

CDPCN LLC
2009 Alta Drive
Las Vegas, Nevada 89107

August 17, 2007

Mr. Tim Whitright
Neighborhood Development Manager
Neighborhood Services Department, 2nd Floor
400 Stewart Avenue
Las Vegas, NV 89101

Re: Emerald Breeze Request

Dear Mr. Whitright:

As you know from our discussions and meetings regarding the above-referenced project, we have faced many obstacles in operating and maintaining the Emerald Breeze apartment units.

For many years, Emerald Breeze has been a nuisance to the community from the time it was owned by the Las Vegas Housing Authority and even after it was sold to a private entity ORO LLC. While property management has its role; the physical property has clearly deteriorated due to age and become increasingly uninhabitable to the point where HUD's Multi-Family Division indicated it would not renew the section 8 contract. Despite our best efforts, CDPCN LLC is unable to acquire adequate financial resources to maintain these units and provide truly clean, decent, and safe affordable housing. The tenants moved to other available housing. CDPCN LLC is proposing to reparcel the property, retain two existing buildings on one parcel and demolish the remaining buildings. These demolished buildings will be replaced by new apartments developed in phases. The first phase consists of 82 multi-family 2 bedrooms, 2 bath apartment units. The second phase will be senior apartments.

Prior to discussing the possible solutions to demolishing the majority of Emerald Breeze and building this new project, I would like to present a brief history of the project.

HISTORY

In 2002 CDPCN was awarded tax credits to build 100 apartment units, Evergreen Granny LLC dba David Hoggard Apartments, next door to the Emerald Breeze Apartments. The new development was almost canceled because of the unsavory conditions at Emerald Breeze Apartments, which employed full-time security guards with guns and bulletproof vests. The original investor, The Richmond Group, and the lender, US Bank, both required CDPCN to provide similar security before they would invest in Evergreen Granny Apartments because of the situation at the neighboring Emerald Breeze site. Our

pro forma rents were not enough to hire this level of security; consequently, the investor and lender walked away from the deal.

We found a new investor, Sun America, and lender, Stearns Bank, to participate in this development with the condition that we purchase the Emerald Breeze apartments and correct the property issues. Our \$9 million dollar Evergreen development, which was ready to commence construction, would not otherwise have been able to move forward. We approached the City of Las Vegas and requested their assistance to buyout the existing owners as it was agreed that the quality of life for the residents would not improve under the existing ownership.

CDPCN LLC found a lender and made an offer to purchase the Emerald Breeze apartments; however, the lender, GMACC would not move forward due to the poor condition of the property. The property required an immediate cash infusion to address the deterioration and lack of routine maintenance. The property owner ORO LLC was not willing to invest funds to correct these conditions so the lender canceled the transaction.

Finally, the City of Las Vegas stepped forward as the lender to allow CDPCN LLC to purchase the property. After eight months of owning the property and experiencing monthly increases in the operating costs and decreases in rent revenues; we realized it would not be possible to maintain the property as a clean, decent, and safe living environment. The continued water and sewer maintenance problems, along with the increased cost of security patrols, prompted us to opt out of the HUD HAP contract in April of 2006 by providing HUD and the residents a one year notice. The last resident moved to other available housing using a voucher in June of 2007.

Subsequently, CDPCN LLC applied for and won an award of tax credits for the project being proposed to replace Emerald Breeze: the Sarann Knight Family Apartments.

In order to accomplish the redevelopment of this site with the new 82 unit Sarann Knight Family Apartments; the existing deteriorated 68 units in 6 buildings at Emerald Breeze Apartments must be demolished.

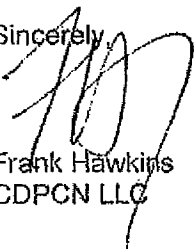
Also, in order to address the other issues required to allow for this new development, which will greatly improve the quality of life for residents and the character of the neighborhood, I am proposing the following:

Within 90 days of the approval of our request we will re-open the 32 units at the site curing the non compliance issue. We would request the CDBG funds initially invested on Emerald Breeze remain on the 32 units.

- Defer the 18% RDA Set-Aside, CDBG and HOME loans payments. Amend the three existing agreements to reflect these as deferred loans and place these deferred loans on the existing parcel with the remaining 32 units in 2 buildings.

As time is of the essence for this project, I am asking that this request be submitted to the Las Vegas City Council at the earliest possible Council date.

Sincerely,



Frank Hawkins
CDPCN LLC