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April 8, 2014

Via US-Mail:

City of Sparks
Office of the City Attorney
Attn: Douglas Thornley, Esq.
431 Prater Way
Sparks, Nevada 89431

*Re: Sparks Development, LLC
Residential Construction Tax Credits*

Dear Doug:

I have been requested by Sparks Development, LLC ("SD"), to assist in recovering \$146,036.70 in residential construction tax ("Construction Tax") in connection with First Tee Project and construction of Coyote Springs Park ("Park") in Sparks, Nevada.

SD and the City of Sparks entered into a Residential Construction Tax Credits Agreement ("Agreement") requiring SD to convey property and construct the Park within the First Tee Project in return for Construction Tax credits ("Tax Credits"). The Agreement is enclosed, but I believe you have a copy. SD performed under the Agreement by timely and properly conveying, constructing and delivering the Park. The Park was approved by the City of Sparks, Parks and Recreation on November 6, 2008.

Under the Agreement, SD and other homebuilders were entitled to pull permits with the City of Sparks within the First Tee Project without paying Construction Tax. During the construction of the homes, the City of Sparks accepted additional Construction Tax payments from SD and its affiliate Reno Development, Ltd., rather than simply applying the Tax Credits per the Agreement. As a result, the City of Sparks was unjustly enriched in the amount

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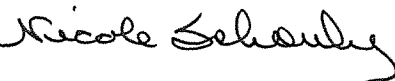
of \$146,036.70 which is the balance owed to SD on the Agreement. All permits in the First Tee Project have been issued. In absence of payment in this amount, delivery of the fully constructed park would amount to a taking.

SD has discussed the City's unjust enrichment with John Martini, P.E. Mr. Martini has acknowledged the obligation to pay SD the funds requested, but suggested it would be appropriate for me to write this letter to City Council to obtain formal approval of payment in the amount of \$146,036.70 for SD's faithful and successful efforts in bringing the Park to residents of the First Tee Project.

Thank you for your consideration. We look forward to a prompt and positive outcome. If you have any questions, please do not hesitate to contact my office.

Yours very truly,

BRUCE LAW GROUP, P.C.

p.p. 

Mark F. Bruce, Esq.

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