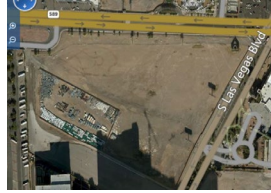


FUNDAMENTALS OF CASINO LOCATIONS

- MAIN CORRIDOR STRIP
- SUBURBAN, INTERCHANGE,
- RURAL HIGHWAY, DESTINATION RESORT,
- WATER FRONT, GOLF, OR CASINO UNIQUE MULTIFUNCTION RESORT
- ACCESS, TRAFFIC COUNTS, TRAFFIC TYPE?
- VISIBILITY HORIZONTAL AND VERTICAL
- GUESTROOM VIEWS, ADVERSE INFLUENCES, (BORGATA) OR COMPLIMENTARY USES, OR SHADOW LOCATION
- DEMOGRAPHICS & MARKET AREA



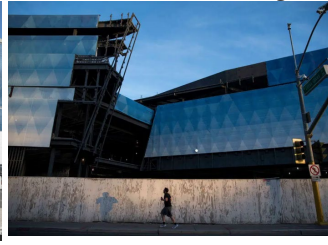
17

HIGHEST AND BEST USE

- “AS VACANT” THE HIGHEST USES OBTAINABLE
- “AS IS” IF IMPROVED, DOES THE INCOME SUPPORT A RETURN TO THE LAND, IMPROVEMENTS, & FF&E BEFORE ANY CONSIDERATION OF GOOD WILL?
- “IN TRANSITION” DOES THE CURRENT OPERATION SUPPORT A HOLDING PERIOD FOR DEMOLITION OR REMODELLING FOR A CASINO OR A DIFFERENT USE?

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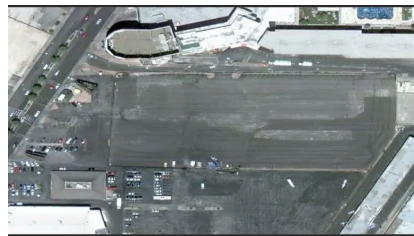
The Best Laid Plans Can Go Awry



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FINDING SITE LIMITATIONS

- Physical Limitations on the Land Use?
- Special Gaming Zoning defined as a Special Purpose, or a Typical Commercial Zoning?
- As Vacant, does Highest and Best Use suggest a Broader Zoning Potential for a Change in Use?
- Do Municipal License Agreements Place Restrictions on the Land Use per the Original Construction?
- Finally does the Casino Market Support Additional Casinos?



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Las Vegas has Vacant Sites Just Waiting to be Built & Waiting & Waiting

- The City of Implosions, in the last few decades there have been 14 demolitions with almost half of the sites remaining vacant.



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BESIDES NEVADA, THERE ARE 39 STATES WITH CASINOS. AVAILABLE LAND SALES MAY BE LOCAL, NON LOCAL, OR OUT OF STATE: COMPARABILITY IS THE ISSUE

- Casino Land Purchases Out of State are Difficult
- Local Casino Land Purchases are Rarer, Except LV
- Non-Local In State Casino Land Purchases are Possible with Similar Locations,
- Local Commercial Land Sales for Malls, Resorts, Water Parks, Amusement Parks, or High Rise Developments May be the Best Possibility as Competing Uses

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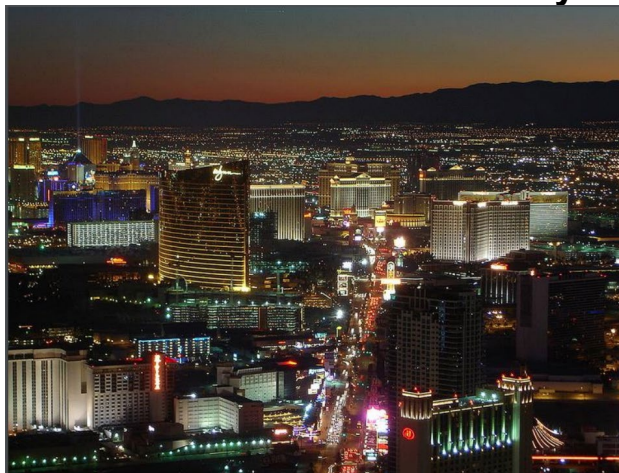
WHY THE GREAT DEMAND FOR LARGER LAND PARCELS FOR CASINOS?

- Today the Casino Floor produces less than 35% of Gross Property Revenue while multiple income sources boost profitability. The largest Las Vegas gaming floors are only 150,000 square feet with more than several million square feet in amenities and hotel rooms. The MGM Grand has 5,757 Hotel Rooms, well over 3mn SF.
- Gaming Companies bring 40 million visitors to Las Vegas alone and Gamers in other states are aggressively tapping this market
- Expected high visitation creates demand for more land leading to scarcity, competition and higher prices everywhere.

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Casino Floors at 3-4% of building area with extensive site development create corridors of commercial density .

- Shadow
- Upon Shadow
- A Glamorous
- Shadow w/
- Multiple
- Competing
- Traffic
- Generators



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**COMPETING SITES CREATE COMPETING
IMAGERY AND SIDEWALK ATTRACTIONS--
DESCRIBING ALL OF THE IMPROVEMENTS IS
ESSENTIAL FOR APPLYING COSTS AND
DEPRECIATION:**

- DETAILS OF CONSTRUCTION AND DIMENSIONS
- UPGRADE AND RENOVATION ISSUES
- FUNCTIONALITY OF ACCESS, CORRIDORS, CASINO LAYOUT, ELEVATORS, MECHANICALS, HOUSEKEEPING, GUEST ROOMS, GUEST SERVICES (RESTAURANTS, LOUNGES, POOL, EXERCISE, BUSINESS OFFICE, THEATRES, NIGHT CLUBS, BOXING, CIRCUSES. ETC)
- LOBBY, DÉCOR, INTERIOR AND EXTERIOR THEME FINISHES.
- CONDITION RATING OF PROPERTY COMPONENTS, LIGHTING, SIGNAGE, PARKING, AND LANDSCAPING

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APPLYING COST ESTIMATING

- Investigate Cost Indexes to Update Original Costs, Compare with the Booked Costs Recorded by the Gambling Commission, Utilize Unit in Place Replacement Cost by a Cost Manual, or Segregated & Component Cost Manuals, Contractor Estimates, Subcontractor Estimates, Architects, & Engineers.
- Consult Life Expectancy Guidelines, i.e. Marshall Valuation, RS Means, Determine Effective Age and Typical Life Expectancy

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