concluded in the report are based on the extraordinary assumption that the 3.22 acres is subdivided into the three parcels per the Parcel Map completed by Bulloch Brothers Engineering, Inc. dated January 2016.

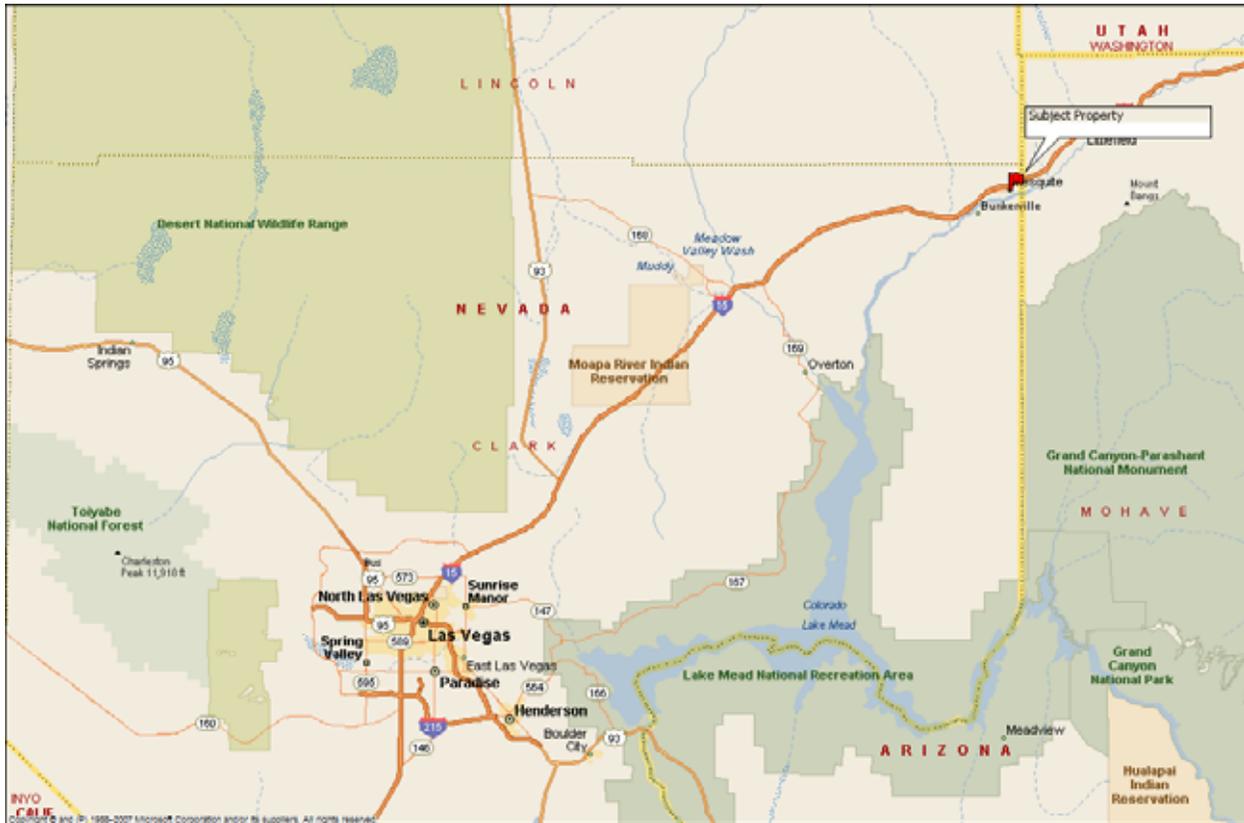
If these extraordinary assumptions, that are directly related to this specific assignment, as of the effective date of the assignment results, are found to be false, my opinions or conclusions could be altered.

Hypothetical Conditions

None.

MESQUITE AREA ANALYSIS

The following map illustrates the position of the subject neighborhood (Mesquite) within the eastern portion of Clark County.



The subject property is located within the City of Mesquite, Clark County, Nevada. Therefore, the following discussion will include an analysis of the Mesquite area.

Location

Mesquite, Nevada, is located on the Interstate 15 near the banks of the Virgin River and the Arizona border. The city, which sits at an elevation of 1,597 feet above sea level, has traditionally been an agriculture community with farming, ranching, and dairying as the base of its economy. In recent years, travel, tourism, recreation and retirement have upstaged agriculture, although a substantial amount of farming and ranching still occurs in the Virgin Valley. Due to the relatively small size of Mesquite, the subject's market area is most appropriately defined and influenced by any large development, or activity within the Virgin Valley (including Littlefield, Beaver City and Bunkerville).

During 2000 through 2007 the subject market area had been growing steadily both economically and residentially. Employment within its immediate borders had increased due mainly to the expansion of the larger casino resorts, including Oasis Resort, Casa Blanca Resort, Virgin River

Valley Resort and Eureka Hotel and Casino. It is noted that the Oasis Resort has since closed. Interstate 15 bisects the city of Mesquite from east to west. The northern portion of Mesquite is newer and consists primarily of the master planned golf course communities of Mesquite Estates, Falcon Ridge, Canyon Crest and Sun City/Anthem Mesquite. The southern portion of the city is more established and includes the central business district of the community.

The main arterials within the City of Mesquite include Mesquite Boulevard, which extends from the west interchange of I-15 through town to North Sandhill Boulevard in the southeast portion of town. North Sandhill becomes Pioneer Boulevard north of the I-15, which is the main access point to both the Mesquite Airport as well as the partially complete planned unit developments and golf courses such Canyon Crest, Falcon Ridge, Del Webb's Sun City Mesquite. Falcon Ridge Parkway runs north from the west interchange of Interstate 15 to Falcon Crossing Retail Plaza, Mesa View Hospital, Falcon Ridge Office Complex, and further to Sun City Mesquite subdivision.

City of Mesquite Facts and Figures

The following information was obtained from the Mesquite Chamber of Commerce - Business and Visitor Guide.

MESQUITE



QUICK FACTS

- Incorporated in 1984
- Population Base of 18,900
- Clark County 2.1 Million
- Location: Nevada/Arizona border. 80 miles north of Las Vegas and 35 miles south of St. George, Utah
- Low Crime Rate
- 300 days of sunshine
- 32.08 square miles
- Elevation at City Hall is 1,600 ft
- Elevation at Airport is 1,975 ft
- Area Newspapers:
 - Desert Valley Times
 - Mesquite Local News
 - Las Vegas Review Journal
 - Moapa Valley Progress

GOLF

There are seven Championship courses and one 9-hole Executive course. Mesquite's golf industry has a \$30M economic impact locally.

NEARBY POINTS OF INTEREST

Valley of Fire State Park, Hoover Dam; Lake Mead Recreational Area, Grand Canyon National Park, Zion, Bryce, Cathedral Gorge, Cedar Breaks National Monument, Dixie National Forest.

QUALITY OF LIFE

Sun City Mesquite by Pulte/Del Webb is one of several outstanding active adult communities. There are hundreds of homes built in Sun City Mesquite in a proposed 5,000 unit development.

NEVADA TAX ADVANTAGES

- No Corporate Income Tax
- No Personal Income Tax
- No Franchise Tax on Income
- No Inheritance or Gift Tax
- No Unitary Tax
- Sales Tax 8.1%
- Property Tax Rates 2.7737 on 35% of market value
- Minimal Employer Payroll Tax

MAJOR EMPLOYERS

- CasaBlanca Casino Resort (Gaming): 959
- Virgin River Casino Resort (Gaming): 715
- Eureka Casino Resort (Gaming): 522
- Walmart (Retail): 212
- Clark County School District (Education): 256
- Mesa View Regional Hospital (Medical): 211
- City of Mesquite (Government): 216
- Primex Plastic (Manufacturing): 136
- Highland Manor (Assisted Living Resort): 90
- Do It Best Corporation (Distribution/Warehousing): 68
- Deep Roots Medical

CLIMATE

Average monthly temperatures in Mesquite are quite pleasant. High temperatures of over 100 occur during July and August. Extreme lows in the low 30s occur during November through February. Monthly average temperatures listed below:

Month	Min.	Max.	Avg.
January	34	61	50
February	36	66	51
March	42	75	59
April	48	81	65
May	56	94	75
June	64	102	83
July	69	107	88
August	71	107	89
September	61	100	81
October	49	86	68
November	36	70	53
December	31	61	46

Annual days over 90°F	133
Annual days under 32°F	38
Annual days of sunshine	331
Avg. annual rainfall	4.50 inches

NEARBY AIRPORTS

- **Mesquite Municipal Airport:**
1200 Kitty Hawk Dr.,
Mesquite, NV
- **Las Vegas McCarran (LAS):**
90 miles
- **St. George Regional (STG):**
35 miles

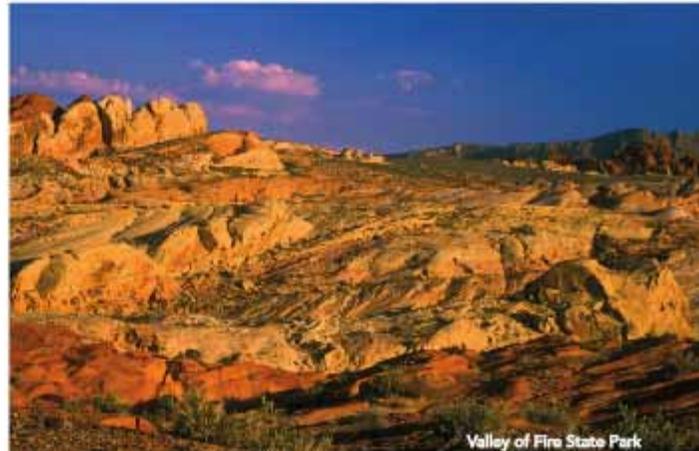


CITIES

St. George, UT	37 miles
Las Vegas, NV	80 miles
Salt Lake City, UT	340 miles
Los Angeles, CA	353 miles
Denver, CO	693 miles
Phoenix, AZ	360 miles

DESTINATIONS

Valley of Fire, NV	45 miles
Lake Mead, NV	49 miles
Zion National Park, UT	77 miles
Brian Head, UT	110 miles
Bryce Canyon, UT	170 miles
Grand Canyon, AZ	188 miles
Lake Powell, AZ	198 miles
Arches Nat'l Park, UT	380 miles



Furthermore, updated May 2016 data taken from the Mesquite Regional Business, Inc. including demographics, labor force, and building permits is shown below.

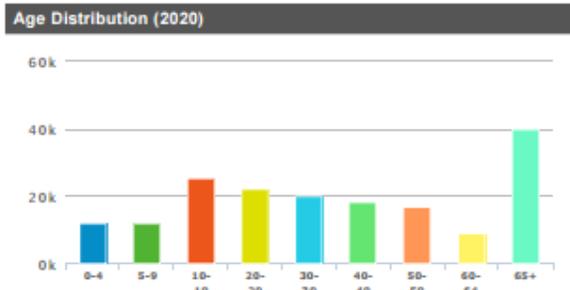
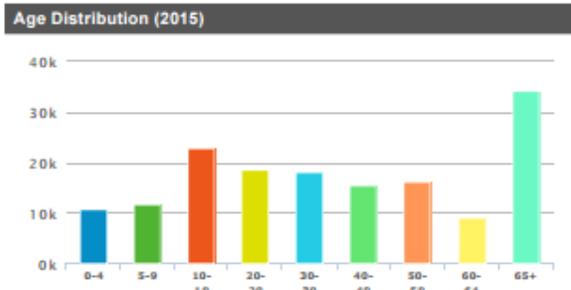


May 2016 Demographic Report

Demographics Report (45 mile radius around Lat: 36.80599 Lng: -114.10435)

Population (2015)	
	TOTAL
Population (2015)	157,210

Population (2020)	
	TOTAL
Population (2020)	175,711



	TOTAL	%
0-4	10,785	6.86
5-9	11,700	7.44
10-19	22,945	14.6
20-29	18,689	11.89
30-39	18,206	11.58
40-49	15,489	9.85
50-59	16,075	10.23
60-64	9,122	5.8
65+	34,199	21.75

	TOTAL	%
0-4	11,953	6.8
5-9	11,923	6.79
10-19	25,499	14.51
20-29	22,152	12.61
30-39	19,996	11.38
40-49	18,259	10.39
50-59	16,821	9.57
60-64	9,077	5.17
65+	40,031	22.78

Sex (2015)



	TOTAL	%
Male	77,372	49.22
Female	79,838	50.78

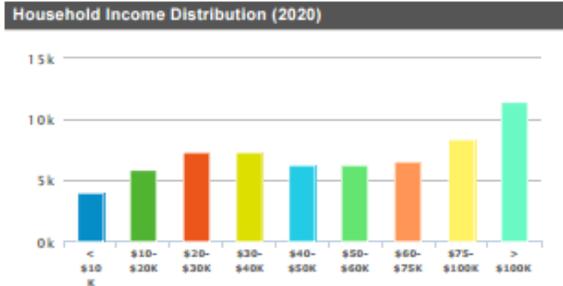
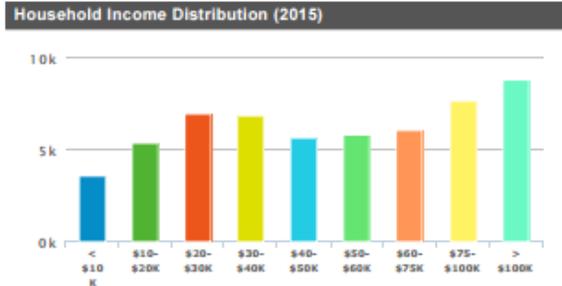
Sex (2020)



	TOTAL	%
Male	86,256	49.09
Female	89,455	50.91

Total Households (2015)		
	TOTAL	%
Households	56,976	
Families	42,326	74.29

Total Households (2020)		
	TOTAL	%
Households	63,380	
Families	47,117	74.34



	TOTAL	%
< \$10 K	3,618	6.35
\$10-\$20K	5,402	9.48
\$20-\$30K	7,002	12.29
\$30-\$40K	6,853	12.03
\$40-\$50K	5,668	9.95
\$50-\$60K	5,853	10.27
\$60-\$75K	6,065	10.64
\$75-\$100K	7,674	13.47
> \$100K	8,841	15.52

	TOTAL	%
< \$10 K	3,982	6.28
\$10-\$20K	5,881	9.28
\$20-\$30K	7,331	11.57
\$30-\$40K	7,279	11.48
\$40-\$50K	6,232	9.83
\$50-\$60K	6,242	9.85
\$60-\$75K	6,563	10.36
\$75-\$100K	8,380	13.22
> \$100K	11,490	18.13

Labor Force

May 2016 Labor Force Report (45 mile radius)

Labor Force Report (45 mile radius around Lat: 36.8059861193767 Lng: -114.104347229004)

Total Establishments	5,642
Total Employees	58,537

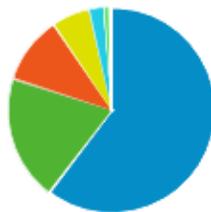
Total Employees by Major SIC (2015)

- Agricultural, Forestry, Fishing (SIC Range 01-09)
- Mining (SIC 10-14)
- Construction (SIC 15-17)
- Manufacturing (SIC 20-39)
- Transportation and Communications (SIC 40-49)
- Wholesale Trade (SIC 50-51)
- Retail Trade (SIC 52-59)



Total Establishments by Size (2015)

- 1-4 Employees
- 5-9 Employees
- 10-19 Employees
- 20-49 Employees
- 50-99 Employees
- 100-249 Employees
- 250-499 Employees
- 500-999 Employees
- 1000+ Employees



	TOTAL	%
1-4 Employees	3,406	60.37
5-9 Employees	1,105	19.59
10-19 Employees	597	10.58
20-49 Employees	333	5.90
50-99 Employees	131	2.32
100-249 Employees	55	0.97
250-499 Employees	8	0.14
500-999 Employees	4	0.07
1000+ Employees	3	0.05

	TOTAL	%
Agricultural, Forestry, Fishing (SIC Range 01-09)	685	1.17
Mining (SIC 10-14)	45	0.08
Construction (SIC 15-17)	2,955	5.05
Manufacturing (SIC 20-39)	2,143	3.66
Transportation and Communications (SIC 40-49)	2,590	4.42
Wholesale Trade (SIC 50-51)	2,985	5.10
Retail Trade (SIC 52-59)	13,440	22.96
Finance, Insurance And Real Estate (SIC 60-69)	3,327	5.68
Services (SIC 70-89)	27,602	47.15
Public Administration (SIC 90-98)	2,442	4.17
Unclassified (SIC 99)	323	0.55

Labor Force Status (2015)



	TOTAL	%
Labor Force	66,697	
Employed	63,269	94.86
Unemployed	3,388	5.08
In Armed Forces	40	
Not In Labor Force	53,966	

Labor Force Status (2020)



	TOTAL	%
Labor Force	75,798	
Employed	71,915	94.88
Unemployed	3,838	5.06
In Armed Forces	45	
Not In Labor Force	60,877	

Major Employers

Employer	Number of Employees
Casablanca Casino Resort (Mesquite Gaming)	938
Virgin River Casino Resort (Mesquite Gaming)	667
Eureka Casino Resort (Hospitality)	542
Walmart (Retail)	241
Clark County School District (Education)	263
Mesa View Regional Hospital (Medical)	177
City of Mesquite (Government)	225
Primex Plastic (Manufacturing)	165
Highland Manor (Assisted Living Resort)	90
Do It Best Corporation (Distribution/Warehousing)	69
<i>Source: Mesquite Regional Business Staff 5/2016</i>	

Building Permits

City of Mesquite

Building Department - Monthly Report & Annual Totals
Month of March, 2016

Permit Types	Monthly Comparison				Yearly Comparison			
	March (2015)		March (2016)		Jan. to Mar. 2015		Jan. to Mar. 2016	
	Permits	Valuation	Permits	Valuation	Permits	Valuation	Permits	Valuation
Single Family Residences	15	\$2,392,873.60	21	\$5,243,550.00	41	\$6,877,732.60	45	\$10,506,600.00
Residential Modifications	23	\$ 127,059.00	14	\$ 134,152.00	41	\$230,909.70	34	\$ 229,949.01
Multi-Family Residences	0	\$ -	0	\$ -	0	\$0.00	0	\$ -
Mobile Homes	0	\$ -	0	\$ -	0	\$0.00	1	\$ 50,000.00
Commercial Buildings	6	\$ 963,814.50	0	\$ -	6	\$1,544,049.50	4	\$ 395,380.00
Commercial Modifications	5	\$ 465,486.00	0	\$ -	9	\$474,054.00	8	\$ 1,535,982.25
New Business	0	\$ -	3	\$ 3,000.00	6	\$6,000.00	9	\$ 9,000.00
Foundation	0	\$ -	0	\$ -	0	\$0.00	0	\$ -
Accessory Bldgs.	3	\$ 110,597.00	1	\$ 17,940.00	3	\$179,698.70	2	\$ 60,060.00
Block Walls	5	\$ 7,599.56	15	\$ 192,071.84	19	\$43,641.26	29	\$ 234,416.34
Swimming Pools / Spas	3	\$ 51,228.00	0	\$ -	8	\$51,228.00	2	\$ 30,995.50
Miscellaneous (signs, repairs, etc . . .)	53	\$ 95,991.74	68	\$ 127,046.38	121	\$232,421.25	167	\$ 269,401.63
Grading	1	\$165,000.00	0	\$0.00	1	\$232,500.00	2	\$419,600.00
Demolition	1	\$ 1,000.00	0	\$0.00	2	\$3,000.00	0	\$ -
Totals	115	\$ 4,380,649.40	122	\$5,717,760.22	257	\$ 9,875,235.01	303	\$ 13,741,384.73

Education

The City of Mesquite is serviced by the Clark County School District. Four schools service the Mesquite area with Virgin Valley Elementary and J. L. Bowler Elementary Schools providing classes from kindergarten through fifth grade, Charles A. Hughes Middle School for grades sixth through eighth, and Virgin Valley High School providing high school and special education. The total enrollment is over 1,500 students. Adult and continuing education classes are provided by the Southern Nevada Community College extension at Virgin Valley High School. The nearest major college is the University of Nevada, Las Vegas with additional colleges being available in Cedar City, Southern Utah University and Dixie College within St. George, Utah.

General Land Uses

The majority of the land in the immediate market area is developed with residential subdivisions within interior parcels or within planned developments such. The following table provides the adopted land use districts and their associated acreage. The table is updated whenever amendments to the plan occur.

Table 1-1 Land Use Districts (COM)	
Land Use Districts	Acres
Planned Unit Development (mix of land uses)	7461.68
Rural	146.63
Single Family	492.62
Multi Family	347.43
Mobile Home	49.40
Recreational Vehicle	77.64
Commercial	593.23
Hotel Tourist	312.71
Industrial	828.73
Public Facility	361.99
Parks, Recreation and Open Space	5,106.01
Land Reserve	2,779.75
Agriculture	6.43
Total Acres (excluding roadways)	18564.24
Total Square Miles	29.01
Source: Planning and Redevelopment Department	

Anthem at Mesquite

Anthem at Mesquite (AAM) is a 2,013.7-acre master planned community located along the north border of the Clark County line, and bounded on the west by the Flat Top Mesa. AAM continues along Falcon Ridge Parkway north and abuts Mesquite Heights Road and the Mesquite Estates Master Planned Community to the east. Proposed land uses include active adult housing, conventional housing, multi-family housing, neighborhood commercial, and an 18-hole golf course. It has a cap of 6,052 residential units, with an overall density of approximately three (3) units per acre.

Canyon Crest

Canyon Crest is a 333-acre master planned community located south of the Lincoln County line, west of the Mesquite Airport, and generally east of the Mesquite Heights Road. Proposed uses include single-family detached housing, single family attached housing, multi-family housing, neighborhood commercial, and a 9-hole golf course. It has a cap of 999 residential units, with an overall density of three (3) units per acre.

Coyote Willows

Coyote Willows is a 150.93-acre master planned community located east of the Casa Blanca Golf Course, south of Hafen Lane, and north of the Virgin River. Proposed uses include single-family and multi-family housing, and a 9-hole golf course. It has a cap of 465 residential units, with an overall density of three (3) units per acre.

Falcon Ridge

Falcon Ridge is a 769-acre master planned community located on the north side of Interstate I-15, northwest of the town center. It is bordered on the east by the Mesquite Vistas PUD. Falcon Ridge is planned to be a mixed-use community consisting of offices, retail commercial, industrial/business park, multi-family housing, a range of single-family housing types, and an 18-hole golf course, parks, and open space and trails. It has a cap of 1,100 residential units, with a density of 4.2 units per acre.

Grapevine Villas

Grapevine Villas is a 25.85-acre master planned community of multi-family (Townhome) housing bounded by Second South Street on the north, Hafen Lane on the south, Grapevine Road on the west, and Thompson Drive on the east. It has 188 residential units, with an overall density of 7.27 dwelling units per acre.

Highland Vistas

Highland Vistas is a 305-acre master planned community located generally along both sides of Hardy Way between Falcon Ridge Parkway and Horizon Boulevard. Proposed uses include single-family and multi-family housing, neighborhood commercial, parks and open space. It has a cap of 972 residential units, with an overall density of three (3) dwelling units per acre.

Las Palmas

Las Palmas is a three (3) acre planned unit development consisting of twenty (20) townhome units, at a density of 6.67 units per acre. The project is located in northeast Mesquite located between Marilyn Parkway and Palos Verde Drive.

Mesquite Estates

Mesquite Estates is a 767-acre master planned community located generally along the north city boundary between Mesquite Heights Road and the Wolf Creek Golf Course. The mixture of proposed land uses includes a range of single-family housing types, multi-family housing, and neighborhood commercial development. It has a cap of 2,301 residential units, with an overall density of three (3) units per acre.

Mesquite Vistas

Mesquite Vistas is a 1,073-acre master planned community located generally east of Pioneer Boulevard from the Falcon Ridge Golf Course on the west to the east side of the Mesquite Airport. Existing and proposed uses include a range of single-family housing types, multifamily housing, private and public parks, and the Oasis and Canyons golf courses. It has a cap of 3,499 residential units, with an overall density of 3.26 units per acre.

Riverside

The property is generally located in western Mesquite, on the south side of Interstate 15 and to the east of Riverside Road (exit 112). It is bordered by public lands with Toquop Wash on the eastern side and the Virgin River passing nearby to the south. The property includes lands under contract with Nevada Community Solutions and the City of Mesquite, and is planned to be developed as a public-private partnership. The Riverside PUD is approximately 1,400 acres in size.

The overall goal for the area is to promote a mix of housing opportunities with supporting commercial uses and public facilities, in a manner that preserves Mesquite's small town atmosphere and meets the needs of our diverse population. Planning for the property will recognize that the area is distinctly separate from the existing City and should strive to compliment retail and public services provided in the City's core.

Rivers Bend

Rivers Bend is a 48.83-acre PUD subdivision located on Mesquite's south side between Riverside Road and the Coyote Willows PUD. It consists of 233 single-family dwellings on small lots with two neighborhood parks. The overall density is 4.7 units per acre.

Paradise Canyon

Paradise Canyon is a 186.2-acre master planned community located in the northeast quadrant of the City, just west of the Mesquite Airport. Originally approved as a mixed use community, the PUD contains the Championship Wolf Creek Golf Course, multi-family housing, single-family housing, and related office and retail commercial space. It currently has fifty (50) condominium units on 4.78 acres for a density of 10 units per acre. Twenty-six (26) single-family homes are also developed on 8.61 acres for a density of 3.01 units per acre.

The tentative map approvals on several of the subsequent phases have lapsed, so a Master Plan Amendment will be required to complete the PUD as originally contemplated.

Sunset Greens

Sunset Greens is a 110.38-acre master planned community located in southwest Mesquite surrounded by the Casa Blanca Golf Course. The mixture of uses includes a range of single-family and townhome dwellings. It consists of 701 residential units, at an overall density of 6.35 units per acre.

Valuation Consultants

Community Services

Entertainment facilities include three casinos, two cinemas, the Arvada Ranch & Gun Club, the Nezona Hunting Club, bowling, go-carts and spas.

Retail outlets include Wal-Mart and other major grocery stores, hardware and variety stores and several commercial plazas. The Mesquite community is served by two branches of the Clark County Library. One of the larger commercial developments is the Falcon Crossing Retail Plaza which was constructed in 2006. It includes Wal-Mart and other retail and fast food services.

Recreational opportunities include six local 18-hole championship golf courses, recreational center, several parks including the Mesquite Sports and Event Complex which has five full size soccer fields (3 synthetic and two natural grass fields), Splash pad play area, restrooms, picnic area.

Brian Head Ski Resort is located approximately 110 miles northeast of Mesquite and has installed snow making equipment. The resort presently operates seven chair lifts and two ski lodges.

Mesa View Regional Hospital is located at the northwest corner of Falcon Ridge Parkway and Berth Howe. The facility opened in July 2004, and is the first modern regional hospital serving the Virgin River Valley, Moapa Valley and Arizona Strip areas. The \$30 million facility is located on a 25-acre campus within the Falcon Ridge Development Area. The hospital provides a full range of inpatient and outpatient acute care services. The 80,000 square-foot facility also includes 30,000 square foot medical office building. Mesa View provides medical services to the Mesquite area that to this date have not been seen.

Government

The City of Mesquite was incorporated on May 24, 1984 and operates with a Council/Manager comprised of an elected manager, five councilpersons, and an appointed City Manager.

Conclusion

Up until late 2007, the Mesquite market area was a growing area of Southern Nevada. As a whole, this area is physically isolated, but the population growth, commercial and residential development and resort/golf development that occurred in 2000 through the latter portion of 2007 was fueled by the strong economy in Las Vegas and the United States in general. Many people sold their homes in other parts of the country and relocated to Mesquite in order to retire.

Mesquite has good traffic linkage to Las Vegas, St. George, Utah and Arizona. This also helped create the population growth and Mesquite was one of the fastest growing cities in Nevada. During the time period of 2000 through 2007, the area experienced population growth that was reported to range between 25% and 30% annually. This growth was based on the tourist driven economy dominated by three major hotel/casino facilities, the Oasis, Virgin River and

Casablanca Resort, as well as the Eureka Hotel Casino. These resorts did help the community to expand its tourism base.

The growth in the mid-2000s resulted in the construction of a new high school, post office, new elementary school, city hall and community recreation facility. The city also facilitated the purchase of a medical center site at the northwest corner of Falcon Ridge Parkway and Bertha Howe Drive, which was improved with the Mesa View Regional Hospital that opened in July 2004.

Mesquite is still a bedroom community to Las Vegas. This emerged when Las Vegas was one of the fastest growing communities in the United States. When the population approached 2 million in 2006/2007 and with home prices increasing over 40% during the time frame of 1999 to 2007, many people started to seek affordable housing in nearby communities like Mesquite. With the significant downturn in the housing market in Las Vegas over the past few years, the Mesquite housing market has also suffered. Housing values have decreased similar to the homes values in Las Vegas. The population of Mesquite has stabilized and the housing market has slowed. These factors have affected the local economy.

The Mesquite area is also influenced to some extent by St. George, Utah, approximately 37 miles to the northeast, which has grown from a population of 7,097 in 1970 to 13,145 in 1980, to a population of 28,502 in 1990 to 49,663 in 2000 and to a population of 72,897 in 2010. St. George is considered to be one of the top retirement places in the country.

In conclusion, the subject market area is the City of Mesquite that is a rural area near the borders of Arizona and Utah and is part of a region that has been physically isolated with a small population and limited services. Up until the latter part of 2007, Mesquite had experienced strong population growth. However, with the apparent stabilizing of the local housing market and signs that it continues to improve, a bottoming out in most sectors of the commercial real estate market, improving macroeconomic factors affecting travel decisions, and recent increases in year over year reports for visitor volume, there is evidence that that the local economy improved in 2014 and continued to improve through 2015.

Although there are still issues in all segments of the real estate market, there have been improvements in the housing market and multi-family rental market. The retail, office, and industrial, vacant land markets have lagged behind the housing market but have also shown slight improvement. It is projected that a slow continued growth should occur throughout 2016.

NEIGHBORHOOD ANALYSIS



Location

The subject neighborhood is located along West Mesquite Boulevard and is bounded by Interstate 15 to the north, North Sandhill Boulevard to the west and Hafen Lane to the south, and Falcon Ridge Parkway to the west.

Accessibility

Several main arterial roads adequately provide access to, from and within the neighborhood. The major east/west arterials include Highway 15 and West Mesquite Boulevard. The major north/south traffic arterials servicing the subject neighborhood are North Sandhill Boulevard and Riverside Road.

In April 2014 the Federal Highway Administration (FHWA) had approved the installation of Exit 118 along Interstate 15. According to the former mayor of Mesquite Mark Wier "The importance of Exit 118 to our economic future cannot be overstated. The new exit adds a viable commercial exit to the Technology and Commerce Center. The City is grateful to Nevada Department of Transportation for seeking the approval in the City's behalf." The new

interchange will open up a new area to development in Mesquite, but this area is further west from the subject's immediate area. The interchange is estimated to be completed by end of summer 2016 and is located in the western portion of Mesquite.

Land Uses

The market area is developed with a blend of commercial, industrial, automotive, casinos, golf courses, single family, and multifamily apartment uses. The majority of uses along West Mesquite Boulevard are retail, government related offices, automotive, casinos, restaurants, multifamily apartment uses, single family uses, and vacant land.

The market area is primarily commercial and residential in nature, with a mixture of retail, casinos, automotive, single family, multifamily apartment uses, and vacant land. Similar to most of the area, the facilities have a wide range of ages as well as qualities and conditions.

Proximity to Support Facilities

There are support facilities such as schools, religious facilities, shopping areas, civic, recreational, and cultural facilities within the market area or located in close proximity, within minutes from the area.

Demographics

The makeup of the population and the economic trends of the market area and the surrounding areas have been considered in order to gain an insight into the real estate market of the area. The statistics are taken from a 1, 3 and 5-mile radius.



Market Profile

105 W Mesquite Blvd, Mesquite, Nevada, 89027
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 36.80406
Longitude: -114.07032

	1 mile	3 miles	5 miles
Population Summary			
2000 Total Population	4,978	9,540	11,099
2010 Total Population	5,957	14,913	18,174
2016 Total Population	6,464	16,912	20,989
2016 Group Quarters	33	89	89
2020 Total Population	7,200	18,989	23,472
2016-2021 Annual Rate	2.18%	2.34%	2.26%
Household Summary			
2000 Households	1,753	3,549	4,006
2000 Average Household Size	2.84	2.68	2.75
2010 Households	2,230	6,111	7,312
2010 Average Household Size	2.65	2.43	2.47
2016 Households	2,380	6,830	8,412
2016 Average Household Size	2.70	2.46	2.48
2021 Households	2,639	7,611	9,377
2021 Average Household Size	2.72	2.48	2.49
2016-2021 Annual Rate	2.09%	2.19%	2.20%
2010 Families	1,581	4,237	5,162
2010 Average Family Size	3.17	2.89	2.93
2016 Families	1,681	4,719	5,932
2016 Average Family Size	3.24	2.94	2.93
2021 Families	1,862	5,260	6,614
2021 Average Family Size	3.25	2.96	2.94
2016-2021 Annual Rate	2.07%	2.19%	2.20%
Housing Unit Summary			
2000 Housing Units	1,996	4,468	5,076
Owner Occupied Housing Units	53.3%	50.9%	51.5%
Renter Occupied Housing Units	34.5%	28.6%	27.4%
Vacant Housing Units	12.2%	20.6%	21.1%
2010 Housing Units	2,830	8,369	10,043
Owner Occupied Housing Units	52.5%	49.3%	51.1%
Renter Occupied Housing Units	26.3%	23.7%	21.7%
Vacant Housing Units	21.2%	27.0%	27.2%
2016 Housing Units	3,006	9,325	11,532
Owner Occupied Housing Units	48.7%	46.0%	48.5%
Renter Occupied Housing Units	30.4%	27.2%	24.4%
Vacant Housing Units	20.8%	26.8%	27.1%
2021 Housing Units	3,344	10,420	12,900
Owner Occupied Housing Units	48.4%	45.7%	48.3%
Renter Occupied Housing Units	30.6%	27.3%	24.4%
Vacant Housing Units	21.1%	27.0%	27.3%
Median Household Income			
2016	\$40,133	\$42,738	\$44,598
2021	\$39,970	\$44,585	\$48,318
Median Home Value			
2016	\$186,193	\$207,700	\$212,642
2021	\$217,586	\$244,307	\$248,788
Per Capita Income			
2016	\$20,312	\$23,996	\$25,066
2021	\$21,544	\$25,773	\$27,294
Median Age			
2010	43.2	50.3	50.1
2016	44.6	52.4	53.4
2021	45.2	53.8	55.3

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

June 29, 2016



Market Profile

105 W Mesquite Blvd, Mesquite, Nevada, 89027
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 36.80406
Longitude: -114.07032

	1 mile	3 miles	5 miles
2016 Households by Income			
Household Income Base	2,380	6,830	8,412
<\$15,000	15.0%	12.7%	11.8%
\$15,000 - \$24,999	10.9%	12.9%	12.5%
\$25,000 - \$34,999	14.6%	12.8%	12.8%
\$35,000 - \$49,999	21.6%	19.2%	18.2%
\$50,000 - \$74,999	17.1%	21.3%	21.1%
\$75,000 - \$99,999	12.7%	11.0%	11.5%
\$100,000 - \$149,999	5.7%	6.7%	7.8%
\$150,000 - \$199,999	0.8%	1.6%	2.0%
\$200,000+	1.5%	1.9%	2.4%
Average Household Income	\$52,523	\$56,286	\$59,970
2021 Households by Income			
Household Income Base	2,639	7,611	9,377
<\$15,000	15.9%	13.2%	12.1%
\$15,000 - \$24,999	10.6%	12.5%	11.9%
\$25,000 - \$34,999	17.2%	15.9%	15.8%
\$35,000 - \$49,999	15.3%	11.9%	11.1%
\$50,000 - \$74,999	16.4%	21.9%	21.6%
\$75,000 - \$99,999	14.6%	12.1%	12.4%
\$100,000 - \$149,999	7.0%	7.8%	9.1%
\$150,000 - \$199,999	1.1%	2.3%	2.9%
\$200,000+	1.9%	2.4%	3.0%
Average Household Income	\$56,530	\$61,354	\$66,001
2016 Owner Occupied Housing Units by Value			
Total	1,465	4,290	5,598
<\$50,000	13.4%	7.1%	7.4%
\$50,000 - \$99,999	6.1%	7.2%	7.1%
\$100,000 - \$149,999	15.4%	13.0%	12.3%
\$150,000 - \$199,999	20.9%	20.1%	18.8%
\$200,000 - \$249,999	15.2%	17.2%	17.3%
\$250,000 - \$299,999	9.9%	11.1%	12.0%
\$300,000 - \$399,999	5.4%	8.8%	8.9%
\$400,000 - \$499,999	6.6%	8.9%	9.2%
\$500,000 - \$749,999	3.7%	4.2%	4.4%
\$750,000 - \$999,999	1.7%	1.4%	1.4%
\$1,000,000 +	1.8%	1.1%	1.2%
Average Home Value	\$233,652	\$250,635	\$254,854
2021 Owner Occupied Housing Units by Value			
Total	1,617	4,763	6,228
<\$50,000	10.1%	4.7%	4.8%
\$50,000 - \$99,999	4.2%	4.9%	4.9%
\$100,000 - \$149,999	11.3%	8.7%	8.5%
\$150,000 - \$199,999	18.7%	16.2%	15.1%
\$200,000 - \$249,999	16.3%	17.4%	17.2%
\$250,000 - \$299,999	10.8%	12.9%	14.3%
\$300,000 - \$399,999	6.4%	9.4%	9.1%
\$400,000 - \$499,999	10.8%	13.1%	12.8%
\$500,000 - \$749,999	6.2%	8.7%	9.3%
\$750,000 - \$999,999	2.7%	2.4%	2.5%
\$1,000,000 +	2.6%	1.4%	1.6%
Average Home Value	\$284,508	\$304,309	\$308,783

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

June 29, 2016



Market Profile

105 W Mesquite Blvd, Mesquite, Nevada, 89027
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 36.80406
Longitude: -114.07032

	1 mile	3 miles	5 miles
2010 Population by Age			
Total	5,956	14,915	18,174
0 - 4	7.8%	6.5%	6.4%
5 - 9	6.8%	5.7%	5.8%
10 - 14	7.1%	5.7%	5.9%
15 - 24	11.1%	9.4%	9.4%
25 - 34	9.3%	8.3%	8.2%
35 - 44	9.8%	8.7%	8.8%
45 - 54	12.0%	11.4%	11.2%
55 - 64	13.9%	17.0%	17.2%
65 - 74	14.0%	18.1%	18.0%
75 - 84	6.6%	7.6%	7.4%
85 +	1.7%	1.7%	1.6%
18 +	74.3%	78.8%	78.3%
2016 Population by Age			
Total	6,464	16,911	20,988
0 - 4	7.2%	5.9%	5.8%
5 - 9	6.8%	5.9%	5.8%
10 - 14	6.5%	5.5%	5.5%
15 - 24	10.9%	9.1%	8.8%
25 - 34	9.7%	8.6%	8.4%
35 - 44	9.2%	8.1%	8.0%
45 - 54	10.4%	9.6%	9.5%
55 - 64	13.6%	15.8%	16.6%
65 - 74	15.8%	20.0%	20.6%
75 - 84	7.9%	9.2%	8.9%
85 +	2.0%	2.3%	2.2%
18 +	75.7%	79.7%	79.9%
2021 Population by Age			
Total	7,201	18,989	23,471
0 - 4	6.9%	5.7%	5.5%
5 - 9	6.8%	5.7%	5.6%
10 - 14	6.8%	5.8%	5.7%
15 - 24	10.2%	8.8%	8.5%
25 - 34	9.9%	8.5%	8.2%
35 - 44	9.1%	8.2%	8.1%
45 - 54	9.4%	8.4%	8.2%
55 - 64	12.6%	14.1%	14.3%
65 - 74	16.3%	20.7%	22.0%
75 - 84	9.4%	11.4%	11.4%
85 +	2.5%	2.7%	2.6%
18 +	75.9%	79.9%	80.3%
2010 Population by Sex			
Males	2,937	7,341	8,969
Females	3,020	7,572	9,205
2016 Population by Sex			
Males	3,202	8,345	10,382
Females	3,262	8,568	10,607
2021 Population by Sex			
Males	3,557	9,337	11,572
Females	3,643	9,652	11,899

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

June 29, 2016



Market Profile

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Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 36.80406
Longitude: -114.07032

	1 mile	3 miles	5 miles
2010 Population by Race/Ethnicity			
Total	5,957	14,913	18,174
White Alone	79.0%	82.6%	83.0%
Black Alone	0.9%	1.0%	0.9%
American Indian Alone	1.1%	1.0%	1.0%
Asian Alone	1.8%	1.7%	1.6%
Pacific Islander Alone	0.3%	0.2%	0.2%
Some Other Race Alone	14.4%	11.4%	11.3%
Two or More Races	2.5%	2.1%	2.0%
Hispanic Origin	31.5%	25.2%	25.0%
Diversity Index	64.5	57.5	57.0
2016 Population by Race/Ethnicity			
Total	6,466	16,912	20,988
White Alone	75.3%	79.6%	80.6%
Black Alone	1.0%	1.2%	1.0%
American Indian Alone	1.2%	1.1%	1.0%
Asian Alone	2.0%	2.0%	1.9%
Pacific Islander Alone	0.3%	0.3%	0.3%
Some Other Race Alone	17.2%	13.5%	12.9%
Two or More Races	2.9%	2.4%	2.3%
Hispanic Origin	37.1%	29.4%	28.3%
Diversity Index	69.7	62.9	61.4
2021 Population by Race/Ethnicity			
Total	7,201	18,990	23,472
White Alone	72.3%	76.9%	78.1%
Black Alone	1.1%	1.3%	1.2%
American Indian Alone	1.2%	1.1%	1.1%
Asian Alone	2.3%	2.4%	2.2%
Pacific Islander Alone	0.3%	0.3%	0.3%
Some Other Race Alone	19.6%	15.4%	14.5%
Two or More Races	3.2%	2.7%	2.6%
Hispanic Origin	41.2%	32.8%	31.4%
Diversity Index	73.0	66.9	65.2
2010 Population by Relationship and Household Type			
Total	5,957	14,913	18,174
In Households	99.3%	99.4%	99.5%
In Family Households	86.1%	84.0%	84.9%
Householder	26.4%	28.5%	28.6%
Spouse	21.1%	23.5%	23.9%
Child	31.9%	26.0%	26.5%
Other relative	4.9%	4.2%	4.1%
Nonrelative	1.8%	1.8%	1.8%
In Nonfamily Households	13.2%	15.5%	14.6%
In Group Quarters	0.7%	0.6%	0.5%
Institutionalized Population	0.7%	0.6%	0.5%
Noninstitutionalized Population	0.0%	0.0%	0.0%

Data Note: Persons of Hispanic Origin may be of any race. The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

June 29, 2016



Market Profile

105 W Mesquite Blvd, Mesquite, Nevada, 89027
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	1 mile	3 miles	5 miles
2016 Population 25+ by Educational Attainment			
Total	4,426	12,448	15,553
Less than 9th Grade	6.8%	5.4%	5.4%
9th - 12th Grade, No Diploma	10.8%	8.4%	8.2%
High School Graduate	27.6%	27.1%	28.0%
GED/Alternative Credential	3.5%	4.8%	4.4%
Some College, No Degree	28.9%	29.2%	28.6%
Associate Degree	9.2%	8.4%	8.1%
Bachelor's Degree	8.3%	10.2%	10.3%
Graduate/Professional Degree	4.9%	6.5%	6.9%
2016 Population 15+ by Marital Status			
Total	5,132	13,980	17,413
Never Married	25.3%	19.9%	18.4%
Married	50.4%	55.2%	57.9%
Widowed	8.0%	8.0%	7.7%
Divorced	16.3%	16.9%	16.0%
2016 Civilian Population 16+ in Labor Force			
Civilian Employed	91.6%	91.7%	91.7%
Civilian Unemployed	8.4%	8.3%	8.3%
2016 Employed Population 16+ by Industry			
Total	2,350	5,865	6,932
Agriculture/Mining	0.4%	1.1%	1.2%
Construction	7.8%	7.1%	7.6%
Manufacturing	2.0%	2.2%	2.3%
Wholesale Trade	3.1%	1.7%	1.6%
Retail Trade	9.6%	11.9%	11.4%
Transportation/Utilities	2.3%	3.7%	4.7%
Information	0.8%	0.7%	0.7%
Finance/Insurance/Real Estate	13.5%	10.2%	9.8%
Services	55.7%	57.6%	57.4%
Public Administration	4.9%	3.7%	3.4%
2016 Employed Population 16+ by Occupation			
Total	2,350	5,864	6,930
White Collar	49.9%	49.2%	48.5%
Management/Business/Financial	12.4%	9.8%	10.0%
Professional	11.9%	10.3%	10.1%
Sales	11.0%	11.4%	12.5%
Administrative Support	14.6%	17.6%	16.0%
Services	35.9%	35.4%	34.4%
Blue Collar	14.3%	15.4%	17.1%
Farming/Forestry/Fishing	0.3%	0.6%	0.5%
Construction/Extraction	4.4%	4.1%	4.4%
Installation/Maintenance/Repair	4.1%	4.0%	4.1%
Production	1.8%	2.3%	2.7%
Transportation/Material Moving	3.7%	4.4%	5.4%
2010 Population By Urban/ Rural Status			
Total Population	5,957	14,913	18,174
Population Inside Urbanized Area	0.0%	0.0%	0.0%
Population Inside Urbanized Cluster	97.5%	89.4%	77.3%
Rural Population	2.5%	10.6%	22.7%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

June 29, 2016



Market Profile

105 W Mesquite Blvd, Mesquite, Nevada, 89027
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 36.80406
Longitude: -114.07032

	1 mile	3 miles	5 miles
2010 Households by Type			
Total	2,229	6,110	7,312
Households with 1 Person	23.4%	24.5%	23.5%
Households with 2+ People	76.6%	75.5%	76.5%
Family Households	70.9%	69.3%	70.6%
Husband-wife Families	56.7%	57.3%	59.1%
With Related Children	22.0%	16.3%	16.9%
Other Family (No Spouse Present)	14.2%	12.1%	11.5%
Other Family with Male Householder	4.8%	4.0%	3.9%
With Related Children	2.5%	2.3%	2.3%
Other Family with Female Householder	9.4%	8.1%	7.6%
With Related Children	6.0%	5.2%	4.8%
Nonfamily Households	5.7%	6.1%	5.9%
All Households with Children	30.9%	24.1%	24.3%
Multigenerational Households	5.6%	3.7%	3.8%
Unmarried Partner Households	5.7%	6.0%	5.8%
Male-female	5.2%	5.4%	5.2%
Same-sex	0.5%	0.6%	0.6%
2010 Households by Size			
Total	2,229	6,110	7,311
1 Person Household	23.4%	24.5%	23.5%
2 Person Household	39.9%	46.8%	47.4%
3 Person Household	11.4%	10.0%	9.9%
4 Person Household	10.4%	7.9%	8.0%
5 Person Household	7.3%	5.3%	5.5%
6 Person Household	4.8%	3.3%	3.5%
7 + Person Household	2.9%	2.1%	2.2%
2010 Households by Tenure and Mortgage Status			
Total	2,230	6,111	7,312
Owner Occupied	66.7%	67.6%	70.2%
Owned with a Mortgage/Loan	45.2%	43.3%	44.5%
Owned Free and Clear	21.5%	24.3%	25.7%
Renter Occupied	33.3%	32.4%	29.8%
2010 Housing Units By Urban/ Rural Status			
Total Housing Units	2,830	8,369	10,043
Housing Units Inside Urbanized Area	0.0%	0.0%	0.0%
Housing Units Inside Urbanized Cluster	97.2%	88.1%	78.6%
Rural Housing Units	2.8%	11.9%	21.4%

Data Note: Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

June 29, 2016



Market Profile

105 W Mesquite Blvd, Mesquite, Nevada, 89027
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 36.80406
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	1 mile	3 miles	5 miles
Top 3 Tapestry Segments			
	1. Midlife Constants (5E)	Senior Escapes (9D)	Senior Escapes (9D)
	2. Small Town Simplicity	Silver & Gold (9A)	Silver & Gold (9A)
	3. Silver & Gold (9A)	Midlife Constants (5E)	Midlife Constants (5E)
2016 Consumer Spending			
Apparel & Services: Total \$	\$3,159,161	\$9,766,306	\$12,775,651
Average Spent	\$1,327.38	\$1,429.91	\$1,518.74
Spending Potential Index	66	71	75
Education: Total \$	\$2,044,187	\$5,961,714	\$7,792,685
Average Spent	\$858.90	\$872.87	\$926.38
Spending Potential Index	61	62	65
Entertainment/Recreation: Total \$	\$4,838,231	\$14,923,182	\$19,569,484
Average Spent	\$2,032.87	\$2,184.95	\$2,326.38
Spending Potential Index	70	75	80
Food at Home: Total \$	\$8,332,720	\$25,541,707	\$33,290,370
Average Spent	\$3,501.14	\$3,739.63	\$3,957.49
Spending Potential Index	70	75	79
Food Away from Home: Total \$	\$4,962,072	\$15,406,336	\$20,166,603
Average Spent	\$2,084.90	\$2,255.69	\$2,397.36
Spending Potential Index	67	73	78
Health Care: Total \$	\$9,405,100	\$29,103,658	\$38,188,669
Average Spent	\$3,951.72	\$4,261.15	\$4,539.78
Spending Potential Index	75	80	86
HH Furnishings & Equipment: Total \$	\$2,881,747	\$8,940,361	\$11,743,987
Average Spent	\$1,210.82	\$1,308.98	\$1,396.10
Spending Potential Index	69	74	79
Personal Care Products & Services: Total \$	\$1,196,970	\$3,846,429	\$5,064,519
Average Spent	\$502.93	\$563.17	\$602.06
Spending Potential Index	69	77	82
Shelter: Total \$	\$24,276,551	\$75,585,663	\$99,065,777
Average Spent	\$10,200.23	\$11,066.71	\$11,776.72
Spending Potential Index	65	71	76
Support Payments/Cash Contributions/Gifts in Kind: Total \$	\$4,079,594	\$12,730,086	\$16,772,647
Average Spent	\$1,714.12	\$1,863.85	\$1,993.90
Spending Potential Index	74	80	86
Travel: Total \$	\$2,949,119	\$9,261,391	\$12,253,923
Average Spent	\$1,239.13	\$1,355.99	\$1,456.72
Spending Potential Index	67	73	78
Vehicle Maintenance & Repairs: Total \$	\$1,755,139	\$5,425,723	\$7,103,745
Average Spent	\$737.45	\$794.40	\$844.48
Spending Potential Index	71	77	82

Data Note: Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

Source: Consumer Spending data are derived from the 2013 and 2014 Consumer Expenditure Surveys, Bureau of Labor Statistics, Esri.

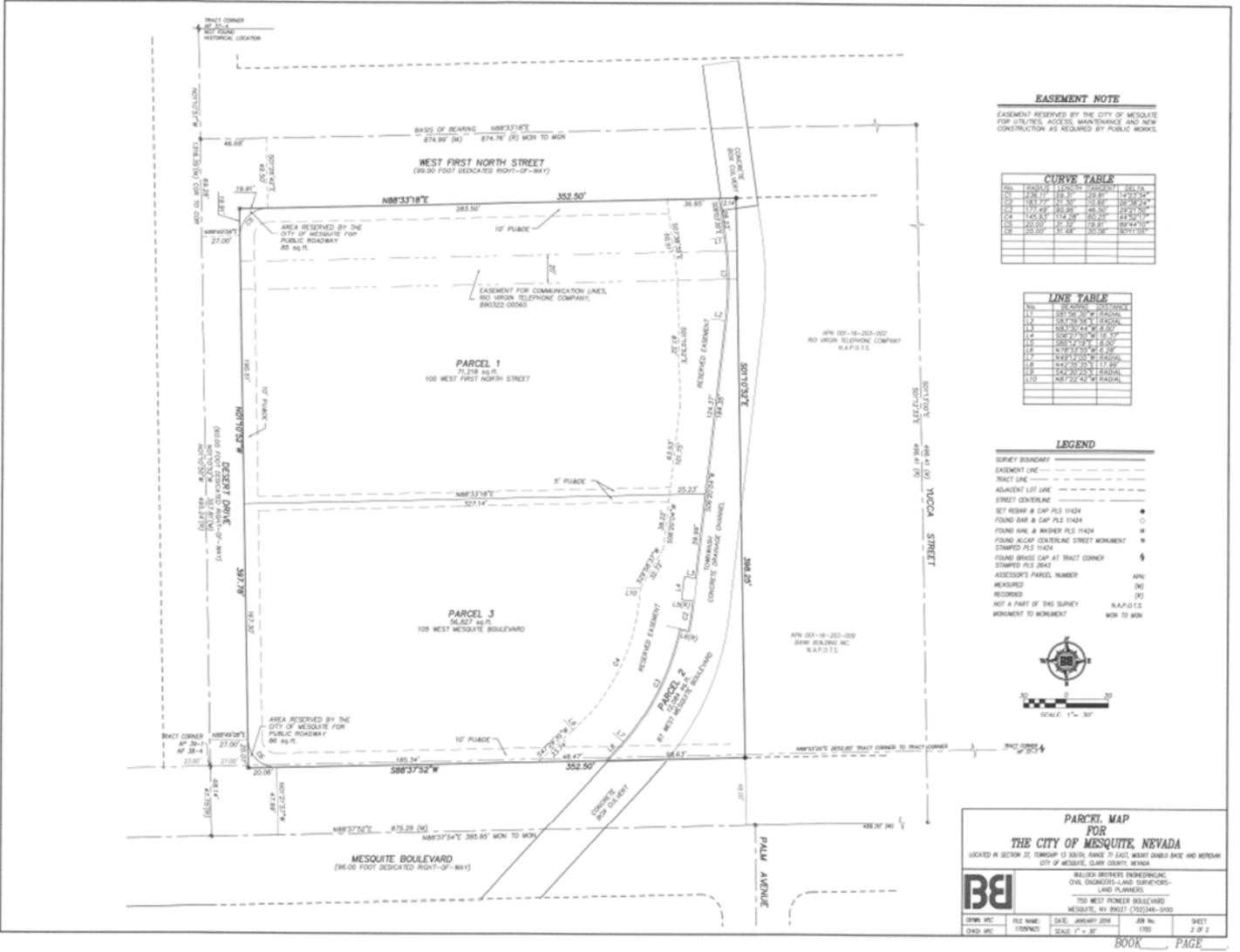
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

June 29, 2016

Neighborhood Conclusion

In conclusion, the immediate area is a slightly older part of Mesquite. The immediate market area is established with a number of commercial properties and vacant land. The area is provided good access with all support facilities available. Much of the growth has slowed, due to the economic issues, but the commercial market is very slowly rebounding, however, not as prevalent in the subject's immediate area.

The majority of available land in the immediate area has been on the market for several years as demand is limited.



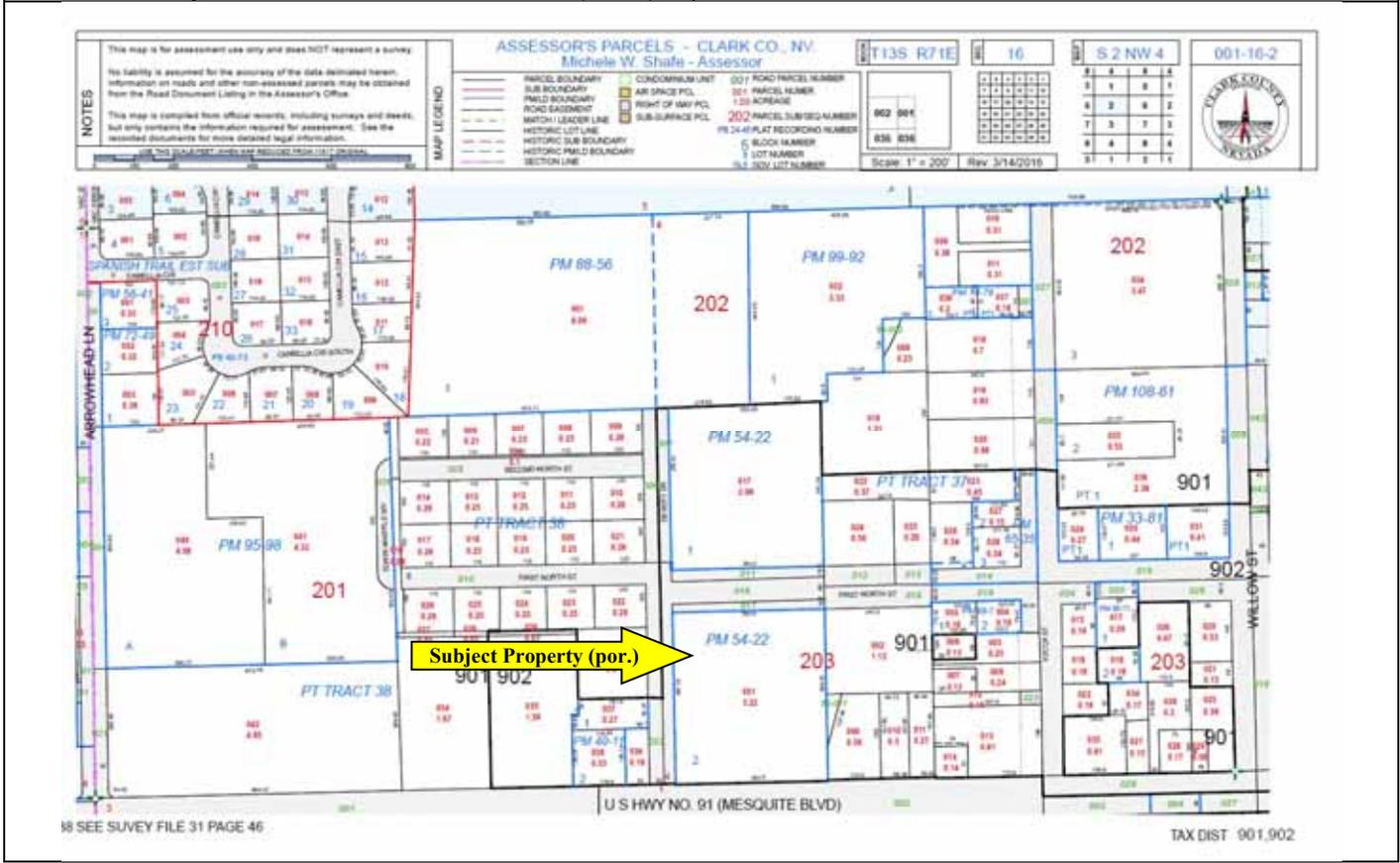
Subject's Subdivided Site

*Parcel Map Completed by Bulloch Engineering, Inc.
 (Dated January 2016)*

SITE DATA

	<p>The subject is located at the northeast corner of West Mesquite Boulevard and Desert Drive.</p> <p>The physical street address is 105 West Mesquite Boulevard in Mesquite, Nevada, 89027. The site has frontage along three improved roadways. The subject site has one curb cut/access point from the south side of 1st North Street, three curb cut/access points from the east side of Desert Drive, and one curb cut/access point of the north side of West Mesquite Boulevard.</p> <p>See Aerial Photograph for visual representation.</p>
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Census Tract:	0056.07
Clark County Assessor's Parcel Number (APN):	001-16-203-001



Size:	<p>Entire Site: 3.22 Acres – 140,129 SF, including drainage channel</p> <p>Useable after deductions for channel: 2.94 Net Acres – 128,045 SF</p> <p>After Subdivision: Parcel 1: 1.63 Net Acres – 71,218 SF Parcel 3: 1.30 Net Acres – 56,827 SF Parcel 2 (drainage): 0.28 Net Acres – 12,084 SF</p>
Shape:	Rectangular
Visibility:	Very Good
Utilities:	All public utilities are readily available. Water-Public; Sewer-Public
FEMA Panel:	 <p>This parcel IS NOT in a 100-year flood zone.</p> <p> <i>Parcel</i> 00116203001 <i>Owner</i> CITY OF MESQUITE <i>Address</i> 105 MESQUITE <i>Entity</i> Mesquite <i>Contact</i> 702-346-5295 <i>Flood Zone</i> This parcel IS NOT in a 100-year flood zone. <i>FIRM Panel</i> View FIRM Panel (0387) <i>LOMR</i> This parcel is not affected by a LOMR </p>
Environmental Observations:	No adverse conditions were noted at the time of the site visit. <i>However, I am not an expert in such matters and this appraisal report assumes that the subject site is not adversely affected by any <u>on-site</u> or <u>off-site</u> environmental hazards.</i>
Zoning	
Zoning Jurisdiction	City of Mesquite
Zoning Designation	CR-3, Commercial – Central Business District
Potential Zone Change:	No – Not in the near future
Assessed Values & Taxes (2015/16 Tax Year)	
Land	\$162,004
Improvements	\$-0-
Personal Property	\$-0-
Gross Assessed Total	\$162,004
Total Taxable Value	\$462,869
Real Estate Taxes (2015/2016) Tax Year	\$4,493.50
Status	Current

HIGHEST AND BEST USE ANALYSIS

Highest and best use, as used in this report, is defined as follows:

“The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.” (Source: *The Dictionary of Real Estate Appraisal, 6th ed.* [Chicago: Appraisal Institute, 2015] page 109)

The four criteria the highest and best use must meet are physically possible, legally permissible, financially feasible and maximally productive.

Highest and Best Use – “As Vacant”

Legally Permissible

The subject is under the jurisdiction of the City of Mesquite and is subject to their zoning regulations. As noted earlier, the subject property is zoned CR-3, Commercial – Central Business District, similar to adjacent properties along West Mesquite Boulevard. Under these zoning regulations, the subject could accommodate an array of commercial related uses.

As stated in the Site Data, the subject property is assumed to not be encumbered with any known easements that adversely affect the site other than the concrete drainage channel which runs along the eastern boundary of site. I know of no other land use restrictions on the subject other than the zoning. Based on the legally permissible uses, it would appear that a commercial development would be legally permissible.

Physically Possible

The subject consists of 3.22 acres of land with good access and visibility from West Mesquite Boulevard. Deducting the portion where the concrete drainage channel runs through, the useable acreage is approximately 2.94 acres. The property is rectangular and is at street grade with the fronting roadway. All utility services are readily available in adequate capacity to support a future use. The subject is also in the process of being subdivided into three individual parcels which would consist of a northern parcel (Parcel 1) totaling 1.63 acres, a southern parcel (Parcel 3) totaling 1.30 acres and Parcel 2 which would be the balance of the site that is 0.28 acres within the concrete drainage channel. Subdividing the site is the physically possible use of the subject site, as vacant.

The physical attributes are similar to other parcels located along major roads throughout the immediate area and especially on West Mesquite Boulevard. Overall, there do not appear to be any physical constraints that would limit development of the property. Physically, the subject could accommodate an array of uses.

Financially Feasible

In determining the financially feasible uses of the property, consideration is given to those uses that are physically and legally permitted. Based on the size and location of the site, the use would be oriented towards a commercial use.

Vacant land in Mesquite has suffered considerably over the past few years. However, certain users have been acquiring sites, some with the intent to either develop properties for their own occupancy or to lease the properties with a potential agreement in place. On a speculative basis, it would be questionable to develop any sort of development in this market. However, with an owner user or secured tenant, and with the current land prices, feasibility is enhanced somewhat.

As vacant, the subject property could accommodate an array of uses if the owner occupant or a secured tenant demanded such development.

Maximally Productive

The final step in concluding the subject's highest and best use is its maximally productive use. This is a projection of the total building area that could be developed on the site based on the physically possible, legally permissible, and financially feasible uses. Based on location, physical characteristics and zoning, it is my opinion that the highest and best use of the site would be for the development of commercial uses, as approved by the City of Mesquite.

Conclusion of Highest and Best Use 'As Vacant'

In conclusion, the highest and best use of the subject site, as vacant, as of June 24, 2016, is for the subdivision into three parcels and for future development of commercial uses.

METHOD OF VALUATION

Valuation Approaches

There are three standard approaches to valuing properties. These are the cost approach, the sales comparison approach, and the income capitalization approach.

The cost approach is based upon the principle that an informed purchaser would pay no more than the cost to produce a substitute property with the same utility as the subject property. It is particularly applicable when the property being appraised involves relatively new improvements, which represent the highest and best use of the land, or when specialized improvements are involved and limited comparable sale data is available.

The sales comparison approach utilizes prices paid in actual market transactions of similar properties to estimate the value of the subject. This appraisal technique is dependent upon analyzing truly comparable sales, which have occurred recently enough to reflect market conditions relative to the time period of the subject appraisal.

The income approach is widely applied in appraising income producing properties. Anticipated net operating income is converted to a present worth through the capitalization process. The income approach relies upon market data to establish current market rents and expense levels to arrive at an expected net operating income.

Subject Valuation Scenario

This is an appraisal report that will provide the “as is” market value of the overall site and market values of Parcels 1 & 3 based on the extraordinary assumption that the overall 3.22 acres is subdivided into three parcels per the Parcel Map completed by the Bulloch Brothers Engineering, Inc. dated January 2016. Since the subject property is vacant land, only the Sales Comparison Approach will be used.

SALES COMPARISON APPROACH

The valuation of the subject site is based on available land sales, or the sales comparison approach. Sales of vacant land parcels with similar highest and best use characteristics to the subject were researched and analyzed. The land sales were then reconciled to an indication of value for the subject site.

For this assignment I was engaged to appraise the subject's "as is" market value of the entire site and appraise the Market Values of the Fee Simple Estates of Parcels 1 and 3 based on the **extraordinary assumption** that the 3.22 acres is subdivided into three parcels per the Parcel Map completed by Bulloch Brothers Engineering, Inc. dated January 2016.

For the purpose of this valuation, I will first conclude the "as is" market value of the entire site and then I will consider the difference in size and orientation of the site of the subject's subdivided parcels (Parcel 1 and 3) to the subject's entire site and conclude unit values for the subject's Parcel 1 and Parcel 3.

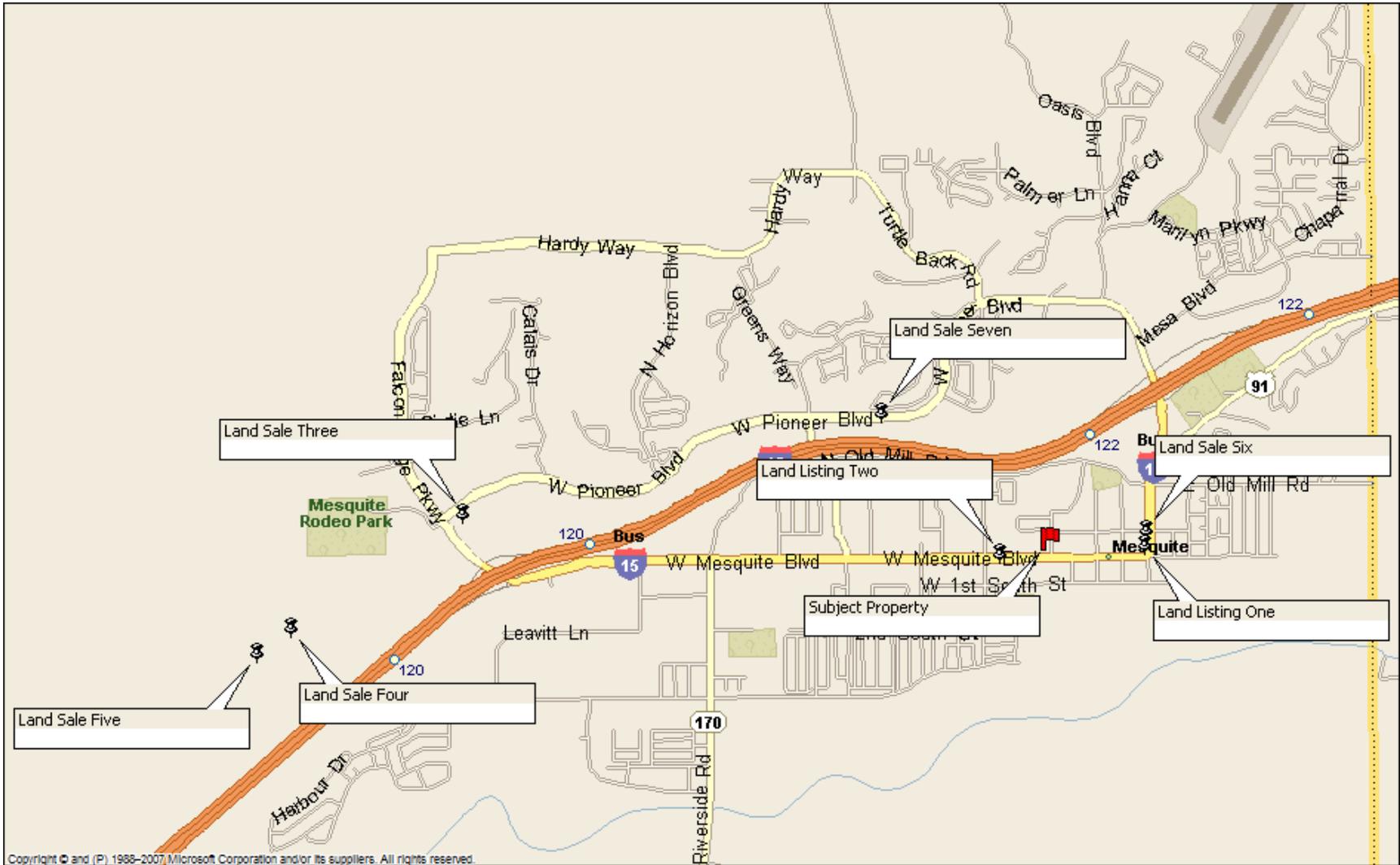
As mentioned, the useable acreage is 2.94 net acres after deducting the portion of the site that the concrete drainage channel runs through. This acreage will be used to conclude a value for the subject site. Since the total site is currently under one ownership and is a total of 3.22 acres, the portion of the property that is within the drainage channel does have some contributory value. It could be used in density calculations and transfer to allow for the useable area to be developed with more building area. This value will also be considered in the final opinion of the "as is" market value.

Mesquite is a community along Interstate 15 between St. George, Utah and Las Vegas. To the best of my knowledge there have been some arm's length transactions (mostly dated) in the last four years. This is based on our search of the Costar Comps database, Property Line, and Clark County records. Further, discussions with Mesquite brokers, real estate agents, and market participants revealed there has been minimal land sales activity. Thus, the comparables presented are considered the best available data. Current listings were also presented for further support.

The following sales and listings were taken from CoStar Comps, Property Line data services, and discussions with local brokers.

COMPARABLE LAND SALES & LISTINGS

Comparable	1	2	3	4	5	6	7
Location	NWC of Mesquite Blvd & Sandhill Blvd Mesquite, NV	352 W. Mesquite Blvd Mesquite, NV	1160 W Pioneer Blvd Mesquite, NV	575 Commerce Street Mesquite, NV	513 Commerce Circle Mesquite, NV	43 N. Sandhill Blvd Mesquite, NV	640 Pioneer Blvd Mesquite, NV
Transaction Date	Listing	Listing	1/29/2016	1/26/2016	9/12/2014	2/21/2014	7/20/2012
Size (Acres)	0.88	1.05	3.15	11.38	2.87	0.21	1.64
Size (Square Feet)	38,333	45,738	137,214	495,713	125,017	9,148	71,438
Sale Price	\$383,328	\$400,000	\$854,900	\$450,000	\$318,000	\$65,000	\$215,000
Price/SF	\$10.00	\$8.75	\$6.23	\$0.91	\$2.54	\$7.11	\$3.01
Parcel Number	001-16-601-011 +	001-16-301-003 +	001-18-210-013	002-24-212-003	002-24-212-015	001-16-603-005	001-17-113-005
Utilities	Available to site	Available to site	Available to site	Available to site	Available to site	Available to site	Available to site
Zoning	CR-3, Central Business District	CR-2, Commercial General	PUD, Planned Unit Development	IR-1, Industrial	IR-1, Light Industrial	CR-3, Central Business District	PUD, Planned Unit Development
Shape	Rectangular	Irregular	Irregular	Irregular	Rectangular	Rectangular	Irregular
Topography	Level	Level	Level	Sloping	Level	Level	Level
Verification	Pat McNaught with Colliers International	Owner - Charlene Hughes	Eric Berggren with Newmark Grubb Knight Frank, CoStar Comps & Public Records	Mark Anthony Rua with Realty Executives	Appraisal Files, Costar Comps & Public Records	Public Records and Deed	Doug Reath with Premier Properties, Co-Star Comps & Public Records Deed



LAND LISTING 1



Project Data	
Location:	This property is located at the northwest corner of Sandhill Boulevard and Mesquite Boulevard.
Assessor's Parcel Number:	001-16-603-009, -010, & -011
Physical Data	
Acres:	0.88
Square Feet:	38,333
Shape:	Non-Adverse
Zoning:	CR-3, Central Business District, City of Mesquite
Topography:	Level
Transaction Data	
Date Listing Verified:	June 2016
Grantor:	B Title, LLC
Grantee:	TBD
Price & Valuation Indicators	
Listing Price:	\$383,328
Price Per SF:	\$10.00
Verification:	Listing broker Pat McNaught with Colliers International, public records
Comments:	
	The site is completed with all on and off sites in place including curb, gutter, and utilities. This property has been on the market for almost a couple years. According to the listing broker there has been very little activity and calls on the property. The site is located in Downtown Mesquite, just east of the subject.

LAND LISTING 2



Project Data	
Location:	This property is located along the south side of West Mesquite Boulevard, east of Arrowhead Lane. The street address is 352 West Mesquite Boulevard, Mesquite, Nevada, 89027
Assessor's Parcel Number:	001-16-301-003 & -035
Physical Data	
Acres:	1.05
Square Feet:	45,738
Shape:	Non-Adverse
Zoning:	CR-2, Commercial-General, City of Mesquite
Topography:	Level
Transaction Data	
Date Listing Verified:	June 2016
Grantor:	Donald and Charlene Hughes
Grantee:	TBD
Price & Valuation Indicators	
Listing Price:	\$400,000
Price Per SF:	\$8.75
Verification:	Owner- Charlene Hughes and Public Records
Comments:	
	The site is completed with all on and off sites in place including curb, gutter, and utilities. The site is located in the Downtown Mesquite area located just west of the subject property. The owner has had the property on the market for some time without any interest.

LAND SALE 3



Project Data	
Location:	This property is located at the southeast corner of Pioneer Boulevard and Falcon Ridge Parkway. The street address is 1160 West Pioneer Boulevard, Mesquite, Nevada, 89027
Assessor's Parcel Number:	001-18-210-013
Physical Data	
Acres:	3.15
Square Feet:	137,214 SF
Shape:	Non-Adverse
Zoning:	PUD, Planned Unit Development, City of Mesquite
Topography:	Level
Transaction Data	
Date of Sale:	January 29, 2016
Grantor:	Chris Podlewski and Karen Manfrede
Grantee:	B H F, LLC
Price & Valuation Indicators	
Listing Price:	\$854,980
Price Per SF:	\$6.23
Verification:	Listing Broker Eric Berggren with Newmark Grubb Knight Frank, Property Line, public records
Comments:	
	The site is completed with all on and off sites in place including curb, gutter, and utilities. The site is situated in front of the Wal-Mart Plaza and is located within one of the newer retail/commercial corridors in the city. The sale was an arm's length transaction and the buyers are end users who plan on developing the site for their Boulevard Homes Furnishing business. Currently they lease the former Walgreens building which is located across the street. The most recent list price was at \$1,190,000, approximately 28% higher than the sales price.

LAND SALE 4



Project Data

Location:	The street address is 575 Commerce Circle, Mesquite, Nevada, 89027
Assessor's Parcel Number:	002-24-212-003

Physical Data

Acres:	11.38
Square Feet:	495,713 SF
Shape:	Non-Adverse
Zoning:	IR-I, Industrial, City of Mesquite
Topography:	Sloping

Transaction Data

Date of Sale:	January 26, 2016
Document Number:	20160126:03125
Grantor:	Armed Forces Bank
Grantee:	Rev Recreation Group Inc.

Price & Valuation Indicators

Sale Price:	\$450,000
Price Per SF:	\$0.91
Verification:	Property Line and Mark Anthony Rua with Realty Executives

Comments:

	The sale was an REO sale. According to the listing broker the property is being purchased by an end user. The most recent list price was \$750,000, approximately 40% above the sales price.
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LAND SALE 5



Project Data

Location:	This property is located at the southwest corner of Commerce Circle and West Pioneer Boulevard. The street address is 513 Commerce Circle, Mesquite, Nevada, 89027
Assessor's Parcel Number:	002-24-212-015

Physical Data

Acres:	2.87
Square Feet:	125,017 SF
Shape:	Non-Adverse
Zoning:	IR-I, Industrial, City of Mesquite
Topography:	Level

Transaction Data

Date of Sale:	September 12, 2014
Document Number:	20140912:01014
Grantor:	RC Mesquite Property LLC
Grantee:	SLEA 508 LLC

Price & Valuation Indicators

Sale Price:	\$318,000
Price Per SF:	\$2.54
Verification:	Appraisal Files, Property Line, CoStar Comps, & public records

Comments:

	Several phone calls were made to the parties related to the sale, but our phone calls were not returned. This comparable is a graded site that slopes slightly towards the south.
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LAND SALE 6



Project Data	
Location:	This property is located at 43 North Sandhill Boulevard, Mesquite, Nevada, 89027
Assessor's Parcel Number:	001-16-603-005
Physical Data	
Gross Acres:	0.21
Square Feet:	9,148
Shape:	Rectangular
Zoning:	CR-3, Central Business District
Off-sites:	All available
Transaction Data	
Date of Sale:	February 21, 2014
Document Number:	20140221:00573
Grantor:	Dorothy Kingsbury Living Trust & Mavourneed Lamb Trust
Grantee:	Logan 2013 Revocable Family Trust
Price & Valuation Indicators	
Sales Price:	\$65,000
Price per SF:	\$7.11
Verification:	Confirmation- Grant, Bargain, Sale Deed, and Public Records
Comments	
	The site is level, graded with all utilities to the site. This site is located adjacent to the north of Land Listing One. The listing broker for Land Listing One, Pat McNaught, was not involved in the sale but knew most of the details regarding the transaction. He indicated the deal was an arm's length transaction and there was previously a single family home on the site that has since been razed since being purchased. He is unaware what the buyers intend on doing with the site

LAND SALE 7



Project Data	
Location:	This property is located at the southeast corner of West Pioneer Boulevard and Grapevine Road. The street address is 640 Pioneer Boulevard, Mesquite, Nevada, 89027
Assessor's Parcel Number:	001-17-113-005
Physical Data	
Acres:	1.64
Square Feet:	71,438
Shape:	Irregular
Zoning:	PUD, Planned Unit Development
Off-sites:	All available
Transaction Data	
Date of Sale:	July 20, 2012
Document Number:	20120720:02412
Grantor:	Greenscope, LLC
Grantee:	Stormrider, LLC
Price & Valuation Indicators	
Sales Price:	\$215,000
Price per SF:	\$3.01
Verification:	Doug Reath with Premier Properties and Grant, Bargain, Sale Deed.
Comments	
	Mr. Reath indicated this sale transaction was arm's length with no unusual sale conditions.

Analysis of Land Sales and Listings

In order to arrive at a market value conclusion for the subject via the comparable land sales, it is necessary to analyze the comparable sales prices for physical/economic characteristics that are similar or dissimilar to those of subject.

Property Rights Conveyed

The market value of the subject, as vacant, is based on the fee simple interest. All of the land sales were conveyed on a fee simple basis, and as a result, no adjustment is warranted.

Terms of Sale

Upon verification of each transaction, the sales transpired on an all cash basis or a cash equivalency basis. Therefore, adjustments for the terms of sale are not needed.

Conditions of Sale

On confirmation of the sales with the respective parties, there were no unusual conditions of sale affecting the five closed transactions and each was reported to be an arm's-length transaction.

Comparables One and Two are listings and need to be adjusted downward. There is a lack of demand for commercial land, specifically near the subject and within Downtown Mesquite. The listings used herein along with other commercial land listings have been on the market for at least a couple years with some being longer. As seen with some of the recent sales, including Comparables Three and Four, they have sold well below their asking prices. Therefore, a 15% downward adjustment is applied Numbers One and Two for being listings.

Market Conditions

The closed sales transacted between the time frame of July 2012 and January 2016. Based on discussions with brokers in the market, the comparables were priced in accordance with the market conditions that have been prevalent over the past few years. As a result, I do not believe a market conditions adjustment is warranted for the closed sales.

Physical Characteristics

The following outlines the remaining adjustments for different physical components.

Location

The subject has excellent frontage along West Mesquite Boulevard within a slightly older area in Mesquite, similar to Comparables One, Two and Six. Comparable Three is located at the southeast corner of Pioneer Boulevard and Falcon Ridge Parkway, located in front of the Wal-Mart shopping center. This area is much newer and has much better access from Interstate 15 when compared to the subject. This newer commercial corridor where Comparable Three is

located is superior to the subject's immediate area. Therefore, Comparable Three is adjusted downward 10%. Comparable Seven is located along the south side of Pioneer Boulevard, east of Falcon Ridge Parkway. This area is east from the Wal-Mart Shopping Center and is rated superior when compared to the subject's location. Therefore, Comparable Seven is also adjusted downward 10%.

Comparables Four and Five are located within an industrial area surrounded by minimal development and mostly vacant land. These comparables are both rated inferior for location and a 10% upward adjustment is applied.

Size

The comparables range in size from 0.21 to 11.38 net acres. I searched for sites similar in size to the subject throughout the Mesquite area. The seven comparables are the best available data. I acknowledge the wide range in sizes, but there were minimal recent sales of sites similar in size to the subject.

The subject site contains approximately 2.94 acres of useable land, similar to Comparables Three and Five.

Comparables One, Two and Seven are smaller than the subject, ranging from 0.88 to 1.64 net acres, and are all rated slightly superior. These three comparables are adjusted downward 5%. Comparable Six is significantly smaller consisting of 0.21 net acres and is adjusted downward 15%.

Comparable Four is much larger than the subject and is adjusted upwards 25% for size. This considers that larger parcels typically sell at a lower unit indicator than smaller parcels.

Topography

The subject is level with all off-sites complete, similar to all the comparables except Comparable Four. That sale does have some off-sites completed but has a sloping terrain which will require more grading costs for future development when compared to the subject. Thus, Comparable Four is rated inferior and adjusted upwards 10%.

Zoning

The subject is zoned CR-3, Central Business District, similar to all the comparables except Comparables Four and Five which are zoned IR-1 Industrial. The subject's commercial zoning allows for a wider range of development when compared to the IR-1, Industrial zoning. Therefore, Comparables Four and Five are rated inferior and adjusted upwards 10%.

The adjustment process is illustrated as follows:

ADJUSTMENT GRID

Comparable	1	2	3	4	5	6	7
Sale Date	Listing	Listing	1/29/2016	1/26/2016	9/12/2014	2/21/2014	7/20/2012
Size (Acres)	0.88	1.05	3.15	11.38	2.87	0.21	1.64
Size (Square Feet)	38,333	45,738	137,214	495,713	125,017	9,148	71,438
Zoning	CR-3, Central Business District	CR-2, Commercial General	PUD, Planned Unit Development	IR-1, Industrial	IR-1, Light Industrial	CR-3, Central Business District	PUD, Planned Unit Development
Topography	Level	Level	Level	Sloping	Level	Level	Level
Sale Price	\$383,328	\$400,000	\$854,900	\$450,000	\$318,000	\$65,000	\$215,000
Price Per Unit	\$10.00	\$8.75	\$6.23	\$0.91	\$2.54	\$7.11	\$3.01
Property Rights	0%	0%	0%	0%	0%	0%	0%
Financing Terms	0%	0%	0%	0%	0%	0%	0%
Conditions of Sale	-15%	-15%	0%	0%	0%	0%	0%
Market Conditions	0%	0%	0%	0%	0%	0%	0%
Subtotal	\$8.50	\$7.43	\$6.23	\$0.91	\$2.54	\$7.11	\$3.01
Location	0%	0%	-10%	10%	10%	0%	-10%
Size	-5%	-5%	0%	25%	0%	-15%	-5%
Topography	0%	0%	0%	10%	0%	0%	0%
Zoning	0%	0%	0%	10%	10%	0%	0%
Total Adjustments	-5%	-5%	-10%	55%	20%	-15%	-15%
Value Indicators	\$8.08	\$7.06	\$5.61	\$1.41	\$3.05	\$6.04	\$2.56

Reconciliation of the "As Is" Market Value Via Sales Comparison Approach

Two current listings and five closed sales have been used in order to value the subject. The unadjusted range of the comparables is \$0.91 to \$10.00 per square foot. This is obviously a very wide range. After adjustments were made for location, size, topography and zoning, the adjusted range indicates a slightly narrower range of \$1.41 to \$8.08 per square foot, with a mid-range unit indicator of approximately \$4.85 per square foot.

As seen, the lowest indicator at \$1.41 per square foot is Comparable Four, which is much larger than the subject and inferior for zoning and topography. The remaining adjusted unit indicators have a tighter range from \$2.56 to \$8.08 per square foot, with a mid-range unit indicator of approximately \$5.40 per square foot.

Although there are signs of improvement within Mesquite, discussions with brokers who have been involved in the local market for some time indicate land is still priced all over the board as the market still remains unstable. This is more prevalent in the subject's immediate area where there is less demand for commercial land (as seen in the commercial sites that have been listed for some time) compared to the newer commercial corridors such as Falcon Ridge and Pioneer Boulevard where there is newer commercial/retail development with better access and visibility from Interstate 15.

During this assignment while having discussions with Doug Reath with Premier Properties in Mesquite, he felt any commercial site located in the subject's immediate area compared to the recent sale of the 3.15-acre commercial site, Comparable Three which is located in the newer portion of Mesquite, would be inferior. He also felt commercial land similar in size to the subject and located in the subject's immediate area could possibly procure a price of \$2.00 to \$4.00 per square foot. Based on the data and the two current listings, this range appears to be low for the subject.

Considering the data presented above and after analyzing the subject's immediate area, the unit value is concluded at \$5.00 per square foot. This indicator acknowledges the recent similar commercial land sale (Comparable Three) and the subject's location and physical characteristics.

Since the total site is currently under one ownership and is a total of 3.22 acres, the portion of the property that is within the drainage channel that is 12,084 square feet or 0.28 acres, does have some contributory value. It could be used in density calculations and transfer to allow for the useable area to be developed with more building area. It is somewhat subjective to value the contribution that the area in the drainage channel adds. The channel is currently an open channel.

If a developer owned and controlled the entire site of 3.22 acres, including the open channel, they would have the option to convert the open channel into an underground concrete box drainage culvert by covering the existing channel. That channel area could be used for parking or landscaping. This would increase the amount of building that could be developed on the useable area of 2.94 acres. However, this alternative would require significant capital and it may not be feasible to cover the channel and make it an underground box culvert.

I appraised another property in the southern part of the Las Vegas Valley that had to have a drainage channel that is approximately 3,700 linear feet in length constructed through it in order to construct a box culvert to lift a portion of the property out of the flood zone and create more useable area. The cost to construct the drainage channel was \$7,330,000, or \$1,981 per linear foot ($\$7,330,000 \div 3,700 \text{ LF}$). However, this total costs includes earthwork, design fees and other costs that have already been spent for the existing subject channel. The hard costs for the box culvert is \$5,400,000, or \$1,460 per linear foot ($\$5,400,000 \div 3,700 \text{ LF}$). However, the existing channel already has a concrete bottom and side walls. Therefore, I have projected a cost to convert the existing channel into a concrete box culvert to be \$730 per linear foot, which is 50% of the cost of \$1,460 per linear foot.

According to the Parcel Map completed by Bulloch Brothers Engineering, Inc. dated January 2016, the existing subject channel is approximately 420 linear feet. Applying the cost of \$730 per linear foot to the length of 420 linear feet equates to a cost of \$306,600 ($420 \text{ LF} \times \730 per LF). That would equate to \$2.39 per square foot based on the useable area of 2.94 net acres ($\$306,600 \div 128,045 \text{ SF}$, or 2.94 acres). A developer of the overall subject property would not spend that amount of capital because the additional building area that could be created by the completion of a box culvert would not generate enough return for that type of investment.

After analyzing the existing open drainage channel and giving consideration to the alternative of converting it into a concrete box culvert not being feasible, it is my opinion that the contributory value of the land area within the drainage channel is \$1.00 per square foot. This is 20% of the base land value of \$5.00 per square foot. This equates to a contributory value of a \$12,084). This will be added to the value of the useable area in order to provide the final opinion of the "as is" market value.

In conclusion, the "As Is" Market Value of subject property, as of June 24, 2016, is as follows:

FINAL OPINION OF THE "AS IS" MARKET VALUE		
Useable Land Area (SF)		128,045
Unit Value	X	\$5.00
Subtotal		\$640,225
Plus: Drainage Channel		<u>\$12,084</u>
Indicated Value		\$652,309
Rounded		<u>\$650,000</u>

EXTRAORDINARY ASSUMPTION: an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the

integrity of data used in an analysis. (Source: *Uniform Standards of Professional Appraisal Practice, 2016-2017 Edition, Appraisal Standards Board of the Appraisal Foundation, Page U-3*)

The “As Is” market value reported above is based on the following Extraordinary Assumption:

The useable acreage (2.94 acres) was calculated by deducting the portion of the site where the concrete drainage channel runs through the site. If the 2.94 useable acres used herein is found to be different, I reserve the right to re-analyze the “as is” market value of the subject property.

If this extraordinary assumption, that is directly related to this specific assignment, as of the effective date of the assignment results, is found to be false, my opinions or conclusions could be altered.

Exposure Time and Marketing Time

Reasonable exposure time for the subject property is projected to be 12 months. Based on the market activity and recognizing the economic climate on both a national and local level as of June 24, 2016, the marketing time for the subject is also projected to be approximately 12 months. Market conditions in the Mesquite area are not anticipated to significantly change in the next few years although there are signs that the local economy is improving.

**MARKET VALUES OF PARCEL 1 AND PARCEL 3 BASED ON THE
EXTRAORDINARY ASSUMPTION THAT THE 3.22 ACRES IS SUBDIVIDED**

According to the Parcel Map completed by Bulloch Brothers Engineering, Inc. dated January 2016, Parcel 1 is the northern portion of the overall site totaling 71,218 square feet or 1.63 net acres. Parcel 1 has frontage along the south side of First North Street and the west side of Desert Drive. Parcel 3 is the south end of the overall site totaling 56,827 square feet or 1.30 net acres. Parcel 3 has frontage along the north side of West Mesquite Boulevard and the west side of Desert Drive.

Once the parcels are individually subdivided, the only significant changes compared to the overall site as a whole, will be the size of the parcels and Parcel 1 not having any frontage and less visibility from West Mesquite Boulevard, the major roadway in the immediate area.

Valuation of Parcel 3

My opinion of the market value for Parcel 3 which will still have corner orientation and frontage and visibility along West Mesquite Boulevard is \$5.50 per square foot, which is an 10% upward adjustment from the \$5.00 per square foot value for the useable land area of 2.94 acres. Parcel 3 will be a smaller, corner site which would require an increase on a price per square foot basis. As seen in the previous section, the “as is” market value for the useable land area of 2.94 acres was concluded at \$5.00 per square foot. Therefore, it is my opinion that the market value for Parcel 3 is \$5.50 per square foot (\$5.00 per SF x 1.10).

Based on the concluded unit value of \$5.50 per square, the Market Value of Parcel 3 based on the **extraordinary assumption** that the 3.22 acres is subdivided into three parcels per the Parcel Map completed by Bulloch Brothers Engineering, Inc. dated January 2016, is as follows:

$$56,827 \text{ SF} \times \$5.50 \text{ Per SF} = \$312,549$$

Rounded To: \$310,000

Valuation of Parcel 1

For Parcel 1, it will not have any frontage along and be set back with less visibility from West Mesquite Boulevard, compared to Parcel 3. It is my opinion that the market value for Parcel 1 is \$5.00 per square foot. When compared to the value of the overall parent parcel, the smaller size of Parcel 1 is offset by the loss of frontage and limited visibility along West Mesquite Boulevard.

Based on the concluded unit value of \$5.00 per square the Market Value of Parcel 1 based on the **extraordinary assumption** that the 3.22 acres is subdivided into three parcels per the Parcel Map completed by Bulloch Brothers Engineering, Inc. dated January 2016, is as follows:

$$71,218 \text{ SF} \times \$5.00 \text{ Per SF} = \$356,090$$

Rounded To: \$360,000

EXTRAORDINARY ASSUMPTION: an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (*Source: Uniform Standards of Professional Appraisal Practice, 2016-2017 Edition, Appraisal Standards Board of the Appraisal Foundation, Page U-3*)

The market values reported above are based on the following Extraordinary Assumption:

The market values of Parcels 1 and 3 are based on the extraordinary assumption that the 3.22 acres is subdivided into the three parcels per the Parcel Map completed by Bulloch Brothers Engineering, Inc. dated January 2016. If the sizes used herein are found to be different, I reserve the right to re-analyze the market values of the subject properties.

If this extraordinary assumption, that is directly related to this specific assignment, as of the effective date of the assignment results, is found to be false, my opinions or conclusions could be altered.

ASSUMPTIONS AND LIMITING CONDITIONS

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

1. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
2. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
3. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
5. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless non-conformity has been stated, defined, and considered in this 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 governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
10. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
11. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

12. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment.

The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The appraiser's value opinion is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report.

No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

13. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
14. Any improvements are assumed to be completed in a good workmanlike manner in accordance with the requirements of the City of Mesquite.
15. Neither Valuation Consultants, nor any of its employees has a financial interest in the property appraised.
16. The fee for this report is not contingent upon the values reported.
17. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures that would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors.
18. It is assumed that all of the land areas and additional information provided to the appraiser are accurate as the appraiser has relied heavily on this data in the valuation process.

Extraordinary Assumptions

EXTRAORDINARY ASSUMPTION: an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (Source: *Uniform Standards of Professional Appraisal Practice, 2016-2017 Edition, Appraisal Standards Board of the Appraisal Foundation, Page U-3*)

The market values reported in this appraisal assignment are based on the following Extraordinary Assumptions:

- 1) The useable acreage (2.94 acres) was calculated by deducting the portion of the site where the concrete drainage channel runs through the site. If the 2.94 useable acres used herein is found to be different, I reserve the right to re-analyze the "as is" market value of the subject property.
- 2) The market values of Parcels 1 and 3 concluded in the report are based on the extraordinary assumption that the 3.22 acres is subdivided into the three parcels per the Parcel Map completed by Bulloch Brothers Engineering, Inc. dated January 2016.

If these extraordinary assumptions, that are directly related to this specific assignment, as of the effective date of the assignment results, are found to be false, my opinions or conclusions could be altered.

CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the assumptions and limiting conditions stated in this appraisal report, and are my personal, unbiased professional analyses, opinions and conclusions.
- There is no present or prospective interest in the property that is the subject of this report and no personal interest or bias with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of the appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the 2016-2017 Edition of the *Uniform Standards of Professional Appraisal Practice* (USPAP) as published by the Appraisal Foundation.
- Keith Harper, MAI has made a personal visit of the property that is the subject of this report.
- Daniel J. Bell provided significant real property appraisal assistance to the person signing this report.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- The appraiser certifies that his applicable state registration/certification has not been revoked, suspended, canceled, or restricted.
- As of the date of this report, I, Keith Harper, MAI, has completed the continuing education program for the Designated Members of the Appraisal Institute.

VALUATION CONSULTANTS



Keith Harper, MAI
Certified General Appraiser
License Number A.0000604-CG
State of Nevada
Expires: March 31, 2018

ADDENDA

**PARCEL MAP AS COMPLETED BY
BULLOCH BROTHERS ENGINEERING, INC.
Dated January 2016**

LETTER OF ENGAGEMENT

AGREEMENT FOR PROFESSIONAL APPRAISAL SERVICES

DATE OF AGREEMENT: JUNE 14, 2016

PARTIES TO AGREEMENT:

Client:

CITY OF MESQUITE
ATTN: Aaron Baker
City Liaison Officer
10 East Mesquite Boulevard
Mesquite, Nevada 89027

**VALUATION
CONSULTANTS**

4200 Cannoli Circle
Las Vegas, Nevada 89103-5404
(702) 222-0018; Fax (702) 222-0047
kharper@valconlv.com

Client hereby engages Valuation Consultants to complete appraisal assignments as follows:

IDENTIFICATION OF THE SUBJECT PROPERTIES

The subject properties are: 1) 3.22 acres of vacant land located at the northeast corner of West Mesquite Boulevard and Desert Drive, City of Mesquite, Clark County, Nevada 89027. This property is also identified as being Clark County Assessor's Parcel Number (APN) 001-16-203-001. And, 2) the existing public library located at 121 West First North Street, City of Mesquite, Clark County, Nevada 89027. This property is also identified as being a portion of Clark County Assessor's Parcel Number (APN) 001-16-202-017.

PROPERTY TYPES

- 1) Vacant land
- 2) Public Library on 1.13 acres of land

INTERESTS VALUED

The interest that will be valued for both properties is the fee simple estate.

INTENDED USERS

City of Mesquite

INTENDED USES

The intended use of this appraisal is to assist in the internal decision making process.

TYPE OF VALUE

"Market Value" as defined by the Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [f].)

DATES OF VALUE

As of the date of the property visits

HYPOTHETICAL CONDITIONS, EXTRAORDINARY ASSUMPTIONS

The appraisal of Property 1 will be completed with the extraordinary assumption that it will be subdivided into the three parcels per the Parcel Map completed by Bulloch Brothers Engineering, Inc. dated January 2016.

The appraisal of Property 2 will be completed with the extraordinary assumption that the library, associated improvements and underlying land of 1.13 acres will be subdivided and recorded as Parcel 1 per the Parcel Map completed by Bulloch Brothers Engineering, Inc. dated January 2016.

APPLICABLE REQUIREMENTS OTHER THAN THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP)

The Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute

PURPOSE OF THE APPRAISALS

The purpose of the reports will be to provide opinions of value based on the following value premises:

Property 1

- ▶ “As Is” Market Value of the Fee Simple Estate of the 3.22 Acres
- ▶ Market Values of the Fee Simple Estates of Parcels 1 and 3 based on the extraordinary assumption that the 3.22 acres is subdivided into the three parcels per the Parcel Map completed by Bulloch Brothers Engineering, Inc. dated January 2016

Property 2

- ▶ “As Is” Market Value of the Fee Simple Estate based on the extraordinary assumption that the 1.13 acres is subdivided as Parcel 1 per the Parcel Map completed by Bulloch Brothers Engineering, Inc. dated January 2016. We will also provide an opinion of the land value of the 1.13 acres and the building value.

ANTICIPATED SCOPES OF WORK

Property 1 - Site Visit, analysis of comparable vacant land sales and an analysis of the subject’s physical and legal characteristics.

Property 2 - Site Visit, analysis of comparable land sales and public libraries and an analysis of the subject’s physical and legal characteristics.

VALUATION APPROACHES

Property 1 - Sales comparison approach

Property 2 – Cost approach

APPRAISAL REPORTS

Report option: Appraisal Reports

Form or format: Narrative

DELIVERY DATE

On or before July 5, 2016

DELIVERY METHOD/ NUMBER OF COPIES

E-mail PDFs of both appraisals and up to three printed copies of each report, if requested.

PAYMENT TO APPRAISER

Total of \$3,500; \$2,000 for Property 1 and \$1,500 for Property 2

PROPERTIES UNDER CONTRACT FOR SALE

If the properties being appraised are under contract for sale, Client shall provide to Appraiser a copy of said contract including the Addenda.

CONFIDENTIALITY

Appraiser shall not provide a copy of the written Appraisal Reports to, or disclose the results of the appraisals prepared in accordance with this Agreement with, any party other than Client, unless Client authorizes, except as stipulated in the Confidentiality Section of the ETHICS RULE of the *Uniform Standards of Professional Appraisal Practice* (USPAP).

CHANGES TO AGREEMENT

Any changes to the assignment as outlined in this Agreement shall necessitate a new Agreement. The identity of the client, intended users, or intended uses, the dates of value, the types of value or the properties appraised, cannot be changed without a new Agreement.

CANCELLATION

Client may cancel this Agreement at any time prior to the Appraiser's delivery of the Appraisal Reports upon written notification to the Appraiser. Client shall pay Appraiser for work completed on the assignment prior to Appraiser's receipt of written cancellation notice, unless otherwise agreed upon by Appraiser and Client in writing.

NO THIRD PARTY BENEFICIARIES

Nothing in this Agreement shall create a contractual relationship between the Appraiser or the Client and any third party, or any cause of action in favor of any third party. This Agreement shall not be construed to render any person or entity a third party beneficiary of this Agreement, including, but not limited to, any third parties identified herein.

USE OF EMPLOYEES OR INDEPENDENT CONTRACTORS

Appraiser may use employees or independent contractors at Appraiser's discretion to complete the assignment, unless otherwise agreed by the parties. Notwithstanding, Appraiser shall sign the written Appraisal Reports and take full responsibility for the services provided as a result of this Agreement.

TESTIMONY AT COURT OR OTHER PROCEEDINGS

Unless otherwise stated in this Agreement, Client agrees that Appraiser's assignment pursuant to this Agreement shall not include the Appraiser's participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery, sworn testimony in a judicial, arbitration or administrative proceeding, or attendance at any judicial, arbitration, or administrative proceeding relating to this assignment.

APPRAISER INDEPENDENCE

Appraiser cannot agree to provide a value opinion that is contingent on a predetermined amount. Appraiser cannot guarantee the outcome of the assignment in advance. Appraiser cannot insure that the opinions of value developed as a result of this Assignment will serve to facilitate any specific objective by Client or others or advance any particular cause. Appraiser's opinions of value will be developed competently and with independence, impartiality and objectivity.

EXPIRATION OF AGREEMENT

This Agreement is valid only if signed by both Appraiser and Client within five (5) days of the Date of Agreement specified.

GOVERNING LAW & JURISDICTION

The interpretation and enforcement of this Agreement shall be governed by the laws of the state in which the Appraiser's principal place of business is located, exclusive of any choice of law rules.

In addition to all other terms and conditions of this agreement, the client and the Appraiser agree that the appraisal services under this agreement and the appraisal reports, and any use of the reports, is and will be subject to the statements, limiting conditions and other terms set forth in the final appraisal reports.

If this proposal is acceptable, please authorize the Appraiser to proceed with the two appraisals by signing below.

If you have any questions concerning this proposal, please do not hesitate to call Keith Harper, MAI at (702) 222-0018, extension 11 or on his cell phone at (702) 303-0533.

Respectively submitted,

VALUATION CONSULTANTS



Keith Harper, MAI
Certified General Appraiser
License Number A.0000604-CG
State of Nevada
Expires - March 31, 2018

Acknowledged and Agreed by:

By: _____

Date: _____

QUALIFICATIONS OF THE APPRAISER

QUALIFICATIONS OF KEITH HARPER, MAI

I, Keith Harper, MAI graduated with a Bachelor of Arts from the University of Texas at Austin. I am currently President/Owner of Harper Appraisal, Inc. a Nevada corporation dba Valuation Consultants located at 4200 Cannoli Circle, Las Vegas, Nevada, 89103-5404. My direct phone number is (702) 222-0018, ext. 11 and the fax number is (702) 222-0047. My email address is kharper@valconlv.com. A partial resume of specific qualifications is outlined as follows:

Professional Memberships and Licenses Held

Designated Member of the Appraisal Institute #9262

Certified General Appraiser - Nevada, License Number A.0000604-CG, Expires March 31, 2018

Las Vegas Chapter of the Appraisal Institute

1994 – Vice President

1995 – President

1995 – Regional Representative

2010 – Nominating Committee

Latter Part of 2010 – Government Relations Chair

2011 to 2015 – Government Relations Chair and/or Government Relations Committee

Nevada Department of Taxation

Member, State Board of Equalization – Appointed in April 2013

University of Nevada – Las Vegas

Spring Semester 2011 – Part Time Instructor; RE 333 Real Estate Valuation

Spring Semester 2012 – Part Time Instructor; RE 333 Real Estate Valuation

Spring Semester 2013 – Part Time Instructor; RE 333 Real Estate Valuation

Formal Education

University of Texas at Austin, B.A., August 1984, Minor in Business Administration

Appraisal Education

- 1985 The Appraisal Institute's Course 1A1 – R.E. Appraisal Principles
- 1986 The Appraisal Institute's Course 1A2 – Basic Valuation Procedures
- 1986 The Appraisal Institute's Course 1BA – Cap Theory & Tech, Part A
- 1987 International Right of Way Association – The Appraisal of Partial Acquisitions
- 1987 The Appraisal Institute's Course 1BB – Cap Theory & Tech, Part B
- 1987 International Right of Way Association – Skills of Expert Testimony
- 1987 International Right of Way Association – Easement Valuation
- 1988 The Appraisal Institute's Course 022 – Valuation Analysis and Report Writing

- 1989 The Appraisal Institute's Course SPP – Standards of Professional Practice
- 1990 International Right of Way Association – Legal Aspects of Easements
- 1990 The Appraisal Institute's Course 2-1 – Case Studies in R.E. Valuation
- 1992 The Real Estate Exam Center's Course – Nevada Appraisal Law
- 1993 Bank of California – Commercial Fee Panel Seminar
- 1993 The Appraisal Institute's Course I410 – Standards of Professional Practice, Part A
- 1993 The Appraisal Institute's Course II420 – Standards of Professional Practice, Part B
- 1994 International Right of Way Association Course 101 – Law (Principles of Land Acquisition, Law Segment)
- 1994 The Appraisal Institute's Program – Cash Equivalency
- 1995 The Appraisal Institute Program – Marketing for Appraisers
- 1997 Commercial Investment Real Estate Institute – CI 101: Financial Analysis for Commercial Investment Real Estate
- 1997 The Appraisal Institute's Program – Litigation Appraisals and Expert Testimony: Mock Trial
- 1997 The Appraisal Institute's Program R600 – The FHA Appraisal
- 1997 The Appraisal Institute's Program – Understanding and Using DCF Software
- 1998 The Appraisal Institute's Program R6127 – Historic and Estate Homes
- 1999 The Appraisal Institute's Course II430 – *Uniform Standards of Professional Appraisal Practice (USPAP) Part C*
- 2000 The Appraisal Institute's Course #A7478 – Attacking and Defending an Appraisal in Litigation
- 2000 Nevada Appraisal Seminars – Appraising Atypical Properties
- 2001 The Appraisal Institute's Program – Condemnation Appraising: Basic Principles and Applications
- 2002 Course Sponsored by Gregory A. Hoefler, MAI and Approved for Continuing Appraisal Education by The Nevada Commission of Appraisers – National USPAP 2002 Update – A7453ES
- 2002 The Chicopee Group – Introduction to Commercial Appraising
- 2002 The Appraisal Institute's Online Course – Internet Search Strategies for R.E. Appraisers
- 2002 The Appraisal Institute's Program – Appraisal Consulting
- 2002 The Appraisal Institute's Course SE700 – The Appraiser as an Expert Witness: Preparation and Testimony
- 2003 United States Department of the Interior BLM Workshop – SNPLMA Appraisal Compliance Nevada Course Code A7681
- 2004 CLE International – Eminent Domain Conference
- 2004 Institute for Real Estate and Appraisal Studies – 7-Hour National USPAP Course
- 2005 CLE International – Eminent Domain Conference
- 2006 The Appraisal Institute's Course 1400 – 7-Hour National USPAP Update
- 2006 Institute for Real Estate and Appraisal Studies – Highest and Best Use
- 2006 The Appraisal Institute's Online Course - Analyzing Operating Expenses
- 2007 The Appraisal Institute's Online Course 420 - Business Practice and Ethics

- 2007 The Appraisal Institute's Program Online Course - Analyzing Distressed Real Estate
- 2007 The Appraisal Institute's Online Course - Condominiums, Co-ops and PUDs
- 2007 The Appraisal Institute's Online Course - Cool Tools: New Technology for Real Estate Appraisers
- 2007 The Appraisal Institute's Online Course – What Commercial Clients Would Like Appraisers to Know
- 2007 The Appraisal Institute's Online Course - Scope of Work: Expanding Your Range of Services
- 2007 The Appraisal Institute's Online Course – Apartment Appraisal, Concepts & Applications
- 2008 Las Vegas Chapter of the Appraisal Institute's Seminar – Spotlight on Common Errors and Confidentiality USPAP Issues
- 2008 The Appraisal Institute's Course 1400 – 7-Hour National USPAP Update
- 2010 The Appraisal Institute's Seminar – Appraisal Policy Changes: Challenges & Opportunities
- 2010 The Appraisal Institute's Online Course - Business Practices and Ethics
- 2010 The Appraisal Institute's Online Course - Supervising Appraisal Trainees
- 2010 The Appraisal Institute's Online Course - Eminent Domain and Condemnation
- 2010 The Appraisal Institute's Online Course – Site Use and Valuation Analysis
- 2010 The Appraisal Institute's Course – 7-Hour National USPAP Update
- 2010 The Appraisal Institute's Seminar – Appraisal Regulatory Update
- 2010 Coalition of Appraisers in Nevada - Legislative Update
- 2011 Las Vegas Market Symposium 2011
- 2012 The Appraisal Institute's Course – 7-Hour National USPAP Update
- 2012 The Appraisal Institute's Course – Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets
- 2013 Las Vegas Market Symposium – November 7, 2013
- 2014 The Appraisal Institute's Course – 7-Hour National USPAP Update
- 2014 The Appraisal Institute's Online Course – Comparative Analysis
- 2014 The Appraisal Institute's Online Course – Data Verification Methods
- 2014 The Appraisal Institute's Online Course – Business Practices and Ethics
- 2015 Las Vegas Market Symposium – November 5, 2015
- 2016 The Appraisal Institute's Course – 7-Hour National USPAP Update
- 2016 The Appraisal Institute's Online Course – Thinking Outside the Form
- 2016 The Appraisal Institute's Online Course – The Discounted Cash Flow Model: Concepts, Issues, and Applications
- 2016 The Appraisal Institute's Online Course – Using Your HP12C Financial Calculator

Experience

In 1985, I started my career as a commercial appraiser when I joined Trans-Texas Land Services in Austin, Texas. During 1985 to 1988, I was associated with this firm that specialized in the field of eminent domain. I was involved in their commercial appraisal and right-of-way acquisition departments. I was then associated for four years from 1988 to 1992 as a Vice President of

McCluskey-Jenkins Appraisal, Inc. also in Austin. During my employment at this firm, I was involved in the analysis and valuation of commercial real estate.

In March of 1992, I moved to Las Vegas and started an office as one of the three owners/partners of Morgan, Beebe & Harper, Inc. which had been legally incorporated in The State of Texas as of the effective date of February 20, 1992. This partnership was ended in late 1997, but this Texas Corporation and partnership was not legally dissolved until Articles of Dissolution were filed with The State of Texas Secretary of State on January 12, 2000. I filed Articles of Incorporation with the State of Nevada Secretary of State on December 28, 1999 in order to form a new Nevada Corporation known as Morgan, Beebe & Harper of Nevada, Inc. I am the 100 percent shareholder of this corporation.

On August 28, 1998, I formed a new partnership and we filed Articles of Organization with the State of Nevada Secretary of State that formed Valuation Consultants, LLC, a Nevada limited liability company. Valuation Consultants, LLC dba Snyder-Harper & Associates operated until this partnership was ended as of April 1, 2006. A legal Dissolution of Valuation Consultants, LLC was filed with the State of Nevada Secretary of State effective as of July 28, 2006. Since April 1, 2006 through December 31, 2012, I operated as the 100 percent owner of Morgan, Beebe & Harper of Nevada, Inc., a Nevada corporation dba Valuation Consultants.

On January 1, 2013, Larry Snyder, MAI and I formed a new partnership, Harper-Snyder & Associates, LLC, a Nevada limited liability company. We operated under the legal entity of Harper-Snyder & Associates, LLC, a Nevada limited liability company dba Valuation Consultants until this LLC was dissolved on December 31, 2014.

As of January 1, 2015, I am operating as the 100 percent owner of Harper Appraisal, Inc., a Nevada corporation dba Valuation Consultants.

I have over 30 years of experience in the appraisal of a variety of commercial properties.

Types of Properties Appraised/Services Provided

Adult Use, Apartments, Condemnation (total and partial takes), Condominium Projects (High-Rise and Garden Style), Daycare Facilities, Gaming Resorts, Golf Courses, Health/Fitness Centers, Hotels, Industrial Properties, Leasehold/Leased Fee Interests, Litigation Support, Master Planned Communities (Residential and Commercial), Medical Offices, Motels, Office Buildings/Complexes, Residential Subdivisions, Retail Projects, Self-Storage Facilities, Taverns, Triple Net Properties, Vacant Land (all types).

I assist companies in cases involving disputes arising from transactions involving real estate appraisals and estimated valuation opinions of real estate. I have been involved in various real estate litigations involving the application of proper appraisal standards such as FIRREA and USPAP. I help counsel evaluate real estate appraisal issues, identify key documents obtained during discovery and prepare for depositions and trial, and draft court filings. I have testified before the District Courts in Nevada and the Federal Bankruptcy Courts. I have also provided

litigation consulting services on real estate appraisal matters to various parties throughout the State of Nevada.

Clients

Clients include banks, other lenders, insurance companies, attorneys and private parties. A list is available upon request.

APPRAISER CERTIFICATE

STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY

NOT TRANSFERABLE REAL ESTATE DIVISION NOT TRANSFERABLE

This is to Certify That : KEITH HARPER

Certificate Number: A.0000604-CG

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

Issue Date: March 24, 2016

Expire Date: March 31, 2018

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



FOR: VALUATION CONSULTANTS
4200 CANNOLI CIRCLE
LAS VEGAS, NV 89103

REAL ESTATE DIVISION

JOSEPH (JD) DECKER
Administrator