

Cordevista

A Master Planned Mixed Use Community

March 30, 2007

Dear Virginia City Highlands and Virginia City Residents,

As a follow up to the town meeting held on March 10th at the Virginia City Highlands (VCH) Fire Station, we would like to thank those of you who attended for your participation. We completely understand that you have many concerns that need to be addressed as well as rumors that need to be put to rest. We want to work with all of the residents of Storey County as we move forward to provide necessary commercial, retail, and housing for future Storey County residents employed at the Tahoe Reno Industrial Park.

For those of you who were unable to attend the March 10th meeting, we'd like to address many of the questions and concerns that were voiced by your neighbors that morning and restate our pledges.

CORDEVISTA WILL NOT IMPACT THE VCH WATER SYSTEM

The Cordevista community will be served by a water importation system, not by utilizing any ground water. This transportation system will cost Cordevista tens of millions of dollars to build. Cordevista will not use ground water and will not tap into the aquifer that supplies VCH. **In fact, Cordevista has offered and is willing to provide Virginia City Highland residents with access to the Cordevista water system. As VCH's demand on its current ground water system exhausts all the ground water in VCH, there will be a massive need for water for the residents of VCH.** There are various ways this can be accomplished which we are analyzing and discussing. We look forward to further discussions on this critical health, welfare, and safety concern.

NO ROADS WILL BE BUILT INTO VIRGINIA CITY HIGHLANDS

Cordevista has pledged not to build roads to connect to the south or VCH, which is over 4 miles from the Cordevista southern boundary line. As stated at the March 10th meeting and as indicated in the plan on file with Storey County, Cordevista is surrounded on three sides by the TRI Industrial Park and will be connected directly to the Industrial Park by a newly developed road coming from USA Parkway to the Community. **To bring further comfort to those of you that are concerned of a road to VCH, we will ask that the project be conditioned and have recorded documents stating that no road shall ever be built from Cordevista to VCH.** This shall be a condition of approval. TRI is projected to have up to 180,000 ± employees, and these employees will be Cordevista's primary users of the commercial, retail and housing, traveling to and from their jobs via the new road to be built to USA Parkway within the TRI Industrial Park. All of Cordevista's infrastructure will be built and financed by Cordevista and deeded to Storey County or a G.I.D. (General Improvement District, funded by the residents of Cordevista) for maintenance.

THE POLITICAL POWER BASE HAS ALREADY SHIFTED – PAINTED ROCK MIXED USE PROJECT

The political shift of power within Storey County has already occurred with the approval of the “Painted Rock” project six months ago. **The “Painted Rock” 2,000 ± acre, mixed use project (the same zoning Cordevista is requesting) is to have approximately 3,500 homes, bringing approximately 10,500 residents to Storey County. Storey County’s current population is 4,000 people, and the development of Painted Rock by its developers, Civaletto, LLC, will forever change the power structure of Storey County.** Cordevista will also supply additional commercial and residential to Storey County. We are, therefore, requesting that our project be districted politically to give equal representation to Virginia City, VCH, and the Lockwood areas. Civaletto/Painted Rock received approval to rezone 2,170 acres of Forestry Land to mixed use residential in late 2006. Cordevista is seeking the same approval to rezone its land from special industrial to mixed use residential.

JOB TO HOUSING BALANCE – A REGIONAL ISSUE

The Tahoe Reno Industrial Park (TRI), approved 10 years ago by Storey County, has been a great addition to Storey County and has benefited the county’s tax base. **Your current Planning Commissioners and County Commissioners enjoy this success but also have responsibilities of the local/regional impacts that Storey County now has due to the Industrial Park.** The adjacent counties and cities are concerned that there is not sufficient housing, commercial and public services within Storey County to balance this incredible Park. TRI may generate up to 180,000 jobs which, most likely, could equate to a need for as many as 180,000 homes. Without Storey County adding additional commercial and housing, neighboring cities and counties will have to provide all of the housing and public services (schools, fire, police, etc.) for the TRI employees without the offset of collecting any of the industrial real estate taxes that Storey County will receive from TRI. It is obvious that the job/home ratio in Storey County is greatly out-of-balance. **If this lopsided balance of jobs and housing is not corrected, legislation and/or annexation on a local or even state level may possibly occur to remedy the situation.** Cordevista will help to provide the jobs/housing balance that Storey County needs to rectify this issue.

PETROGLYPHS WILL BE PRESERVED AND PROTECTED

Cordevista surrounds the 80 acres of Storey County owned land which contain one of the nation’s largest concentrations of petroglyphs. **Cordevista is working closely with the Nevada Rock Art Foundation (NRAF - the volunteer group working to log and protect the petroglyphs) on a plan to allow public access while protecting this invaluable national treasure. Cordevista is willing to donate to the County adjacent lands to the existing 80 acre petroglyph site to expand it with additional petroglyph sites so they can also be protected for future generations to enjoy.**

PRESERVE OPEN SPACE FOR WILD HORSES AND NATIVE WILDLIFE

Wild horses inhabit all of Storey County. Cordevista is currently working with the State of Nevada and the University of Nevada Reno in studying the wild horses. As Cordevista develops its land plan, it will work with these and other private groups on a plan to preserve open space for the wild horses and native wildlife within the community. **At least 40% of Cordevista will remain as open space for individuals and wild horse/wildlife habitat to enjoy.**

DARK SKIES LIGHTING POLICY

Cordevista plans to implement "Dark Skies" lighting guidelines so all lighting is at a minimum in the evenings. All lighting shall be at minimum standards and all "Down Lighting" type standards.

LAND AND DOLLARS WILL BE PROVIDED FOR MUNICIPAL SERVICES

As part of the Cordevista mixed use master plan, the developers will contribute land and dollars towards the building of required community and public facilities including schools, parks and fire and police stations.

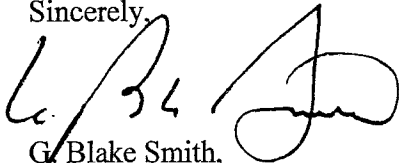
DEVELOPMENT TIMELINE

Cordevista will be in the design phase for the next 2 to 5 years before any construction is contemplated. Complete build-out is projected over the next 25 to 30 years.

FOR MORE INFORMATION

VCH residents that participated in the Cordevista/Somerset bus tour on March 10th were very appreciative of the insight that the tour gave them into the Somerset community in Reno which we have developed, as well as our plans for Cordevista. The tour participants gained an understanding of the project via questions and answers that is difficult to ascertain from viewing maps and aerial diagrams. If you would like to join a future bus tour, individual tour, or have questions about Cordevista, please call Darci Bertram at Somerset, 775.323.1405, or e-mail dbertram@somerset.com for more information.

Sincerely,



G. Blake Smith,
Managing Partner, Cordevista