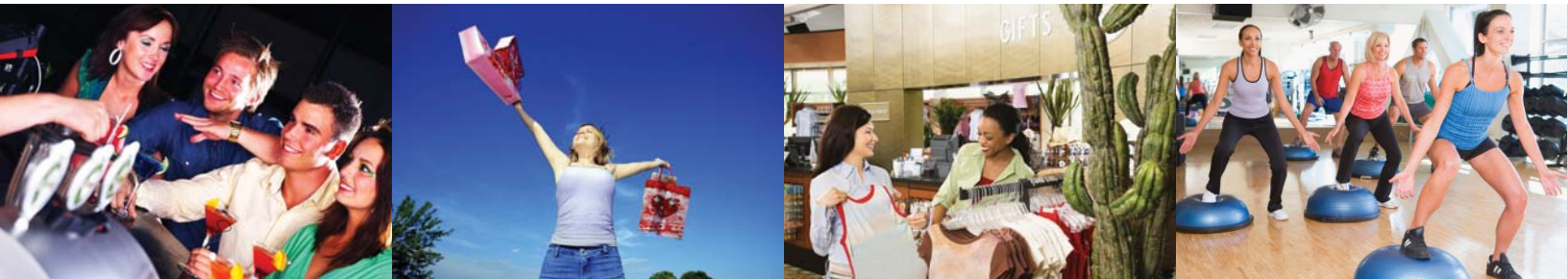


Retail

3RD QUARTER REPORT 2010



COMMERCE
REAL ESTATE SOLUTIONS • COMRE.COM

An independently owned and
operated member of the
**CUSHMAN &
WAKEFIELD**
ALLIANCE



Retail Market Overview



AT A GLANCE

Vacancy Rates Fall - Overall vacancy rates dropped during the quarter to 12.99%. This is a 0.65% fall from 2nd quarter 2010 and a raise from a year ago at 12.74%, 3rd quarter 2009. Anchorless Strip product type is showing the highest vacancy rates at 20.19%. Vacancy decreases this quarter could be the result of a market correcting itself from the overbuilding of product we witnessed a couple of years ago, since no new product has come online. However, back to school spending, wavering consumer confidence and still rising unemployment may prove this to be just a blip of market improvement, with declines to make a comeback after the holiday shopping season.

Rents fall again - As Landlords are faced with a “Tenant” market, they are seeing many retailers renegotiating for lower rents and asking for more concessions as their leases come up for renewal. Negotiations like these and more up-front incentives help stabilize and even lower the overall average lease rates. Currently, the Las Vegas market is showing annual averages lease rates at \$1.63 per square feet (psf). This is a drop from last quarter at \$1.74 psf and higher of a drop from a year ago when rates were at \$1.92 psf.

Unknown Outlook for Las Vegas - The economic outlook is starting to go on a positive track with vacancy and net absorption both showing decreasing numbers. There are, however, still concerns on the still rising unemployment rates for Las Vegas, which is the highest in the country and how it will continue to affect the Las Vegas economy. Unemployment ticked up to 14.7% is an indication that the market has not bottomed.



RETAIL MARKET INDICATORS

	Current	Change since	
		3Q09	3Q10
Vacancy	12.99%	↓	↑
Lease Rates (FSG)	\$1.63 NNN	↓	↓
Net Absorption*	402,311	↑	↓
Construction	N/A		

**The arrows are trend indicators over the specified time period and do not represent a positive or negative value. (e.g., absorption could be negative, but still represent a positive specified trend over a period.)*

NATIONAL AND STATE EMPLOYMENT AND UNEMPLOYMENT OVERVIEW

The recession, which is said to have started in December 2007 and ended in June 2009, continues to hit the national unemployment rate, which is currently 9.6%. This unemployment rate is a 28 year high for the country and equals to roughly 15 million unemployed workers that are now drawing unemployment insurance benefits. In August, 27 states recorded unemployment rate increases. The highest regional jobless rates were in the Western part of the country, while the Northeast recorded the lowest rates. In May, Nevada took over the top spot from Michigan for the nation’s highest unemployment rate, at 14.4%. The states with the next highest rates were Michigan, 13.1 % and California at 12.4 %. The Las Vegas economy continues to be adversely impacted by its high employment rate, currently 14.7%, affecting all major sectors, including gaming, construction, financial and real estate. The recession will most likely be a “jobless recovery.”

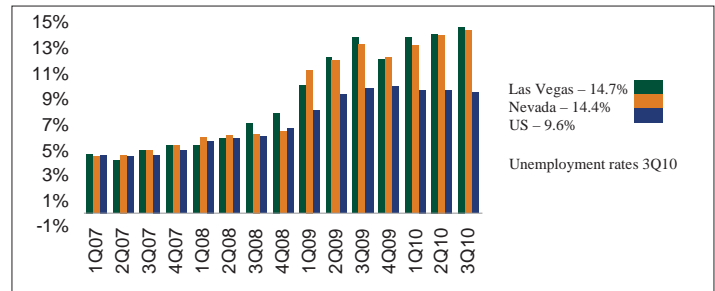


Since World War II there have been a total of 11 recessions and in the most recent recessions before the 2007 recession, job growth lagged long after the recession. In fact it took several years for the unemployment rate to return back to prerecession levels. Employment growth is critical to future economic growth and the return to a healthy commercial market which may take several years to accomplish. One positive outlook for the retail sector is that we are starting to see improvement in taxable sales in Clark County. In July, Clark County witnessed a 5.5% increase of taxable sales. Taxable sales in Clark County have increased year-over-year in 3 out of the last 5 months, including consecutive gains of 5.5% and 3.8% in July and August, the two latest months for which we have data. These are the first gains since August 2008. This increase in taxable sales could be a sign that consumer confidence is returning and positive spending is happening. This should start to lower vacancy rates and help unemployment numbers to drop.

LAS VEGAS RETAIL MARKET

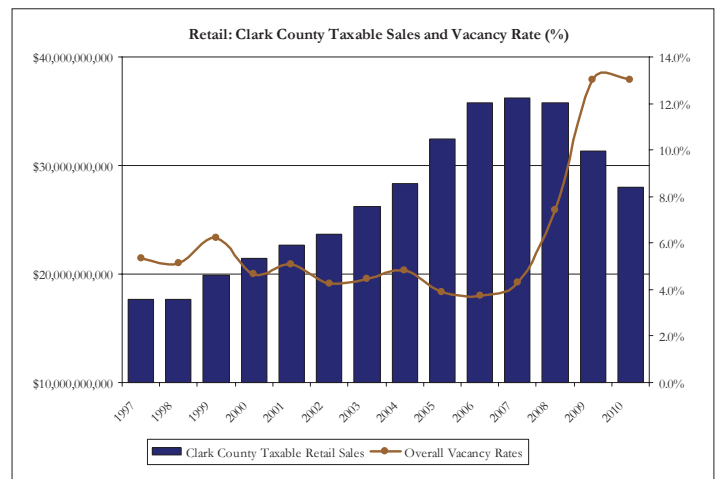
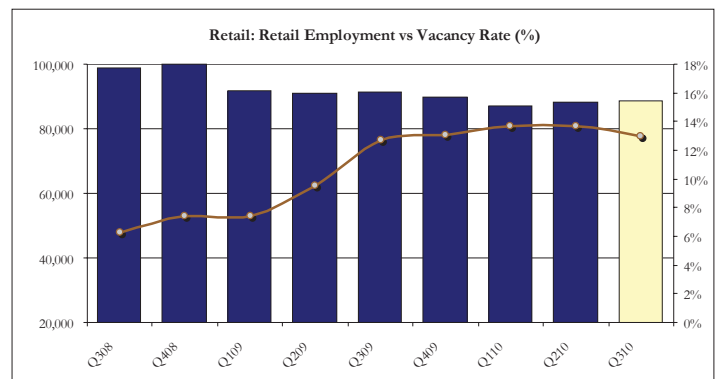
Vacancy

By end of the quarter vacancies finally showed some improvement from the long four year run of rising vacancy rates. The Las Vegas retail market has approximately 7.22 million square feet of vacant product, which equates to a 12.99% vacancy factor. Above-average vacancies were noted in the Henderson (24.55%), North Las Vegas (18.32%), and East (16.76%) submarkets. By product type Strip Centers (20.19%) and Neighborhood Centers (13.08%) retail buildings posted the highest vacancies at the end of the quarter. Nellis at 10.24% and Central West at 8.77% posted the lowest vacancy rates. Net absorption, the measure of space leased from one reporting period to the next, for the 3rd quarter showed an improvement again, at 402,311 sf. This is the first time we have seen a positive net absorption number since 3rd quarter 2008. The Green Valley submarket showed the greatest amount of positive absorption with over 135,527 sf for the quarter while the East submarket posted the least amount with -32,658 sf of negative absorption. The retailers that are pulling through the recession have enjoyed the wide array of occupancy choices. The old time saying "location, location, location" really means something right now to the retailers that can make the move to a more premier location as space opens up and rental rates are lowered and become more affordable.

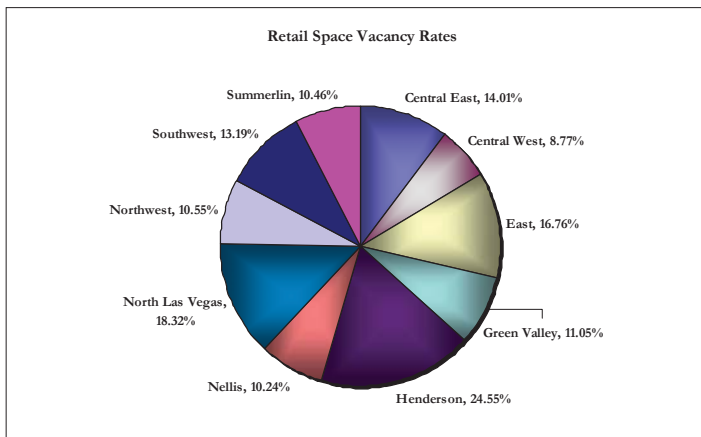
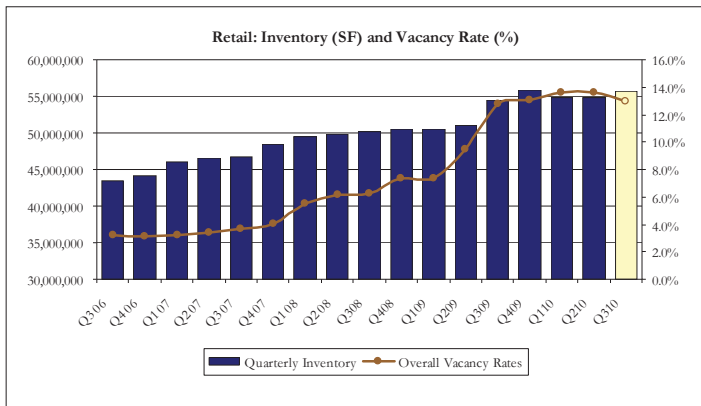
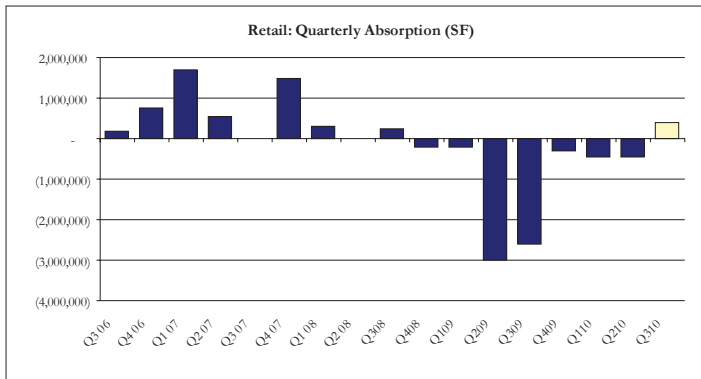


ECONOMIC INDICATORS			
National	2009	2010F	2011F
GDP Growth	-2.4%	3.1%	3.9%
CPI Growth	-0.3%	1.8%	2.1%
Consumer Spending Growth	-0.6%	2.3%	3.1%
Rental Sales	-0.63%	6.0%	5.7%
Regional			
Household Income	\$54,299	\$59,038	\$65,000
Population	1,952,000	1,956,900	1,964,700
Unemployment	12.10%	14.7%	15.0%

Source: Moody's | Economy.com

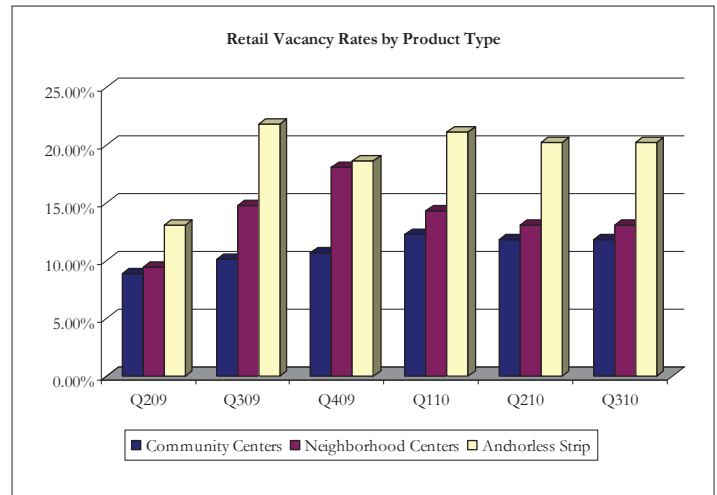


Retail Market Overview



Pricing (Average Asking Rents)

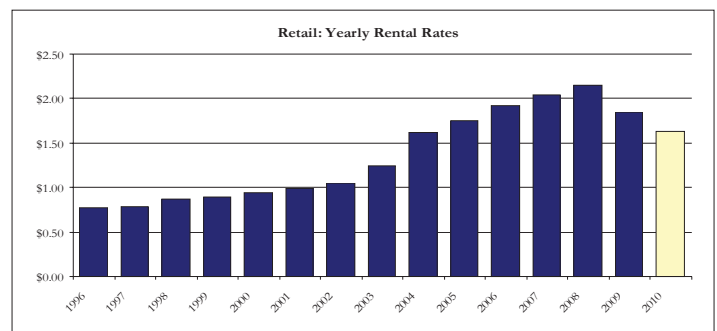
Average asking rents witness another decline to \$1.63 per sf/mo NNN during 3rd quarter 2010. This is the lowest asking lease rate that we have seen since 2004 when the rate was \$1.62 per sf/mo NNN. Lease rates continue to drop as landlords compete for a limited number of users. The low rental rates could be playing a role in the new leasing momentum that we are starting to witness, helping retailers into spaces they could not afford before. Elevated tenant improvement allowances and free rent concessions are also impacting returns for landlords and ultimately lenders. We expect this trend to continue



throughout the rest of 2010 as inventory levels remain elevated.

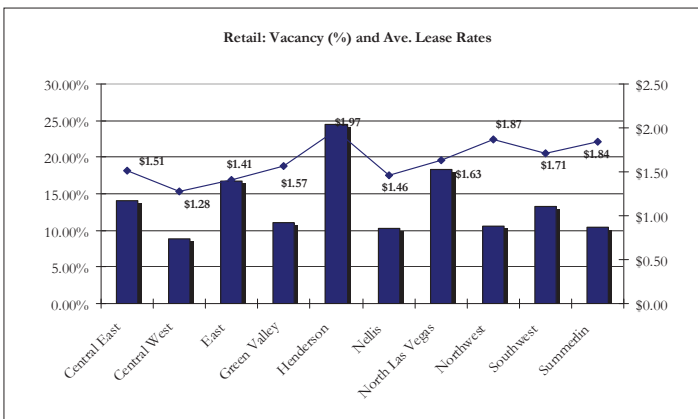
Every submarket in the Las Vegas valley showed asking rental rates decline with the highest declines in Southwest submarket at \$1.71 sf/FSG from \$1.92 sf/FSG and North Las Vegas and Summerlin with both a \$0.19 difference in asking lease rates from last quarter. The smallest changes in rates were noticed in the Henderson, Central West and Northwest submarkets where the asking lease rates remained stable.

Note: the average asking rates do not take in consideration free rent & rental concession.





“We will have to wait and see if consumer confidence remains positive, with spending levels rising and unemployment starting to improve.”



demand by allowing existing vacant space to be absorbed and wait out this business cycle before any major growth should happen.

Outlook

As fall weather approaches so does the seasonal changes to the Retail market. While we hope the worst is over, we still are cautious of the slight improvement that we have witnessed during 3rd quarter 2010. During the quarter we may have experienced a temporary improvement in the retail market due to the rise in spending from back-to-school shopping. We are also fast approaching the short lived holiday seasonal consumer spending uptick and vacancy drops as “pop-up” leasing begins with Halloween. Toys-R-Us, Borders, Build-A-Bear and Harry & David are expected to be the mayor players in “pop-up” openings across the nation during this holiday season. Some retailers, who are gaining confidence in the local market, are also said to be using this holiday “pop-up” season to experiment with the vacant locations to see the potential sales volumes and shopper traffic to see if the “pop-up” locations may transition into a permanent locations. This could also result in permanent jobs for some of the holiday workers employed at these “pop-up” locations. Another positive sign on a National retail level comes from the recent announcing for plans of new store openings from major department stores. Target plans to open 10 new

New Supply (Completions) and Market Demand

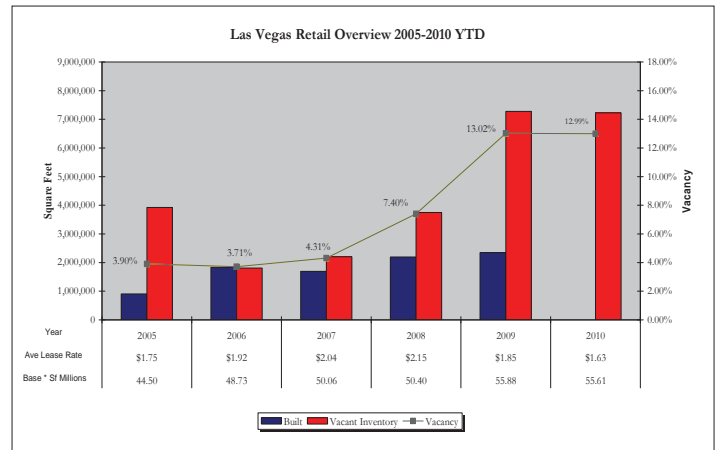
Developers have halted many projects resulting in no new construction completions during Third quarter. With the continued hesitation of developers to build product, due to scarce construction financing and weak rents, we also don't expect much of the planned product to come online any time soon. Future new supply levels will continue to shrink as market corrections are underway. It may take another five years for the housing market to become stable, credit to start flowing and employment to become active again before any rise in construction numbers. For a smart recovery, the retail market needs to solve the imbalance of supply and



Retail Market Overview

stores by October, JCPenney, plans to open two, and Kohl's has announced plans to open 21 new stores in 15 states.

The question now for the Las Vegas Market is to wait and see if the holiday season will just produce a temporary recovery or will it start to produce a true recovery in the coming year. We will have to wait and see if consumer confidence remains positive, with spending levels rising and unemployment starting to improve. This will help vacancy to really drop as retailers begin to expand into 7.2 million square feet of current vacant space in the market. Even with these positive indicators we still expect to see a slow recovery. With more than 50 big box retailers closing up shop since 2007 and Saks department stores still exiting the Nevada market, it will take time to fill these vacant spots. However, as consumers are watchful of their spending habits and are looking for values, we are hopeful that discount retailer's such as, Ross, Wal-Mart, TJMax, Burlington Coat Factory, and Hobby Lobby, to name a few, will take charge and help lease up some of the vacant big box space and start to really turn the retail market around in the next three to four years.



Note: Due to reclassifications of, and adjustments to, data between reporting periods, the commercial market data for the latest quarter may not necessarily be comparable to a previously reported quarter.

RULES FOR MARKET REVIEW

Only existing properties, for lease >=20,000 square feet are included in the market reviews

TYPE

- Regional Mall Enclosed Mall
- Regional Center >= 350,000 Sf
- Community Center >= 100,000 And <= 349,999 Sf
- Neighborhood Center >= 50,000 And <= 99,999 Sf
- Anchorless Strip <= 49,999 Sf
- Freestanding Freestanding



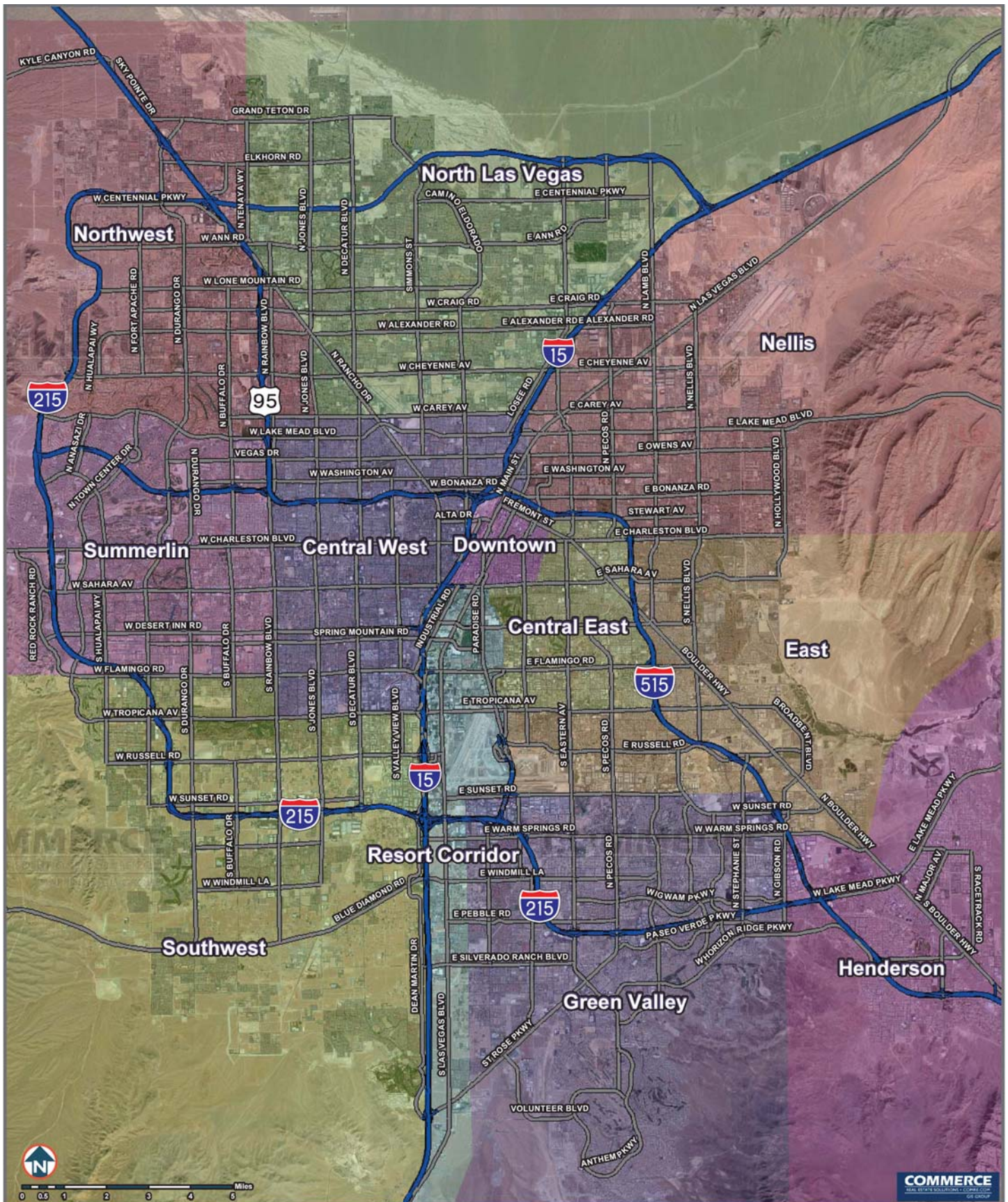
Retail Market Overview

Commerce Real Estate Solutions
Las Vegas Retail Market Report Q3 2010

	Inventory				Vacancy		Demand & Supply			Pricing		
	No. of Bldgs.	Existing SF	Under Const. SF	Planned SF	Vacancy		Net Absorption	Gross Spaced	New Supply	Asking Rent (NNN)		
					SF	Rate				Low	High	Weighted Avg.
Central East												
Community Centers	20	3,341,495	-	-	424,980	12.72%	33,248	57,286	-	\$0.50	\$3.00	\$1.52
Freestanding	6	232,766	-	-	-	0.00%	-	-	-	-	-	-
Neighborhood Centers	6	492,815	-	-	113,492	23.03%	(14,260)	4,485	-	\$0.90	\$3.75	\$1.68
Anchorless Strip	40	1,497,230	-	-	241,007	16.10%	16,820	54,346	-	\$0.50	\$3.00	\$1.37
Total	72	5,564,306	-	-	779,479	14.01%	35,808	116,117	-	\$0.50	\$3.75	\$1.51
Central West												
Community Centers	29	4,980,163	-	-	393,702	7.91%	(26,001)	53,626	-	\$0.65	\$3.23	\$1.33
Freestanding	6	512,437	-	-	1,200	0.23%	-	-	-	\$1.00	\$1.60	\$1.46
Neighborhood Centers	17	1,300,033	-	-	131,117	10.09%	(7,609)	5,271	-	\$0.60	\$2.50	\$1.42
Anchorless Strip	41	1,458,720	-	-	197,887	13.57%	46,375	52,231	-	\$0.50	\$2.50	\$1.05
Total	93	8,251,353	-	-	723,906	8.77%	12,765	111,128	-	\$0.50	\$3.23	\$1.28
East												
Community Centers	16	2,532,242	-	-	462,836	18.28%	(43,794)	31,901	-	\$0.50	\$3.50	\$1.44
Freestanding	2	77,234	-	-	-	0.00%	-	-	-	-	-	-
Neighborhood Centers	2	181,777	-	-	-	0.00%	-	-	-	-	-	-
Anchorless Strip	12	402,940	-	-	72,549	18.00%	11,136	16,020	-	\$0.50	\$2.00	\$1.36
Total	32	3,194,193	-	-	535,385	16.76%	(32,658)	47,921	-	\$0.50	\$3.50	\$1.41
Green Valley												
Community Centers	33	7,442,783	-	-	615,019	8.26%	132,239	196,262	-	\$1.00	\$4.00	\$1.86
Freestanding	3	263,856	-	-	26,974	10.22%	-	-	-	\$1.00	\$1.00	\$1.00
Neighborhood Centers	22	2,055,795	-	-	288,505	14.03%	17,135	37,782	-	\$1.00	\$4.00	\$1.86
Anchorless Strip	27	834,058	-	-	240,802	28.87%	(13,847)	23,843	-	\$0.75	\$3.00	\$1.51
Total	85	10,596,492	-	-	1,171,300	11.05%	135,527	257,887	-	\$0.75	\$4.00	\$1.57
Henderson												
Community Centers	10	1,954,454	-	-	500,392	25.60%	84,099	95,523	-	\$0.50	\$4.00	\$1.68
Freestanding	-	-	-	-	-	-	-	-	-	-	-	-
Neighborhood Centers	3	295,539	-	-	8,442	2.86%	1,376	1,376	-	\$2.00	\$2.50	\$2.25
Anchorless Strip	7	347,623	-	-	128,753	37.04%	(13,582)	-	-	\$0.50	\$3.50	\$1.98
Total	20	2,597,616	-	-	637,587	24.55%	71,893	96,899	-	\$0.50	\$4.00	\$1.97
Nellis												
Community Centers	8	1,235,823	-	-	72,682	5.88%	17,049	18,649	-	\$0.85	\$2.55	\$1.39
Freestanding	2	100,340	-	-	-	0.00%	-	-	-	-	-	-
Neighborhood Centers	11	908,002	-	-	125,629	13.84%	8,331	9,878	-	\$0.50	\$3.25	\$1.60
Anchorless Strip	16	528,204	-	-	85,695	16.22%	(12,435)	8,087	-	\$0.70	\$3.50	\$1.39
Total	37	2,772,369	-	-	284,006	10.24%	12,945	36,614	-	\$0.50	\$3.50	\$1.46
North Las Vegas												
Community Centers	25	4,917,861	-	-	779,546	15.85%	4,762	49,804	-	\$0.50	\$3.75	\$1.98
Freestanding	-	-	-	-	-	-	-	-	-	-	-	-
Neighborhood Centers	16	1,444,702	-	-	313,403	21.69%	61,226	72,318	-	\$0.65	\$2.75	\$1.61
Anchorless Strip	12	435,959	-	-	152,787	35.05%	6,249	17,552	-	\$0.49	\$3.50	\$1.31
Total	53	6,798,522	-	-	1,245,736	18.32%	72,237	139,674	-	\$0.49	\$3.75	\$1.63
Northwest												
Community Centers	17	3,451,348	-	-	262,591	7.61%	61,714	70,927	-	\$0.81	\$3.15	\$1.84
Freestanding	-	-	-	-	-	-	-	-	-	-	-	-
Neighborhood Centers	18	702,120	-	-	110,358	15.72%	17,179	17,899	-	\$0.95	\$3.25	\$2.16
Anchorless Strip	13	366,302	-	-	103,761	28.33%	8,770	19,901	-	\$0.90	\$3.25	\$1.62
Total	48	4,519,770	-	-	476,710	10.55%	87,663	108,727	-	\$0.81	\$3.25	\$1.87
Southwest												
Community Centers	15	4,176,004	-	-	563,092	13.48%	(14,993)	15,974	-	\$0.95	\$3.50	\$1.90
Freestanding	-	-	-	-	-	-	-	-	-	-	-	-
Neighborhood Centers	10	962,756	-	-	50,013	5.19%	209	2,630	-	\$1.00	\$2.55	\$1.58
Anchorless Strip	44	1,630,125	-	-	280,028	17.18%	31,794	68,292	-	\$0.50	\$4.25	\$1.66
Total	69	6,768,885	-	-	893,133	13.19%	17,010	86,896	-	\$0.50	\$4.25	\$1.71
Summerlin												
Community Centers	18	3,602,518	-	-	360,271	10.00%	(19,569)	33,177	-	\$0.75	\$3.50	\$2.17
Freestanding	-	-	-	-	-	0.00%	-	-	-	-	-	-
Neighborhood Centers	8	515,641	-	-	17,692	3.43%	7,012	7,012	-	\$0.80	\$3.00	\$1.83
Anchorless Strip	13	428,398	-	-	97,501	22.76%	1,678	11,638	-	\$1.00	\$3.00	\$1.52
Total	39	4,546,557	-	-	475,464	10.46%	(10,879)	51,827	-	\$0.75	\$3.50	\$1.84
Las Vegas Total												
Community Centers	191	37,634,691	-	-	4,435,111	11.78%	228,754	623,129	-	\$0.50	\$4.00	\$1.71
Freestanding	19	1,186,633	-	-	28,174	2.37%	-	-	-	\$1.00	\$1.60	\$1.23
Neighborhood Centers	113	8,859,180	-	-	1,158,651	13.08%	90,599	158,651	-	\$0.50	\$4.00	\$1.78
Anchorless Strip	225	7,929,559	-	-	1,600,770	20.19%	82,958	271,910	-	\$0.49	\$4.25	\$1.48
Total	548	55,610,063	-	-	7,222,706	12.99%	402,311	1,053,690	-	\$0.49	\$4.25	\$1.63



Retail Market Overview



Retail Market Overview

LAS VEGAS RETAIL TEAM



Robin Civish, CCIM



Liz Clare, CCIM



Dan Hubbard



Todd Manning



Michael McDay



Kelli Naziri



Jacqueline Young





GIS / MAPPING DEPARTMENT

The GIS / Mapping services group provides our agents and clients with the most current information available. Using GIS (Geographic Information Services) allows our clients a unique opportunity to visualize where their property is located. Additional market information includes:

- Daily traffic count information
- Local drive times
- Demographic information
- Population growth
- Major tenants in the region and trade areas

Some clients that have benefited from our mapping / GIS technology are; Wal-Mart, JoAnn's, Carmax, Toys-R-Us, Discount Tire, Lowe's Home Improvement, Shoe Carnival, Chase Bank, Staples, PacifiCorp, GSA, Intel, Fidelity Investments, Social Security Administration, Salt Lake City School District and JP Morgan Bank.

RESEARCH DEPARTMENT

The Commerce Real Estate Solutions Research team is charged with tracking the Utah, Nevada and Seattle commercial real estate markets and providing current market information. With access to industry databases and prime real estate tools, the research team is well-equipped to support the information needs of the local offices.

The Las Vegas researcher tracks leasing activity for 182 million square feet of office,

medical office, industrial and retail properties. In addition to tracking local properties, the research team prepares quality market reports and research economic and demographic trends. Working in tandem with the other office specialty support groups such as mapping, graphic design and marketing, the Research team strives to provide timely and quality information to enable Commerce professionals to better serve their clients.

MARKETING DEPARTMENT

The graphic design department at Commerce Real Estate Solutions employs eight full time

department is "to provide our agents with whatever materials necessary to successfully market their projects". This resource allows us to vividly show the retail prospect why they need to be located in a certain segment of town. This department uses the latest in Adobe design programs, and is integrated with our mapping and research departments.

WEB: WWW.COMRE.COM

Commerce Real Estate Solutions was at the forefront in the use of the World Wide Web by commercial real estate firms and has maintained a web site for over ten years. All

"Commerce Real Estate Solutions is a regional real estate firm with international ties, dedicated first and foremost to our clients. With the industry's premier professionals, and industry leading technology, our mission is to exceed our clients' expectations through service excellence."

graphic designers. Each of our designers has a number of years of experience. Chris Valentin, the design director, has been with Commerce Real Estate Solutions for over fourteen years, and along with Matt Liapis, who has taught graphic design and mapping at the University of Utah. Our Las Vegas office consists a team of two well trained and professional designers with a combined 12 plus years of experience.

The founding principal behind the design

of our commercial properties are listed and searchable by use, size, price, and location.

In addition to commercial properties, our Web site has agent profiles, information about Commerce Real Estate Solutions offices throughout the intermountain west, a company history, and links to valuable information including a link to the Cushman and Wakefield Web site. The Web site also has downloadable copies of all our Market Reviews dating back to 1996.



Commerce Real Estate Solutions
3800 Howard Hughes Parkway, Suite 1200
Las Vegas, NV 89169
702-796-7900 (T)
702-796-7920 (F)
www.comre.com



COMMERCE
REAL ESTATE SOLUTIONS • COMRE.COM

An independently owned and
operated member of the
**CUSHMAN &
WAKEFIELD**
ALLIANCE

©2010, Commerce Real Estate Solutions. Disclaimer: The above information is given with the obligation that all negotiations relating to the purchase, renting, or leasing of the property described above shall be conducted through Commerce Real Estate Solutions. No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other encumbrances, withdrawal without notice, and to any special listing conditions imposed by the seller. Prospective buyers should conduct their own due diligence. Some aerial photography by DigitalGlobe or Aerials Express.