

LUBAWY & ASSOCIATES
REAL ESTATE APPRAISERS AND CONSULTANTS

September 28, 2005

Ms. Julie Quisenberry
Senior Economic Development Officer,
City of Las Vegas
400 Stewart Avenue
Las Vegas, Nevada 89101

File # 05-291

Re: A Complete Self-Contained Appraisal Report of the Existing Royal Links Golf Course
Situating on 160.78 Net Acres of Land,
Located at 5995 Vegas Valley Road,
Las Vegas, Clark County, Nevada 89142

Dear Ms. Quisenberry:

As requested, we have prepared a Complete Self-Contained Appraisal Report of the Royal Links Golf Course as a Going Concern and the current market value of the 160.78 acres of land under the Hypothetical Condition that the deed restriction limiting use of the site to a golf course was lifted and the land was available for development with single-family homes. The clubhouse has a street address of 5995 Vegas Valley Road, Las Vegas, Clark County, Nevada.

The entire property contains a land area of approximately 160.78 acres, which can be further identified as Clark County Assessor's Parcel Numbers 161-09-801-002 and 161-10-202-001, which are approximately 128.42 and 32.36 net acres in size, respectively. Although the subject is located within unincorporated Clark County, it was purchased from the City of Las Vegas, who placed a deed restriction on the property prior to selling it to Golf Club Illinois Inc. which limits the use of the site to a golf course use only. The current owner is negotiating with the City of Las Vegas to have the deed restriction lifted so the property can be redeveloped with single-family residences, which has already been approved by Clark County at a density of up to 8 units per gross acre.

It should be noted that our opinion of value, under the "Hypothetical" condition of the deed restriction not encumbering the site, gives no consideration to the contributory value of the reclaimed water that the City of Las Vegas would return to the Colorado River for future water credits. It also does not give any consideration to any value associated with the right to use water by Golf Club Illinois Inc. since it appears there is no value to Golf Club other than use as effluent water for golf course irrigation purposes.

The Royal Links Golf Course is an 18-hole course with a maximum yardage of 7,029 yards. As of the effective date of valuation, the site is improved with a 5,805 square foot club house with 5,568 square feet of basement cart storage, an 8,380 square foot maintenance facility, two remote restrooms on the golf course, an asphalt-paved parking lot and miscellaneous improvements. The existing golf course was completed in 1998.

We have made an inspection of the site and have analyzed all necessary data for the purpose of forming a supportable opinion of the respective market values. The supporting data, analyses and conclusions used to form an opinion of the market values of the subject property are contained in the accompanying report and addenda. This letter by itself should not be construed as a complete report.

This is a Complete Appraisal, Self-Contained Report which is intended to comply with reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP), for a Self-Contained Report and Standard 1 for a complete appraisal. No departures from the USPAP have been invoked.

The purpose of this appraisal report is to form an opinion of the current market value of the golf course as a Going Concern as of September 20, 2005 and the current market value of the 160.78 acres of land under the hypothetical condition that the deed restriction restricting use of the site to a golf course did not encumber the site.

The client of this report and the intended user is the City of Las Vegas. The intended use of this report is to assist City of Las Vegas in determining whether or not to remove the Deed Restriction limiting the use of the site to a golf course.

Based upon an analysis of the market data and subject to the assumptions and limiting conditions contained within this report, we have formed an opinion of the respective market values of the subject property in fee simple ownership as follows:

MARKET VALUE OPINIONS	PROPERTY RIGHTS APPRAISED	EFFECTIVE DATES OF VALUE	MARKET VALUES
Current Market Value	Fee Simple	September 20, 2005	\$27,000,000
Market Value of the 160.78 acres of land with the Hypothetical Condition of the deed restriction limiting use of the site to a golf course removed	Fee Simple	September 20, 2005	\$55,700,000
FF&E	Fee Simple	September 20, 2005	\$500,000

As required by the Uniform Standards of Professional Appraisal Practice (USPAP) the value of furniture, fixtures and equipment (FF&E) has been valued separately from the respective market values. The FF&E consists of furniture, kitchen and equipment, exclusive of the leased equipment.