

*Fourth Revised*

June 23, 2016

Mr. Tom Perrigo, Planning Director  
City of Las Vegas  
Department of Planning  
333 North Rancho Drive  
Las Vegas, NV 89106

RE: Justification Letter regarding the Major Modification to the 1990 Peccole Ranch overall Conceptual Master Plan (hereinafter“1990 Amendment”)

Dear Mr. Perrigo:

At the heart of this Major Modification lays a simple truth. The golf course is going away. It cannot reasonably be saved by the Applicants or by anyone else for that matter. But by purchasing the golf course property and thereby rescuing it from sale (and development) simply to the highest bidder, the Applicants could control and thereby guarantee that the development of the land on which the golf course is operated would be accomplished in a way that ensures that Queensridge will retain the uniqueness that makes living in Queensridge so special. As those who have worked with the Applicants from the very beginning will readily attest, this purpose has always been intended to be realized by creating a limited number of large Estate Lots and correspondingly beautifully designed custom homes; a development unparalleled anywhere else in Nevada. And by preserving, enhancing and providing a sanctuary for the large variety of the natural wildlife who also call Queensridge home. And by creating a development that Applicants believe will increase, not just maintain, property values for all who live in Queensridge, not just those who live on the golf course.

And additionally, to place needed residential density in an area of Queensridge that can be readily served by planned and existing roadways and where Luxury Multi Family development, with a variety of offerings, with substantial amounts of amenities and beautifully enhanced open space and landscape buffers to adjacent residences, can be nestled among already existing commercial and higher density residential uses.

It is with this unwavering vision of these repurposed uses that this Major Modification is submitted.

The purpose of this Major Modification of the 1990 Amendment (hereinafter “2016 Major Modification”), which represents a Major Modification to the 1990 Amendment is solely to:

1. Modify, commensurate with its repurposing, the land use designations for 250.92 acres upon which the Badlands Golf Course (hereinafter “Property”) is currently operated;

2. Allow on the Property twenty four hundred (2,400) Luxury Multi Family Units together with 200 Assisted Living Units; and, seventy five (75) Estate Lots, all as specified in the 2016 Major Modification.
3. Remove from the 1990 Amendment a portion of a certain parcel of land which parcel is located partially within and partially outside of the 1990 Amendment, more specifically that approximate 17.8 acre portion of APN 138-32-723-001.

### History of Ownership

On March 2, 2015, the stock of Fore Stars, Ltd. was acquired (through various entities and family limited partnerships) by the same principals as EHB Companies LLC (hereinafter collectively “New Ownership”). The Peccole Ranch Partnership was the development entity which established and secured approval from the City of Las Vegas for both the 1989 Peccole Ranch Conceptual Master Plan and the 1990 Master Plan. Subsequent to the formation of that Partnership and approval of the 1990 Master Plan, the Peccole Trust became the successor in interest to the 1990 Master Plan property. The Peccole Trust later transferred its interests in the 1990 Master Plan property, which included the Property, to Nevada Legacy 14 LLC. Nevada Legacy 14 LLC then transferred its interests in the Property to its affiliate, Fore Stars, Ltd.

On June 18, 2015, the 248.79 acres of the Property zoned RPD-7 was transferred from Fore Stars, Ltd. to two affiliates: (i) 180 Land Co LLC (178.27 acres) and (ii) Seventy Acres LLC (70.52 acres). Fore Stars, Ltd. retained the 2.13 acres of the Property zoned PD.

### Current State of The Golf Industry

Despite the best efforts of New Ownership in exploring the continuation of golf course use on a portion of the Property, it became clear that the operation of a golf course on the Property was not viable. Some of the reasons for this include: the condition of the golf course, costs of deferred maintenance, drought conditions in the southwest, water costs, significant decline in the number of golfers and green fees, and oversupply of golf courses in the Las Vegas market (14, alone, within a 4 ½ mile radius of the Property). The golf industry has been devastated over the last decade. Las Vegas has not been immune therefrom. The “2015 State of the Golf Industry” report prepared by Pellucid Corp. & Edgehill Consulting states that nationwide:

1. In the last decade 1,503 golf courses have closed, with 732 in the last 4 years and 234 in 2015, alone.
2. The number of golfers has fallen from 29.4 million in 2000 to 21.3 million in 2015 and is projected to decline to 18.3 million by 2020.

### Land Use Entitlements

Prior to purchasing the Property, New Ownership explored its land use entitlements. It was verified through Clark County Records and confirmed by the City of Las Vegas, through its Zoning Verification Letter dated December 30, 2014, that the Property is zoned R-PD7. This zoning permits densities up to 7.49 Units per acre.

With the state of the golf industry and the golf course not being viable, the golf course's closure was imminent. Additionally, with its R-PD7 zoning already in place, the Property's development was also imminent. New Ownership is the largest single owner of homes, lots and condominiums in Queensridge and One Queensridge Place. Having built over the last twenty (20) years over two (2) million square feet of residential and commercial properties within one and one half miles of the Property, including 40 custom homes in Queensridge and 219 homes in One Queensridge Place, New Ownership's interest in the Property and the Queensridge community is unmatched and fully understands the neighborhood. Rather than seeing an outside developer acquire the Property and blanket develop it with up to 7.49 Units per acre, New Ownership proceeded with the Property's acquisition. New Ownership then proceeded to further study how the Property could best be repurposed for the benefit of the entire Queensridge neighborhood.

### Market Conditions and Repurposing of the Property

The time and opportunity to repurpose the Property is here and now. This urgency applies both to Estate Lot development (as evidenced by the interest expressed and offers received from numerous potential buyers) and as to Luxury Multi Family development (as evidenced by studies done by the Brookings Institute, among others, which demonstrate that the present desire is for "vibrant, compact and walkable communities.")

The repurposing of the Property is specifically detailed in the Major Modification, submitted in conjunction with this Justification Letter. The 2016 Major Modification allocates:

1. One hundred and eighty-three (183.7) acres (The Preserve) as Estate Lots. New Ownership has chosen to build a maximum of seventy five (75) Estate Lots on this 183.7 acres, with more than 50% of The Preserve being landscaped areas with approximately 7,000 additional trees, thousands of additional shrubs, grass and natural areas.
2. Sixty-seven (67.21) acres (The Seventy) as Luxury Multi Family the development of 2,400 Units within one cohesive residential village, with a variety of Luxury Multi Family offerings, with architecture and landscaping inspired by the adjacent One Queensridge Place. Additionally, 200 Assisted Living Units are planned on The Seventy.

Community Investment

Applicants project that the 2016 Major Modification repurposed uses will result in an approximately \$1.0 billion investment into the Property. Additionally, the residential will provide desired housing for those who work, or otherwise choose to live, in this prime and ever-expanding area of the City of Las Vegas. It will provide the much needed increased “rooftops” to support economic growth and the neighborhood’s existing and future commercial developments, all of which benefit existing residents. In addition, these new inhabitants represent a buyer pool for the existing residences in the community.

With the opening of “Downtown Summerlin” just two miles away from the Property in Clark County, the already challenged retail and restaurant operations in the trade area are experiencing even greater challenges. In fact, over 500,000 square feet of vacant commercial space presently exists. By increasing the adjacent consumer base, through additional rooftops, the 2016 Major Modification will provide much needed additional support for the businesses and shopping centers in the trade area. This will include but not be limited to the positive fiscal impacts of drawing tenants to fill vacant storefronts, adding permanent, temporary, full-time and part-time employment opportunities and increasing tax revenue, all as outlined in the Economic and Fiscal Benefits Study prepared by RCG Economics included as part of the 2016 Major Modification.

Additional justifications are contained in the Justification Letter relating to the General Plan Amendments and Zone Change requests filed concurrent with this Major Modification.

Yours truly,

180 Land Co LLC, Seventy Acres LLC and Fore Stars Ltd.  
Nevada limited liability companies

By: EHB Companies LLC  
a Nevada limited liability company  
Its: Manager

By: \_\_\_\_\_  
Name: Yohan Lowie  
Its: Manager  
Date: \_\_\_\_\_