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September 21, 2006

Pat Whitten, Director
Administration and Budgets
STOREY COUNTY
P.O. Box 176
Virginia City, NV 89440

Re: Storey County/Blake Smith

Dear Pat:

As you know, this firm represents Blake Smith with respect to his ongoing evaluation of the development potential for his Storey County real estate holdings. My recollection is that our communications and informal discussions with you and the County staff, and elected and appointed County officials have been ongoing for over a year now.

I am writing at this juncture to request additional information regarding an advisement that was provided at your meeting with Mr. Smith last Friday, September 15th. I am unsure as to the specific content of the advisement and as to the specific source of same, however, Mr. Smith has indicated that issues involve recalls of County Commissioners, local initiative petitions, and requirements for public votes on any project proposals were all set forth. I have taken the liberty of having a member of our firm, Matt Griffin, initiate research into the appropriate Storey County Ordinances and Nevada Revised Statutes to ascertain the existence of any present law on the local or state level in support of what appear to be rather pointed and specific threats at a particular land owner. I can tell you preliminarily that I am aware of no instance in the history of your jurisdiction that planning and zoning matters were abandoned by the Planning Commission and County Commission in favor of an approval election.

Such a proposal is particularly interesting in the context of the record of accomplishment of your planning process beginning with the TRIC approval some years ago. Since that time your Planning Commission, Staff, and County Commission has done a responsible job of protecting the myriad of public interests of Storey County. Indeed, the relatively recent approvals of continuing significant development proposals, both industrial and mixed use within TRIC, and on parcels that were initially within TRIC, are indicative of a process that appears to be working well for Storey County. In short, a proposal, if such a proposal in fact exists from within the County staff or a County elected official, to treat Mr. Smith's potential future development applications in a different manner than applications involving parcels within TRIC is under consideration, we'd like to be advised of the source of the proposal and the contents of





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the same. Our intent in making such a request is to be able to responsibly evaluate the same and be involved in any future discussions.

I am aware of the general provisions regarding ballot initiatives and recalls and will provide you with a copy of our research. I must admit, however, to some confusion regarding the apparent negative and perhaps even threatening focus on one landowner, whose development track record in Western Nevada is universally considered to be excellent, in the context of the present significant and ongoing commitment to development within TRIC in both the mixed use and industrial contexts. It is my hope that I am either mistaken in my confusion, or that you can provide the appropriate information to indicate the basis and source for a proposed departure from Storey County's traditional and historical processes in this regard.

Kindly advise.

Cordially,
KUMMER KAEMPFER BONNER RENSCHAW & FERRARIO

Mark E. Amodei

MEA/la

cc: Harrold Swafford, Esq.
Chris MacKenzie, Esq.
Blake Smith