

Cordevista

A Master Planned Mixed Use Community

July 12, 2007

Dear Storey County Planning Commission,

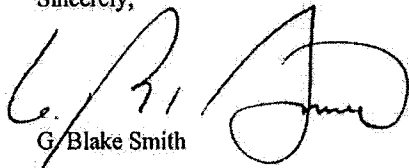
The topic of phasing the Cordevista project has been discussed numerous times in the Town Hall meetings as well as the Planning Commission meetings. It has been asked by members of the Planning Commission, if Cordevista would be willing to Phase the Project. Our intention in writing this letter is to clarify any confusion that may exist regarding the phasing of Cordevista.

As we have stated before, there will be extensive infrastructure costs, including the significant infrastructure costs of the importation of water, associated with the Cordevista project due to its location and certain critical mass must be achieved in order to produce a viable and economic implementation. As a result, we are requesting that an overall entitlement be granted for the entire 8,600 acres. Entitlement on the property as a whole will enable the community designers, engineers, and other team members to work together on one unified project. Having to repeat the zoning process for every phase of the Cordevista project will only prove to be problematic and the end result may not be as desirable.

We propose that once the 8,600 acres has been entitled that the project be divided into 5 phases of approximately 1,720 acres each (smaller in size than the 2,000 +/- Painted Rock Project Acres approved by this Planning Commission and County Commissions over the past year). Development of each phase will be governed by a specific set of criteria and requirements that will be determined at the PUD level. Requirements will be based upon providing for public health, safety, and welfare and determined jointly between County officials and Cordevista Development. Only after the PUD requirements are satisfied for the first phase can the second phase be initiated, and so on. If, however, the specific requirements are not satisfied, subsequent phases cannot be initiated until full compliance of the PUD is achieved.

Although the current "I-S" Special Industrial Zoning on the property does not require phasing, we are hopeful that this phased approach to the Mixed Use Zoning of Cordevista will give Storey County officials a level of comfort that the entire Cordevista project will not be built at the same time and give decision makers some additional controls to ensure that development occurs in a responsible manner within the parameters defined in the PUD approval.

Sincerely,


G/Blake Smith

VH0657