

*Steve*



American Golf Corporation

May 21, 1997

Lynn Macy, Deputy City Manager  
c/o Office of the City Clerk  
City of Las Vegas  
400 East Stewart Ave., 5th Floor  
Las Vegas, NV 89101

**Re: Request for Development Proposals  
Vegas Valley / Stephanie Site Golf Course**


Dear Ms. Macy:

AGC has reviewed in more detail the Vegas Valley development site. As a result of this review, AGC has determined that the high end daily fee golf course it contemplated for the site in its submission dated May 11, 1997 is not feasible within the capital investment constraints set forth in our submission. Our research has concluded that development of the golf course would cost significantly more than what we had proposed in our submission. Unfortunately, the expected operating pro forma of the golf course does not justify the actual development cost. Consequently, we are regrettably rescinding our proposal to develop a golf course on the site.

Please do not hesitate to call me at (310) 664-4276 if you have any questions.

Yours very truly,

AMERICAN GOLF CORPORATION

  
Joseph I. Guerra  
Executive Vice President

JL.G:jb