

April 10, 2007
File No. 59087.05

Mr. Blake Smith
Virginia Highlands, LLC
7690 Town Square Way
Reno, NV 89523

**SUBJECT: Former TRW Site
Storey County, Nevada**

Dear Mr. Smith:

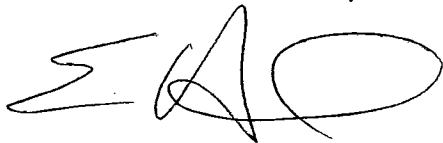
As you are aware, we have completed various Phase 1 and Phase 2 environmental investigations for the 8,600 acres of land known as the former TRW site, or what is now known as Cordevista, for Virginia Highlands, LLC. In the course of our work, we have reviewed numerous documents prepared by TRW, the former owner, the Nevada Department of Environmental Protection and others, and have interviewed numerous people familiar with the site. In addition, we have worked closely with the former owner of the site, on your behalf, to identify any and all potential environmental impairments to the site.

The only area with soil contamination identified is a small, 0.18 acre, confined area consisting of a circular gravel pad that was used to test automobile air bag propellant. The pad is double lined to prevent any leaching of propellant material into the ground. Our firm is currently in the process of finishing the remediation of this site, and we expect remediation to be complete by the end of summer 2007. Once this remediation is finished, we will consider the investigation and remediation to be complete; at that point, it is our opinion that the site will be suitable for residential, commercial or mixed development.

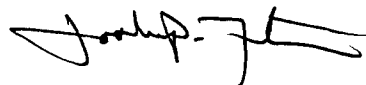
Based on work completed by us and others, we are not aware of any environmental impairment on the site, other than that outlined above.

Sincerely,

KLEINFELDER WEST, INC.



Eric Hubbard, CEG, CHG, CEM
Geoscience Manager



Josh Fortmann, PG, CEM
Project Geologist