



July 31, 2008

Law Office of Chuck Gardner

*3087 Desmond Ave., Las Vegas, Nevada 89121
Tel: 702.433.6758 Fax: 702.433.9857*

Your Ref: REI Neon	Subject: REI Neon	Our Ref: Charles Weiner, et al
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Brad Jerbic
City Attorney, City of Las Vegas
400 East Stewart Ave., 9th Floor
Las Vegas, NV 89101

Dear Brad Jerbic,

Please forward this letter to the Mayor and members of the City Council. You were present at the hearings before the Review Panel of the Gaming Policy Committee and represented to the Review Panel, in response to concerns raised by the Review Panel, that the REI Neon gaming entitlements would be rescinded if REI Neon did not follow through with alleged plans to construct and operate a sports arena on the site. We now know that REI Neon will neither construct nor operate a sports arena – or anything else – on the site. Instead, the “assemblage” is now listed for sale in whole or in pieces.

Charles Weiner requests that the combined applications, GPA-20227, ZON-21165, ZON-21166, SUP-21168, SUP-21169, SUP-21171, SUP-21172, VAC-21173 and SDR-21175 be placed on the next available City Council agenda for revocation.

On or before July 27, 2008, Robert Reel, a Nevada licensed real estate broker who has acted in concert with REI Neon to attempt the assemblage of property for the casino/arena Project Neon project, listed the non-assembled “assemblage” for sale on Property Line, a web-based international property listing facility. [Exhibit 1]

Mr. Reel has also advertised the property for sale on mergernetwork.com [Exhibit 2] and on Reel's own website, trlgroupp.com.¹ [Exhibit 3]

This is exactly what the citizens said at the REI Neon entitlement hearings would happen. REI has no financing. REI doesn't own the property. REI has no plans, intent, or ability to build or operate an arena or a casino – or anything – on the land or anywhere.

REI Neon had only one purpose for the entitlements – to increase property values and flip the site in whole or in pieces. The REI Neon “project” was a hoax from beginning to end.

Mayor Goodman said that it would be a miracle if REI should ever come through. Now we know that REI Neon cannot raise Lazarus.

The nearly identical listings read:

17 acres of City-owned streets and alleyways previously vacated for +/-73 gross acres with blended price of \$188 per sqft.

We are presenting a unique project site on the Las Vegas Strip next to the MGM/Dubai/Kerzner future hotel & casino and the Stratosphere Hotel & Casino recently acquired by Goldman Sachs! Please visit www.trlvgroup.com for more details on this opportunity.

Project Neon Lights is one of the most unique real estate assemblages in history containing approximately 56 net acres in the heart of the City of Las Vegas and is being offered 50% below January 2007 appraised value. The site had achieved zoning for a mixed use development including gaming, retail, condo, hotel and a 22,000 seat events arena. This property has +/-17 acres of City-owned streets and alleyways which previously had been vacated at no additional expense to the buyer and presented a +/-73 gross acre development site. These past entitlements still exist today and have the potential to be negotiated with the sale of this project. Additionally, our site is located in a City redevelopment area and had obtained an approximate \$600 Million Tax Increment Financing (TIF) package based on the tax revenue of the future development which was previously approved by the City. Furthermore, the development has potential for the City's assistance in securing bond financing for arena construction.

¹While it's a safe assumption that Reel is listing the “assemblage” for REI Neon (“Project Neon Lights”), the listings do not disclose the principal; since there is no assemblage, the concept of principal here is elusive.

Project Neon Lights may be acquired in its entirety or in portions with financing options available. We can also introduce potential joint venture opportunities for development or with major gaming firms who have expressed an interest to manage operations.

The lead-in to the Property Line listing is "Las Vegas Strip Property." The Property Use is said to be "Any," Zoning is stated to be "Mixed," and the Parcel Number line is left blank.

The listings give the address of 1100 S. Main Street. Under "Property Features" the Property Line listing states, among other things, "Rare Las Vegas Strip Site" and "Possible Seller Financing."

The listings contain at least the following misrepresentations:

- (1) The alleged "assemblage" is not on the Las Vegas Strip.
- (2) The alleged "assemblage" is not next to the MGM/Dubai/Kerzner future hotel & casino.
- (3) The alleged assemblage is not next to the Stratosphere Hotel & Casino.
- (4) Project Neon Lights is not a real estate assemblage.
- (5) The alleged assemblage does not now, and never has had, a value of \$1.2 billion dollars.
- (6) The 17 acres of streets and alleyways have not been vacated.
- (7) There is no +/-73 gross acre development site.
- (8) There is no 56 acre net development site.
- (9) Neither 56 net acres nor 73 gross acres can Mr. Reel describe as "our site."
- (10) Neither Reel nor any entity he represents has control over 56 or 73 acres and cannot offer any such "assemblage" to be acquired either in its entirety or in portions.
- (11) Neither Reel nor any entity he represents has available financing options.
- (12) Neither Reel nor any entity he represents in this matter can introduce joint venture opportunities for the site's development.

(13) Reel fails to mention that the alleged “assemblage” is only a pile of expired “estoppel certificates” and that no person or entity he represents has an assemblage of either 56 or 73 acres.

(14) Reel fails to mention the two pending lawsuits challenging the entitlements.

(15) Reel fails to mention that the reason the streets and alleys have not been vacated is that neither he nor any entity he represents owns the parcels that make up the alleged “assemblage” and that the alleged vacation of streets is nothing more than a legally suspect conditional vacation, conditioned upon Reel’s client(s) perhaps someday coming into possession of the necessary parcels.

(16) Reel fails to mention that the entitlements depend on the vacation of streets, which, in turn, is dependent upon someone purchasing and assembling the necessary parcels.

(17) Reel fails to mention that neither he nor any entity he represents has the right or capacity to acquire the parcels necessary for the vacation of streets or for any 56 or 73 acre assemblage.

(18) Reel fails to mention that the Review Panel of the Nevada Gaming Policy Committee has determined that the gaming entitlement must be rescinded if a sports arena is not constructed and that the City of Las Vegas has agreed to rescind the gaming entitlement if an arena is not built.

(19) REI Neon can offer no “Seller Financing” of a 56- or 73-acre assemblage.

(20) 1100 South Main Street is a .30-acre parcel owned by the Karen M Bailey & T Prato Living Trust, listed by the County Assessor as “commercial automotive.” [Exhibit 4]

Although misrepresentations will support disciplinary action against a Nevada real estate broker,² the goal here is to correct the problem created by the false entitlements and the misrepresentations that were made to the citizens and representatives of the City of Las Vegas.

² Grounds for discipline include “making any material misrepresentation,” NRS 645.630(1)(a), and “any other conduct which constitutes deceitful, fraudulent or dishonest dealing.” NRS 645.633(1)(i). See *Holland Rlty. v. Nev. Real Est. Comm’n*, 84 Nev. 91, 436 P.2d 422 (1968).

It would appear that what Reel is offering is a chance to be at the front end of a double escrow. If Reel can find someone to “purchase” the site for \$600 million plus whatever additional amount he and REI Neon might “negotiate” for the entitlements (“These past entitlements still exist today and have the potential to be negotiated with the sale of this project.”³), Reel and REI Neon can use this money to buy the land in the first instance and double-escrow it to a prospective purchaser, assuming that the owners are willing to sell.

It is also time now to reveal the identity of the “billionaires” who REI Neon representatives alleged at the hearings to have been ready, willing and able to finance the operation at that time.

Last, but not least, there is reason to believe that critical “estoppel certificates” have expired, and REI Neon should finally be required at this time to show that it has control over the site.

Charles Weiner and other citizens who spoke against the applications at the meetings of the Planning Commission and City Council therefore ask that items GPA-20227, ZON-21165, ZON-21166, SUP-21168, SUP-21169, SUP-21171, SUP-21172, VAC-21173 and SDR-21175 be placed on the next available agenda of the City Council for a public hearing for possible revocation.

Sincerely,

Chuck Gardner

³ Reel can use the requested hearing to explain how he intends to separately negotiate and sell city zoning ordinances and conditional street vacations.