

2016 Major Modification of the 1990 Amendment to the Peccole Ranch overall Conceptual Master Plan

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EXHIBITS

- Exhibit A 1989 Peccole Ranch overall Conceptual Master Plan

- Exhibit B 1990 Peccole Ranch Amendment to the Conceptual Master Plan (“1990 Amendment”)

- Exhibit C Area Plan As Submitted With the 1990 Amendment

- Exhibit D Peccole Ranch overall Conceptual Master Plan Both As-built
And As Presently Zoned

- Exhibit E-1 Peccole Ranch overall Conceptual Master Plan As-Built (Exhibit D)
Overlaid On 1989 Peccole Ranch overall Conceptual Master Plan
(Exhibit A)

- Exhibit E-2 Golf Course Location in 1989 Peccole Ranch overall Conceptual Master Plan
vs. Current Location

- Exhibit F-1 Peccole Ranch overall Conceptual Master Plan As-built (Exhibit D)
Overlaid On the 1990 Amendment (Exhibit B)

- Exhibit F-2 Golf Course Location in 1990 Amendment vs. Current Location

- Exhibit G 2016 Major Modification Exhibit

- Exhibit H City of Las Vegas Zoning Verification Letter dated December 30, 2014

- Exhibit I 250.92 Acreage Tabulations with Current And Proposed Zoning and General
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- Exhibit J-1 2016 Major Modification Reflecting Repurposed Uses of the 250.92 Acre
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- Exhibit J-2 2016 Major Modification’s Development Areas and Land Use

- Exhibit K-1 183.71 Acres Estates: Land Between Orient Express and Winter Palace -
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- Exhibit K-2 183.71 Acres Estates: Land Between Orient Express and Winter Palace –
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- Exhibit L-1 2016 Conceptual Site Plan for 67.21 Acres Luxury Multi Family

Exhibit M-1 ULI: High-Density Development – Myth and Fact

Exhibit M-2 Brookings Institute Report

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Section I - Introduction

In early 1990, the 1,569.6 acre proposed 1990 Amendment to the Peccole Ranch overall Conceptual Master Plan (hereinafter “1990 Amendment”) was submitted to the City of Las Vegas for the approval of an Amendment to the 1989 Peccole Ranch overall Conceptual Master Plan. Subsequently, on April 4, 1990, the Las Vegas City Council approved the rezoning of the 996.4 acres in Phase Two of the Peccole Ranch overall Conceptual Master Plan from NU to zoning categories of R-PD7, R-PD3 (subsequently corrected on January 29, 1991 to R-3), and C-1.

The narrative in the 1990 Proposed Amendment described the intent of that Plan and compared the 1990 Amendment with the previously approved 1989 Peccole Ranch overall Conceptual Master Plan (hereinafter “1989 Master Plan”). This narrative clearly referenced that the 1990 Amendment was intended to be "conceptual" in nature. This reference certainly was in keeping with how the Peccole Ranch overall Conceptual Master Plan has been implemented over the past 26 years, as there are very significant variances from what was proposed to be built in the 1990 Amendment and what was actually built.

Following the 1990 Master Plan’s update in early 1990, all subsequent development was approved and conducted by way of zone change/site (plot) plan/mapping without amendments/modifications to the 1990 Master Plan, notwithstanding non-conformity to the 1990 Master Plan.

This 2016 Major Modification to the 1990 Amendment (hereinafter "2016 Major Modification") represents a Major Modification only with respect to the 250.92 acres on which the Badlands golf course is currently operated. This 250.92 acres is hereinafter referred to as the “Property”. (For information purposes, one hundred twenty four (124) acres of the Property was designated as Single-Family in the 1990 Amendment) This Major Modification also reflects the repurposed uses sought by Applicants on the Property as follows:

- 183.71 acres: These 183.71 acres (The Preserve) are redesignated as “Estate Lots” in this 2016 Major Modification. This acreage comes significantly from the 401 acres designated as “Single- Family” in the 1990 Amendment’s Phase Two.
 - Applicants have chosen to provide a maximum of only 75 home sites on this entire 183.71 acres, with more than 50% of this acreage as enhanced landscape areas (It is important to note that this reduction in permitted density from these acres’ already existing R-PD7 zoning, up to 7.49 Units per acre, is entirely voluntary and is not for the purpose of satisfying any City imposed open space requirement or otherwise serve in any regard as a “quid pro quo”.)
- 67.21 acres: This 67.21 acres (The Seventy) are redesignated as “Luxury Multi Family” in this 2016 Major Modification allowing a total of 2,400 Luxury Multi Family Units as well as 200 Assisted Living Units. In addition to this acreage coming from the “Golf Course Drainage” designated land in the 1990 Master Plan’s Phase Two, it also comes partially from each the

acreage designated “Single- Family” and “Resort Casino” in the 1990 Amendment (Phase Two).

By approval of this 2016 Major Modification, the 1990 Amendment is modified to reflect the repurposed uses on the Property.

The 1989 Master Plan (**Exhibit A**) which was approved by the City of Las Vegas on February 15, 1989 comprised 1,716.3 acres. The 1990 Amendment (**Exhibit B**) illustrated a reduction in the 1,716.3 acreage due to the elimination since the 1989 Master Plan of a previously included Multi-Family parcel and several Neighborhood Commercial/Office parcels totaling 83.9 acres. (These parcels lay on both the north and south sides of Charleston Boulevard between Rampart Boulevard and Durango Drive.) The 10.9 acre water storage parcel (included in the 1989 Master Plan) owned and managed by the Las Vegas Valley Water District was also removed in the 1990 Amendment. Another 51.93 acres with various land uses, some relating to the right of ways associated with the aforementioned land removed, were also removed in the 1990 Amendment. Consequently, the 1990 Amendment comprised 1,569.6 acres with 573.2 acres in Phase One and 996.4 acres in Phase Two. Similar to the 1990 Amendment in which land was removed, and so that a portion of an APN is not located partially within and partially outside the 1990 Amendment, a 17.8 acre portion of APN #138-32-723-001 is removed, as part of this 2016 Major Modification, from the 1990 Amendment’s Phase Two acreage. (See **Exhibit G**).

The 1990 Amendment noted that:

*“Peccole Ranch is located within the northwest and southwest growth areas of the Las Vegas Metropolitan Area (**Exhibit C**), and has an excellent time-distance relationship to surrounding support services, employment centers, and transportation network including McCarran International Airport. This particular area of the Valley has been experiencing a rapid growth rate as demonstrated by those developments occurring in the Peccole Ranch vicinity.... Planning efforts for planned communities promote viable growth, compatibility with adjacent uses, and a commitment to quality. It is this trend that became the basis of a Plan that would maintain flexibility to accommodate future market changes. The proposed Plan is conceptual in nature to allow detailed planning at the time of development. In this way the lifestyles of the anticipated population can be met.” (Emphasis added)*

The above statements were in fact, necessary and appropriate in 1990 and are even more necessary and appropriate today. The 1990 Amendment was specifically intended, designed and drafted to, "maintain flexibility to accommodate future market changes" with a clear recognition that, “The Plan is conceptual in nature to allow detailed planning at the time of development.” In fact, the developer under the 1990 Amendment went to great lengths to both maintain and protect maximum flexibility for development purposes. This flexibility is evidenced, in particular, by the fact that the developer, while creating a golf course use, nevertheless insisted that the R-PD7 zoning classification remain on the land developed as golf course (**Exhibit D**), and that the development potential of this golf course be disclosed, so that if and when changing market or other conditions necessitated it, the land developed as golf course (most importantly for purposes of this Major Modification the “Property”) could be developed with, among other things, already zoned and permitted residential use.

To further evidence this flexibility of purpose, and as can be seen in **Exhibits E-1, E-2, F-1 and F-2**, the as-built condition of the Master Plan property is not similar to either the 1989 Master Plan or 1990 Amendment.

The repurposing of use, reflected in the 2016 Major Modification, of the Property presently used for golf course is in response to continued market changes, not the least of which is the erosion of the golf industry, an erosion from which Las Vegas is not exempt. The number of golfers in the United States has fallen from a high of nearly 30 million in 2000 to approximately 21 million today. That is a reduction of over 25%. Additionally, continually escalating operating costs, the cost of water and its availability (especially in a desert community such as Las Vegas), dramatic reduction in revenues and a significant demand/supply imbalance have rendered many golf courses simply financially unsustainable and/or terribly underperforming. Nationally, golf course closures, 732 in the last 4 years, 1503 in the last ten years (*and 234 closures in 2015, alone*), with more closures planned or anticipated over the next several years, has necessitated golf course land owners and local jurisdictions to come together with respect to the repurposing of what was once land used for golf course.

The 1989 Master Plan and 1990 Amendment incorporated office, neighborhood commercial, a nursing home, and a mixed use village center around a strong residential base in a cohesive manner. A destination resort-casino, commercial/ office and commercial center (in the 1990 Amendment) were included in the northeasterly portion of the Master Plans. Special attention was given to the compatibility of neighboring uses for smooth transitioning, circulation patterns, convenience and aesthetics. The vision and goal of those Master Plans continue with this 2016 Major Modification.

Also of importance to the 2016 Major Modification is the nearby and conveniently located transportation network, consisting of “freeways” such as I-215, US-95 and the Summerlin Parkway and major section lines roadways, including Durango Drive, Charleston Boulevard, Sahara Avenue, Rampart Boulevard, Hualapai Way, Town Center Drive and Alta Drive. All of these freeways and roadways are designed to carry elevated amounts of traffic volumes, including the traffic that will result from the repurposed uses under this 2016 Major Modification. A traffic study to address traffic considerations has been prepared and submitted to the City and does support this Major Modification.

The development plan for Peccole Ranch was designed to benefit the current and long range needs of the Las Vegas Metropolitan Area. The same is true of this 2016 Major Modification. Overall project character and identity of the Property now proposed to be developed as outlined in this 2016 Major Modification will continue to reflect the highest standards of quality as demonstrated by the many adjacent and nearby developments built by affiliated companies of the Applicants. Such developments include the building of: (i) forty (40) very high end estate homes, built in Queensridge North and South, representing nearly 40% of all estate homes in Queensridge North and South, (ii) the towers at One Queensridge Place, (iii) Tivoli Village, (iv) Fort Apache Commons and (v) Sahara Center, all built upon Peccole Ranch Conceptual Master Plan’s properties.

Section II - Historical Land Use Flexibility

The current as-built condition compared to that designated in the 1990 Amendment differs extensively, as shown on the **Exhibit F-1** overlay. The differences in designations between the as-built condition of the lands today and the 1990 Amendment include:

1. Seventy-eight (78) Single-Family lots and four (4) common area lots (or portions thereof) in Phase Two were built on land designated for Golf Course Drainage.
2. An additional nine (9) holes of golf course, on approximately 70 acres, were not contemplated at the time of the 1990 Amendment, but were ultimately constructed upon property designated Single-Family and subsequently zoned RPD-7.
3. One hundred twenty four (124) acres of golf course were built on land not designated as Golf Course Drainage.
4. Dozens of Single Family residences in Phase One were constructed in areas designated Golf Course/Open Space/Drainage.
5. A mixed-use commercial development was constructed at the southwest corner of Charleston Boulevard and Fort Apache Road on a parcel that was designated as a Nursing Home.
6. Single-Family developments were constructed on the 19.7 acre site designated as Schools.
7. Single-Family developments were constructed at the northwest corner of Durango Drive and Alta Drive on 63.44 acres designated as Commercial Center.
8. The 19 acre parcel designated Commercial at the northeast corner of Charleston Boulevard and Hualapai Way has been built out as Single-Family residential.
9. The 32 acre parcel designated Multi-Family at the northwest corner of Charleston Boulevard and Palace Court has been built out as Single-Family residential.
10. The as-built location of Alta Drive bears no resemblance with its designated Right-of-Way use location.

Accordingly, with respect to the Property, this 2016 Major Modification modifies the 1990 Amendment to reflect the location of the Property and the uses proposed, as shown on **Exhibit G**.

Section III - Residential

The entirety of the Property presently used as golf course (except for 4.5 acres zoned PD) is zoned R-PD7 as reflected in Clark County Records and as confirmed in City of Las Vegas Zoning Verification Letter dated December 30, 2014 (**Exhibit H**). By approval of this 2016 Major Modification, the additional zoning designations of R-E and R-4 will replace the existing

R-PD7 zoning to be consistent with the planned development of the Estate Lots, Luxury Multi Family and 200 Assisted Living Units.

The demand for housing remains strong in the area, reflecting the continued volume of immigration to the Las Vegas Valley and internal population growth. The repurposed designations of the Property are based upon market conditions and the continuing market demand for extremely high end Estate Lots/custom homes as well as Luxury Multi Family Units and Assisted Living Units, all of which are reflected as part of this 2016 Major Modification.

Exhibits J-1 and J-2 reflect the repurposed land uses and Development Areas of the Property.

In particular, the 183.71 acres (Development Area 4) is devoted to large Estate Lot development. **Exhibits K-1 and K-2** illustrate, by way of example an area between Orient Express Court and Winter Palace Drive that shows its current condition compared to a conceptual rendering of its enhancement with the repurposing of the Property. Other portions of the 183.71 acres will have enhanced landscape areas commensurate with their lot sizes. These Estate Lots will be of multiple sizes averaging 2.4 gross acres with a minimum of ten (10) of these Estate Lots five (5) acres or more. The minimum lot sizes will be pursuant to R-E zoning. Lots less than one (1) acre will be built pursuant to R-E zoning setbacks. All Estate Lots 1 acre or more will have Building Area specifications as provided below and as further specified in **Exhibit B** to the Design Guidelines which is Exhibit D to the Development Agreement. This Estate Lot offering will be unprecedented, with more than 50% of The Preserve being landscaped areas.

These Estate Lots are one of a kind, representing a rare concentration of extremely large Estate Lots with quality design, construction and landscape guidelines in an Association(s), producing an unparalleled, luxury residential development.

Each Estate Lot of one (1) acre or more will have a limited buildable area. This means that the portion of the lot that is built with footprints of the main residence and ancillary structures, (hereinafter "home site") will be limited as follows: The buildable area for a home site on a one (1) acre lot will be limited to a maximum of 50% of the total lot or one-half (1/2) acre of the one acre lot. The buildable area for a home site on a three (3) acre lot will be limited to a maximum of 33% of the total lot or one (1) acre of the three acre lot. The buildable area for a home site on a five (5) acre lot will be limited to a maximum of 25% of the total lot or 1.25 acres of the 5 acre lot. Lots over 5 acres shall have a maximum buildable area of 25% of the total lot. Home sites on lots not enumerated herein will be correspondingly sized. Lots smaller than one and one half (1 ½) acres may have a pool and its related structures, as well as hardscape, constructed outside the home site. Lots four (4) acres or more may have multiple buildable areas/home sites (as further specified in Exhibit B to the Design Guidelines which is Exhibit D to the Development Agreement), subject to the building limitation as set forth above.

In addition to each Estate Lot having a limited buildable area, each Estate Lot will also have enhanced landscaping, which may consist of large areas of both grass and/or artificial turf; with an abundance of trees planted throughout, and on the borders of, each Estate Lot. Water retention areas may be utilized on a number of the larger lots, subject to appropriate governmental approval. **Exhibit J-1** shows in dark green the area to be developed with the large Estate Lots; it is intended that the entirety of the 183.71 acres will be designated in the

General Plan as Desert Rural Density Residential (DR) and zoned Residence Estates District (R-E).

The 67.21 acres (consisting of 65.08 and 2.13 acres) shown in yellow on **Exhibit J-1** represent the area to be developed with Luxury Multi Family homes and Assisted Living Units. This Luxury Multi Family and Assisted Living development will occur in three Development Areas. The time frame for actual development within these three (3) Development Areas is dependent on market conditions.

The Development Area 1 consists of up to 720 Luxury Multi Family Units on the southwest corner of Rampart Boulevard and Alta Drive, specifically located on 17.49 acres and legally described as assessor parcel number 138-32-301-005 (**Exhibit J-2**, light green).

The balance of these 67.21 acres, that is, the 49.72 remaining acres, will be built out over time (being Development Areas 2 and 3) as market conditions permit, with a variety of Luxury Multi Family offerings including the 200 Assisted Living Units.

Development Area 2 is the approximately 20.69 acres that lie to the southwest of the aforementioned 17.49 acres (**Exhibit J-2**, yellow). Present development plans contemplate a combination of 4 story (up to 55' in height) to 6 story (up to 75' in height) Luxury Multi Family offerings and two mid-rises 150' in height.

Development Area 3 is the approximately 29.03 acres (**Exhibit J-2 Orange**) nearest to the east side of Development Area 4 (the Estate Lot development). Development of Luxury Multi Family homes in this Development Area will be limited to 4 stories except as provided herein. The Westerly edge condition of Development Area 3 adjacent to existing homes not part of the Property will incorporate sensitivities as will be reflected in the respective site plan when these particular developments are presented to the City for Site Development Review. These sensitivities will address building setbacks, landscape treatments in setbacks, building height of the most immediate adjacent portion of any buildings and building elevations. More specifically, in the first 75' from the property line of the adjacent existing homes not part of the Property, there will be no building structures ("No Building Structures Zone"). These No Building Structures Zones' 75' will contain landscaping, EVA (Emergency Vehicle Access), walking trail and drives through Development Area 3 to Development Area 4. The next 75' adjacent to the No Building Structures Zones will be the building transition zone ("Building Transition Zone"). In the Building Transition Zones, the height of building structures shall be no higher than 35' above the finished floor of adjacent existing homes not part of the Property. The above zones are illustrated in **Exhibits L-1 and J-2**.

Much of the planned Luxury Multi Family development in these 67.21 acres is located near or adjacent to the presently existing (and substantial) commercial and multi-family developments along the Rampart Boulevard corridor.

As part of this proposed Luxury Multi Family development, a roadway will be constructed through the 67.21 acres, connecting Alta Drive and Rampart Boulevard. This roadway will provide an alternative route to traffic that would otherwise use the Rampart Boulevard and Alta Drive intersection. It is clearly anticipated that this roadway would be used significantly by

residents in these newly proposed Luxury Multi Family developments.

As with the 183.71 acre Estate Lot development (Development Area 4), this 67.21 acre Luxury Multi Family development, in addition to having a variety of Luxury Multi Family offerings and Assisted Living offering, will incorporate enhanced landscaping which will consist of large areas of both grass and/or artificial turf, with an abundance of trees planted throughout the site. Substantial open space, park areas, fitness rooms, pools, recreation areas and walking paths will also be provided to varying degrees throughout the 67.21 acres. There will be special emphasis on providing enhanced landscape buffers adjacent to any presently existing Single-Family and Multi-Family residences not part of the Property. A wall, up to 10 feet in height, will serve to separate Development Areas 1, 2 and 3 from Development Area 4 and the wall will provide gated access points to Development Area 4. It is intended that 67.21 acres will be designated in the General Plan as Residential High (H) and zoned High Density Residential District (R-4).

Attached (**Exhibit M-1**) is a report jointly prepared by the Urban Land Institute, the American Institute of Architects, the National Multi Housing Council and the Sierra Club entitled, “Higher Density Development—Myths and Facts”. This report addresses multi-family development and its misconceptions—and perceived impacts—on a community. The findings in this report are very helpful in determining just how limited the effects are on nearby and adjacent neighborhoods from properly planned and properly executed multi-family development.

The time and opportunity to repurpose the Property is here and now. This urgency applies both to Estate Lot development and as to Luxury Multi Family development (as evidenced in part, by the interest expressed and offers received from potential buyers and studies done by the Brookings Institute (**Exhibit M-2**), among others, including the Urban Land Institute’s publication (**Exhibit M-3**) entitled “The Case for Multifamily Housing” which demonstrate that the present desire is for “vibrant, compact and walkable communities.”)

Section IV – Design Guidelines, Development Standards and Uses

The Design Guidelines, Development Standards and Uses provided as an exhibit to the Development Agreement applies to the Property only; and with regard to the Property, it specifically supersedes any conflicting design criteria set forth in both 19.06.060 and 19.06.120 of the Las Vegas Municipal Code.

Section V - Commercial

The Peccole Ranch Conceptual Master Plan area, as well as a number of adjacent and nearby properties, offers very significant amounts of commercial. Some of this commercial is built out and operating. Other commercial is built out but vacant or is under-performing. Still other commercial has been approved but has not yet been built. The fact is that in order to have any real chance at success, commercial in this area, whether it is already built, or approved but not yet built, must be supported by nearby residential development. It is also a fact that nearby commercial operates as a significant convenience and benefit to nearby residents. Consequently,

to be successful, commercial and residential must work together and there must be adequate amounts of each to serve the other.

High intensity uses such as retail, restaurant and office, with their attendant employment opportunities, are incorporated into the commercial/office and neighborhood commercial areas in land incorporated in the 1990 Amendment. With respect to this trade area there are, specifically, and representing some of its millions of square feet of retail, restaurant and office development, included in the land incorporated in the 1990 Amendment the following:

- The retail uses in the Sahara Center at the northeast corner of Sahara Avenue and Hualapai Way;
- The retail and restaurant uses at the Hualapai Commons at the southeast corner of Charleston Boulevard and Hualapai Way;
- The retail and restaurant uses at the Rampart Commons at the northwest corner of Charleston Boulevard and Rampart Boulevard;
- The office complex at Sir Williams Court at the southwest corner of Rampart Boulevard and Sir Williams Court;
- The mixed use development at Tivoli Village at the northeast corner of Rampart Boulevard and Alta Drive;
- The retail and restaurant uses at the northeast corner of Sir Williams Court and Rampart (portion of Boca Park);
- The office complex and preschool at the northeast corner of Hualapai Way and Alta Drive;
- The office, retail and restaurant uses at Fort Apache Commons at the southwest corner of Charleston Boulevard and Fort Apache Road;
- The office, retail, restaurant and entertainment uses at Village Square at the northwest corner of Sahara Avenue and Fort Apache Road; and
- A medical office at the southeast corner of Charleston Boulevard and Apple Drive.

Also, there is a large amount of additional office, retail and restaurant uses located within the adjacent Boca Park at the northeast corner of Charleston Boulevard and Rampart Boulevard and the Crossroad Commons at the southeast corner of Charleston Boulevard and Rampart Boulevard. And all of this commercial development does not take into consideration the significant amount of commercial now existing and still planned at “Downtown Summerlin” just two miles away.

Also, the 1990 Amendment contains a 52.5 acre destination resort-casino site, being the Suncoast Hotel and Resort, which is located at the northwest intersection of Alta Drive and Rampart Boulevard. Neighborhood amenities, such as bowling alleys, movie theatres and restaurants are provided as part of the Suncoast Hotel and Resort. In addition, the immediate area provides

significant other amenities at both the J.W. Marriott/Rampart Casino and the Red Rock Hotel & Casino. These hotel/resorts will benefit as well from the additional residential development planned with this 2016 Major Modification.

The bottom line is that, as evidenced from the above, there is substantial commercial both already built and planned to be built in and around the area. This commercial must have nearby residential in order to remain, or become, successful, and there remains only a limited amount of undeveloped land in this area to provide patrons with these commercial offerings.

The 1990 Amendment provided for 237 (197 acres “Neighborhood Commercial/Office” plus 40 acres “Mixed-Use Village Center”) acres of commercial. There are currently 179 acres. This variance results largely from land that was planned as commercial in the 1990 Amendment but which was actually developed as Single-Family residential. *Up to 7,500 square feet of ancillary commercial is planned as part of the development of The Seventy.*

Section VI - Land Currently Used As Golf Course Repurposed

No golf course is provided in this 2016 Major Modification.

The land currently used as golf course will be repurposed as detailed in and as provided throughout this 2016 Major Modification. Golfers in this area and in the Peccole Ranch community are easily served by the adjacent two eighteen hole championship courses (and a twelve hole lighted course) with their related facilities, at the Angel Park Golf Course on Rampart Boulevard, as well as by eleven additional golf courses in a 4 ½ mile radius (**Exhibit N**).

Section VII - Drainage

The two primary flows (one from Hualapai Way and the other from Charleston Boulevard) that traverse as open flow channels through portions of the Property presently used as golf course will be incorporated into open flow channels or underground concrete box culverts or a combination of both that will connect to the existing box culverts at Rampart Boulevard and Alta Drive. All drainage must comply with the Clark County Regional Flood Control District Drainage Design Manual. The design of the open flow channels and box culverts will be subject to appropriate governmental approval from the City of Las Vegas Public Works, Clark County, Nevada, the State of Nevada and the federal government. The drainage considerations for the Property are not, in any real way, different from what is the case upstream as the flows flow through open flow channels located in Peccole Ranch to the south and Summerlin to the west and as was done with box culverts in the development of Tivoli Village, the latter is development with which an affiliated entity of the Applicants was the developer.

The FEMA designated flood plain covers 67.23 acres of the Property (representing only 26%). The 67.23 acres contain 22.9 acres of a drainage flow line easement in favor of the City of Las Vegas. An additional 12.4 acres of such drainage easements lay outside of the FEMA designated flood plain.

Maintenance responsibility of the drainage infrastructure is addressed in the Development Agreement.

Section VIII - Grading

Based on studies done by Applicants' engineers, Applicants have been advised, and are confident, that the site can be balanced so that during development trucks hauling fill material either in or out of the Property will not be necessary, except for the import of landscape fill materials necessary for the planting and support of the landscape vegetation.

Section IX - Roads/Streets

Roads/Streets sections on the Property and relating to the repurposed uses of the Property, will be approved and constructed as provided for in the traffic study and in the Design Guidelines, Development Standards and Uses set forth in the Development Agreement.

Section X – Schools

No new schools sites are planned as part of this Major Modification. The 19.7 acre school site proposed in the 1990 Amendment was subsequently built out as Single-Family. Practical experience and actual as-built development statistics show (as supported by the Urban Land Institute report on multi-family development referenced earlier herein) that the greatest impact on schools' population comes from higher density single family residential development—not from large estate home development nor from high end multi-family development, since neither one of the foregoing typically involve large family occupancies. Consequently, the development of the Property is not contemplated to have a substantial impact on schools. Furthermore, as stated in the November 2010 Brookings Institute Report, **Exhibit M-2** “The Next Real Estate Boom”, “85% of the new households formed between now (2010) and 2025 will be single individuals or couples with no children at home”. That being said, after the approval of this 2016 Major Modification and during the course of the implementation of this 2016 Major Modification, the Applicants will continue to work with the School District to explore ways that the Applicants may be of assistance in mitigating any actual impacts that the additional residences on the Property may actually have on nearby schools.

Further, as can be seen in the Economic & Fiscal Benefits Study (**Exhibit O**), there are very real and very significant fiscal benefits that are realized from development under this 2016 Major Modification: and the Clark County School District is a significant beneficiary of those benefits. As the study shows, the estimated “One-time /Non-Recurring Tax Revenue” to be received by the School District and “Annual Recurring Tax Revenue” are many millions of dollars.

Section XI - Development Plan

Design Guidelines, Development Standards and Uses for the Property will be applied pursuant to the terms and conditions of the Development Agreement which will be presented to and considered by the City of Las Vegas in conjunction with this 2016 Major Modification. Additionally, prior to any submittal to the City of Las Vegas, the “Master Developer” pursuant to the Development

Agreement must approve any and all land use submittals, including architectural plans and other applications affecting the Property.

Section XII - Quality of Development

As part of the Development Agreement, Design Guidelines will be established for the Property. Covenants, Conditions and Restrictions will be established to help guarantee the continued quality of development, and Homeowner's Association(s) will be established for the maintenance of common area(s). Separate subsidiary associations will be created within individual development parcels to maintain the common areas within those developments. In addition to these protections, and to the extent provided in the Development Agreement, the City of Las Vegas will be able to monitor development standards through any review process that may be required with regard to the development of the individual Luxury Multi Family and Assisted Living components.

Section XIII - General Plan Conformance

Just as the City of Las Vegas General Plan is designed as a set of guidelines to help direct the future growth of the City, the 2016 Major Modification is in conformance with the following Las Vegas General Plan Planning Guidelines:

- Provide for an efficient, orderly and complementary variety of land uses.
- Provide for "activity centers" as a logical concentration of development in each community area of the City to encourage economic, social and physical vitality, and expand the level of services.
- Encourage the master planning of large parcels under single ownership in the growth areas of the City to ensure a desirable living environment and maximum efficiency and savings in the provision of new public facilities and services.
-

In addition to the above, transportation leaders have been discussing the planning for light rail on Charleston Boulevard from downtown Las Vegas to Downtown Summerlin. Such major infrastructure elements require nodes of residential density, exactly as is being provided with the repurposing of the easterly approximately 70 acres of the Property.

Section XIV - Conclusion

Based on the Property's R-PD7 zoning on which the Badlands golf course is currently operated, the Property was acquired in order to ensure that an economically viable project that enriches the overall neighborhood is developed. When the golf course closes, the 2016 Major Modification to the 1990 Amendment will prescribe an appropriate repurposing of the Property that will revitalize Queensridge and the surrounding area and benefit the entire City of Las Vegas.

Additionally, the project will provide the following benefits:

- As the City continues to grow, this Major Modification provides meaningful, needed housing in this desirable suburban core of the City;
- The addition of residential homes on the Property will support and revitalize the commercial uses in the area;
- The Assisted Living Units will allow neighborhood residents an additional opportunity to “age in place”, namely to stay in the neighborhood, and, for existing neighborhood residents to have the potential opportunity for their family members to “age in place” close by.
- There will be significant economic and fiscal benefits derived from the development of the Property as outlined in the study prepared by RCG Economics (**Exhibit O**);
- The Clark County School District, among others, is directly and continually benefited by the tax revenue realized.
- After the installation of the approved drainage infrastructure, the FEMA flood plain designations will be removed from a number of Queensridge properties; and
- The implementation of 2016 Major Modification will provide for the orderly and proper development of the Property. While the elimination of the Badlands Golf Course is inevitable, its repurposing into: (i) very low density, high end, multi-million dollar Estate Lot home sites with limited developable footprints, and significantly enhanced landscaped with an abundance of trees; and (ii) Luxury Multi Family developments, with enhanced landscaping and first class amenities; and (iii) an Assisted Living Component, will together create a community unlike anywhere else in southern Nevada; a community of varying lifestyles but one which will ensure that Queensridge/One Queensridge Place continues to be the place where one wants to call home.

The proposed development reflects a cultural and economic stimulus plan that will deliver a strategically planned multi-family residential lifestyle development (*The Seventy*) and an unrivaled single-family estate neighborhood (*The Preserve*) on 250.92 acres, ensuring the amenitized and landscaped acreage of more than 50% of the entire Property. The plan will transform a community into one of the most desired in the City of Las Vegas.