



March 1, 2013

VIA E-MAIL AND UNITED STATES MAIL

Josh M. Reid, Esq.
City Attorney
City of Henderson
240 Water Street
Henderson, Nevada 89015

RE: Milam Litigation

Dear Mr. Reid:

I write concerning articles from the *Las Vegas Review Journal* and *Las Vegas Sun*, purporting to recite from pleadings the City of Henderson filed in its ongoing litigation with Christopher Milam ("Milam") and others. These articles state that Milam and/or entities he controls had entered into a "deal" with my client, Juliet Companies, LLC ("Juliet"), through one of its executives, John Stewart. As I understand it, the City is seeking to show that Milam was planning residential development on what he was portraying as a stadium site, while it contends that Milam was denying that fact to the City and its representatives. Juliet and its representatives are not privy to Milam's representations to the City, however, they feel compelled to dispel any suggestion that Juliet had a deal with Milam, let alone one contrary to the City's interests.

The document referenced in the articles is a nonbinding letter of intent, although neither article notes that critical and controlling fact. As the letter expressly says, it "is not a binding agreement between the parties" and no one is bound unless there was an actual definitive written agreement reached. Indeed, even those nonbinding discussions contemplated that any entitlement and development plan would have to be "consistent with the uses and densities allowed in the LVNSC Master Plan Overlay" approved by the City. As such, to the extent that Milam was seeking to take action in contravention of any agreement with the City, Juliet certainly had no knowledge of that and it did not and would not participate in such actions.

Juliet had not met Milam or his entities prior to being introduced to him by one of Juliet's attorneys. Milam claimed that he was looking for an experienced development partner. As you can imagine, one thing that a developer does when it is approached about business opportunities is due diligence. It is customary for a developer like Juliet to gain an understanding of any potential opportunity by setting forth the possibilities in a nonbinding letter of intent. After all, there is little utility in devoting resources to due diligence on an opportunity without a possible framework to consider. But the point of such a letter is to confirm that there is *no* deal unless the parties actually sign a contract after due diligence is conducted. Developers like Juliet will not expose themselves to self-serving claims that discussions and a due diligence examination means that a deal



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existed. That is the very reason why a nonbinding letter exists – to confirm that there is no deal. And, as an experienced developer, including in the City, Juliet is keenly aware that its approval and oversight is necessary for any successful development plans. For Juliet to get comfortable with any plans, the City's involvement and consent would be critical.

In this instance, Juliet never even got to that point. It never reached any actual agreement or deal with Milam or his entities. Juliet did not get comfortable with any potential role based upon its due diligence. Thus, media reports that there was a "deal" between Milam and Juliet fails to address the realities of what a nonbinding letter of intent is and why it exists.

As you may also know, I was one of the attorneys involved in the numerous lawsuits that grew out of Milam's involvement in the Hard Rock Condominium project. I am familiar with Milam's testimony in those vast proceedings, including statements he made to investment bankers and business colleagues that may well be enlightening in the City's litigation. But the record here is clear: Juliet entered into no deal with Milam or any of his entities concerning residential development on the site. It signed a typical nonbinding letter for purposes of undertaking due diligence and exploring opportunities. If that is not what Milam and his entities were telling the City, then we assume that the City intends to make that point to the court.

Best regards,

Todd L. Bice, Esq.

TLB/kap

cc: Dennis Kennedy, Esq. (via email)
Terry Coffing, Esq. (via email)
Eli Segall (via email)
Alan Snell (via email)