

Smith Ranch Master Planned Community
Cochise County, Arizona



~ **SMITH RANCH** ~

JR Carlson
COMPANY Commercial Real Estate
Sales & Investments

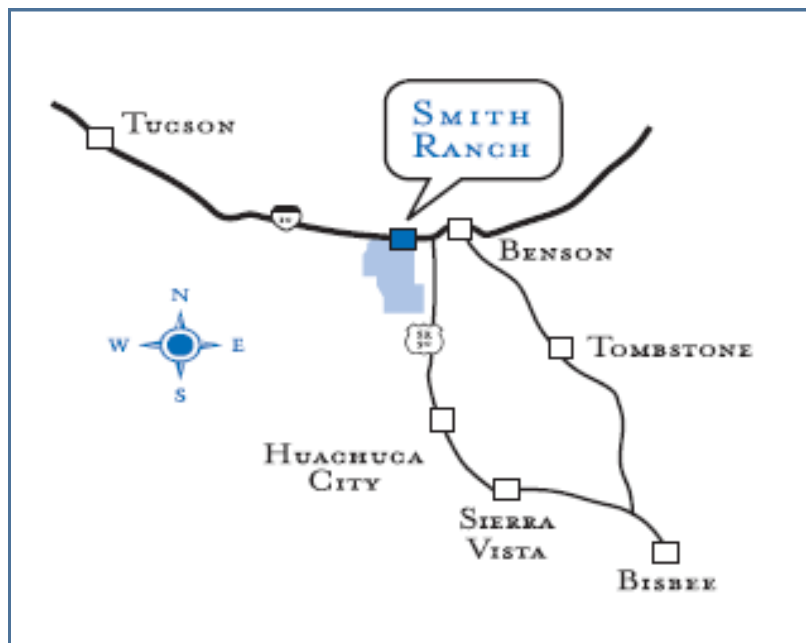
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Smith Ranch

Cochise County, Arizona

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BENSON LAND INVESTORS, LLC.

Benson Land Investors, LLC.

Smith Ranch 2,120 Acres

Term Sheet

PROPERTY

- Approximately 2,120 Acres in Northwest Cochise County
- Current Zoning - Cochise County - RU-4 - 1 unit per 4 acres - Approx. 500 lots total
- Annexable into the City of Benson - 2015 General Plan - MXU Designation - 8+ Units Per Acre
- Access from I-10 Frontage Road, Skyline Interchange, SR90
- 360 Degree Mountain Views

LOCATION

- Approximately 1 Mile of Frontage on the I-10, Between the Skyline and SR90 Interchange
- Approximately 30 Minute Commutes to Major Employers: U.S. Mexico Border Employment, Ft. Huachuca, Davis Monthan Air Force Base, U of A Technology Park (Rita Road)
- Convenient to Kartchner Caverns, Coronado National Forest, Southern Arizona Wine Country, San Pedro Riparian National Conservation Area
- Contiguous to City of Benson Boundaries & Adjacent to El Dorado Holding's Villages @ Vigneto Community Master Plan (Final CMP and Development Plan Approved by the City 7/18/2016)

PRICE

- \$2,750 per acre

ADDITIONAL PROPERTY

- ALTA Survey
- Phase I Environmental
- Army Corp of Engineers 404 Jurisdictional Boundary Determination
- ADWR Analysis of Adequate Water Supply
- Other Technical Studies and Reports associated with Master Development Plan Entitlements

SCHOOL DISTRICT

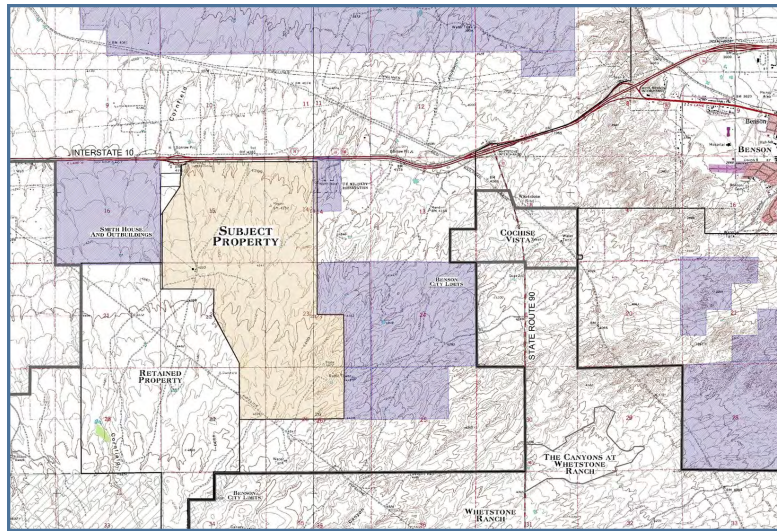
- Benson Unified School District - "A" Rated by Arizona Department of Education

Exclusive Broker Contact Information

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Project Profile



Smith Ranch Overview, Location and Access

Smith Ranch is a 2,120-acre holding on the south side of Interstate 10 in northwest Cochise County, Arizona. It is located between the cities of Benson and Tucson in a designated growth area southwest of the State Route 90 and Interstate 10 intersection. The property is approximately 24 miles east of the eastern employment centers in the City of Tucson, along Houghton Road. The southern boundary of the property abuts the City of Benson town boundaries, providing a potential annexation opportunity.

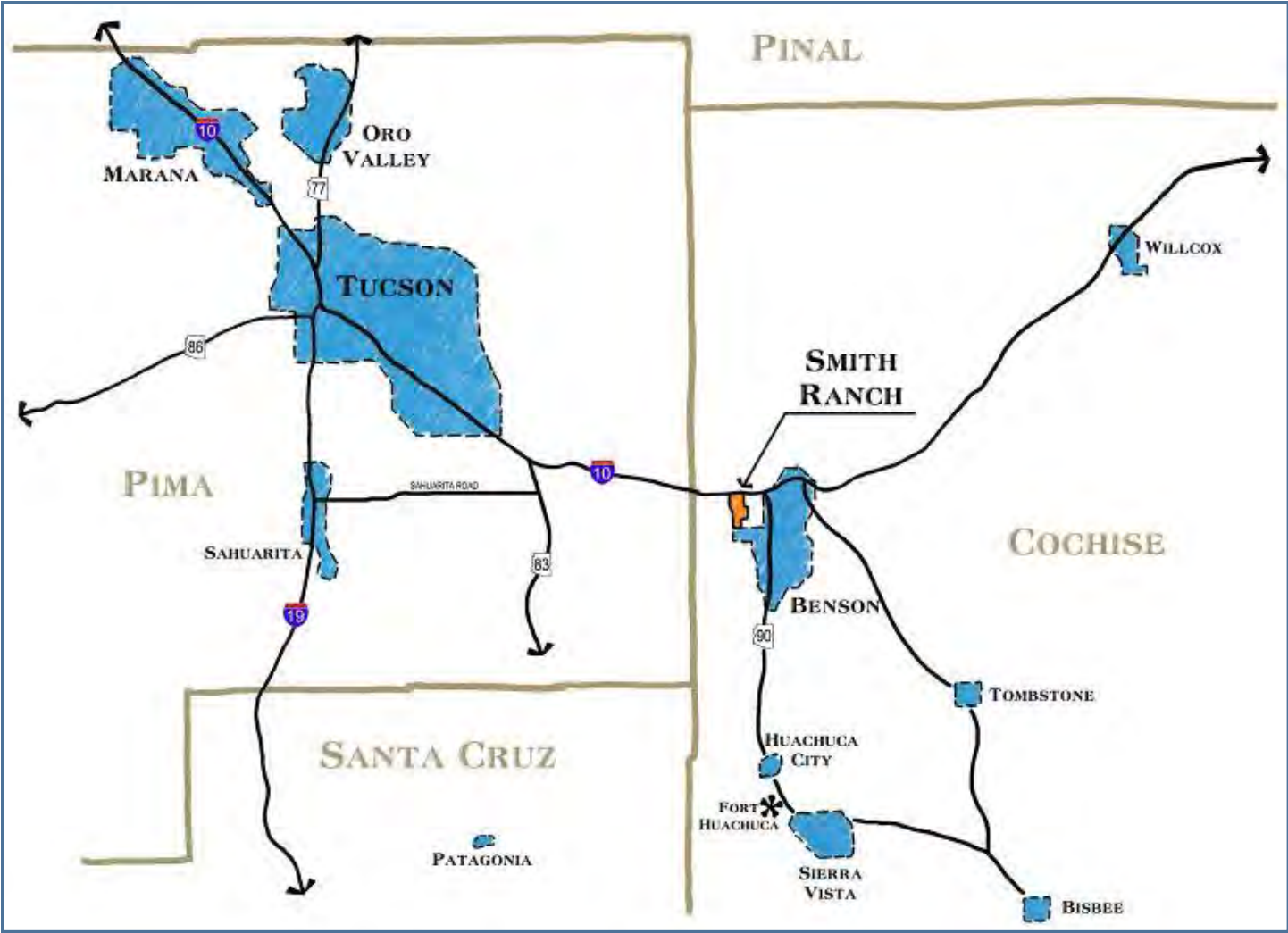
The property lies between Interstate 10 and the Coronado National Forest to the south. Characterized by expansive views, clean air, and desert grasslands, Smith Ranch affords 360 degree mountain views including the Whetstone Mountain Range which includes the 7,700-foot Apache Peak.

Legal access is currently provided by the I-10 Skyline interchange and there is available access to Titan Road, the I-10 frontage road which heads east to the SR90/I-10 interchange. In addition, State Land right-of-way has been acquired for a potential future extension of Nueva Janella Road, connecting the Smith property to SR90. Private property and State Land could provide additional access west of the property to the J-6 Mescal interchange.

Don and Charlene Smith retain significant Smith Ranch acreage west of the property, currently live on the ranch and manage a grazing herd.

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Regional Location Map



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Smith Ranch Entitlement History



In a lengthy entitlement process which began in 2003, 1,983 acres of the project received a positive Cochise County Staff and Planning and Zoning Commission recommendation and unanimous approval by the Board of Supervisors for amending the Comprehensive Plan and subsequently an MDP rezoning for the property, permitting the development of a master plan for approximately 4,500 units. Significant analysis, technical studies and reports were completed by a qualified team of consultants to support the entitlement process. Smith Ranch has its 404 jurisdictional boundary determination and the ADWR Analysis of Adequate Water Supply. Both on-site well locations have been identified and off-site water well locations have been acquired.

In 2006, the MDP rezoning was challenged and the rezoning entitlement was overturned by a citizen referendum. The zoning reverted to RU-4, one home per four acres. Cochise County has a conservation subdivision ordinance which provides a density bonus. On a case-by-case basis, the County also considers a variety of land uses through granting a Special Use Permit in RU-4, without requiring a rezoning.

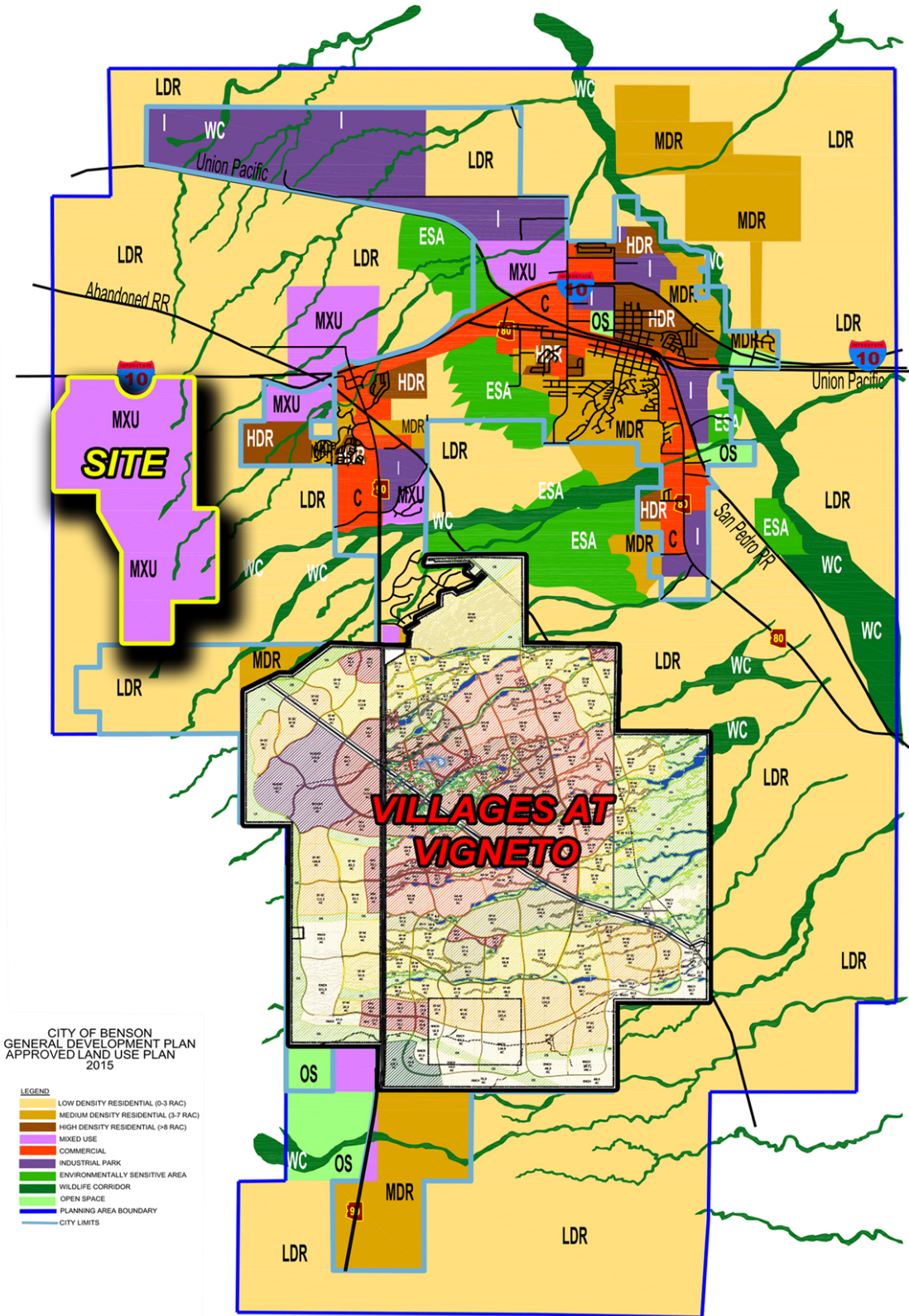
County Administrator
James E. Vlahovich
Edward T. Gilligan
Deputy County Administrator
Planning Division
Paul Esparza AICP, Director
520-432-9240

Cochise County
1415 Melody Lane
Building G
Bisbee, AZ 85603
520-432-9200
<http://cochise.az.gov>

Board of Supervisors
Patrick Call, District 1
Ann English
District 2 Chairman
Richard Searle
District 3 Vice Chairman

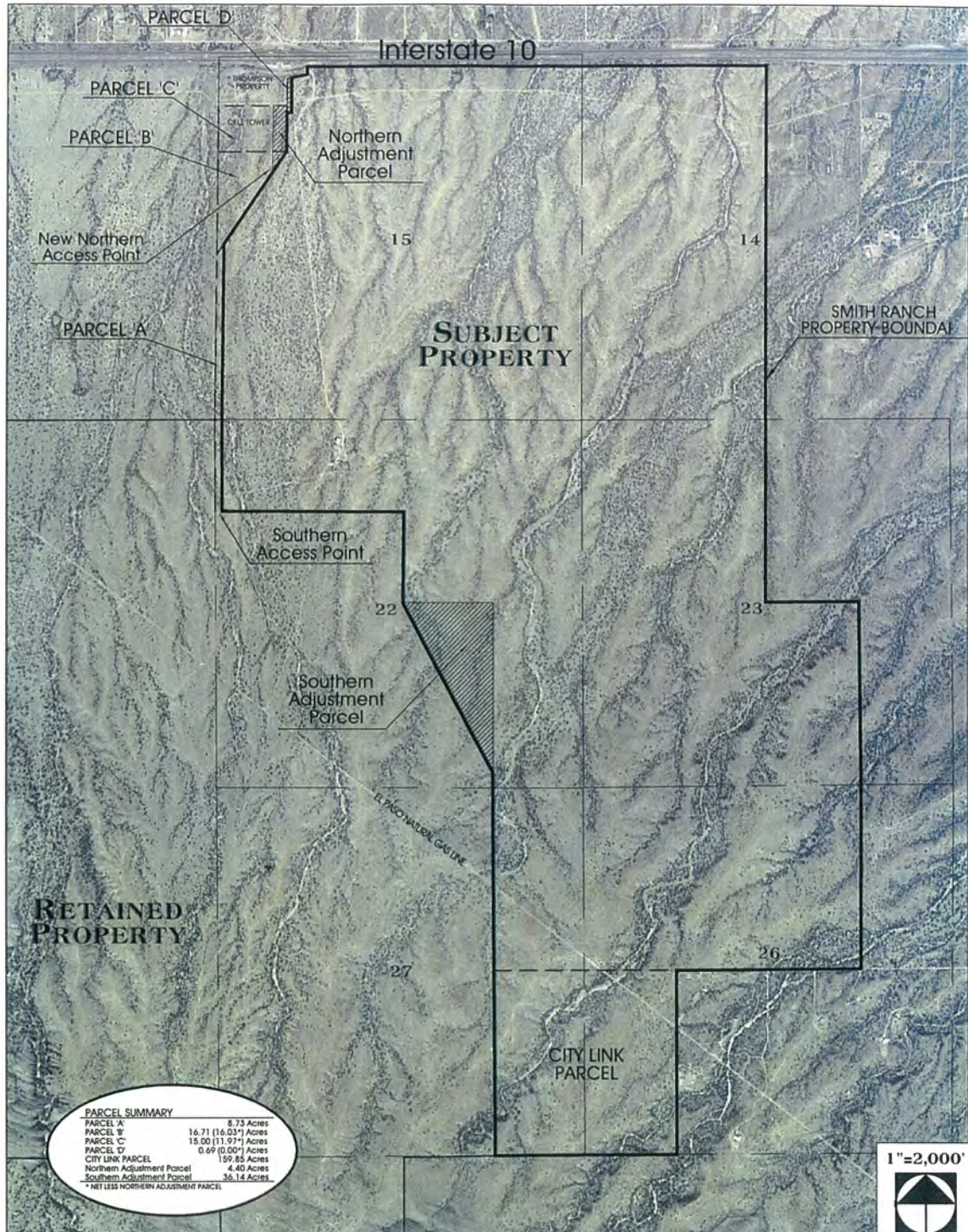
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City of Benson General Plan



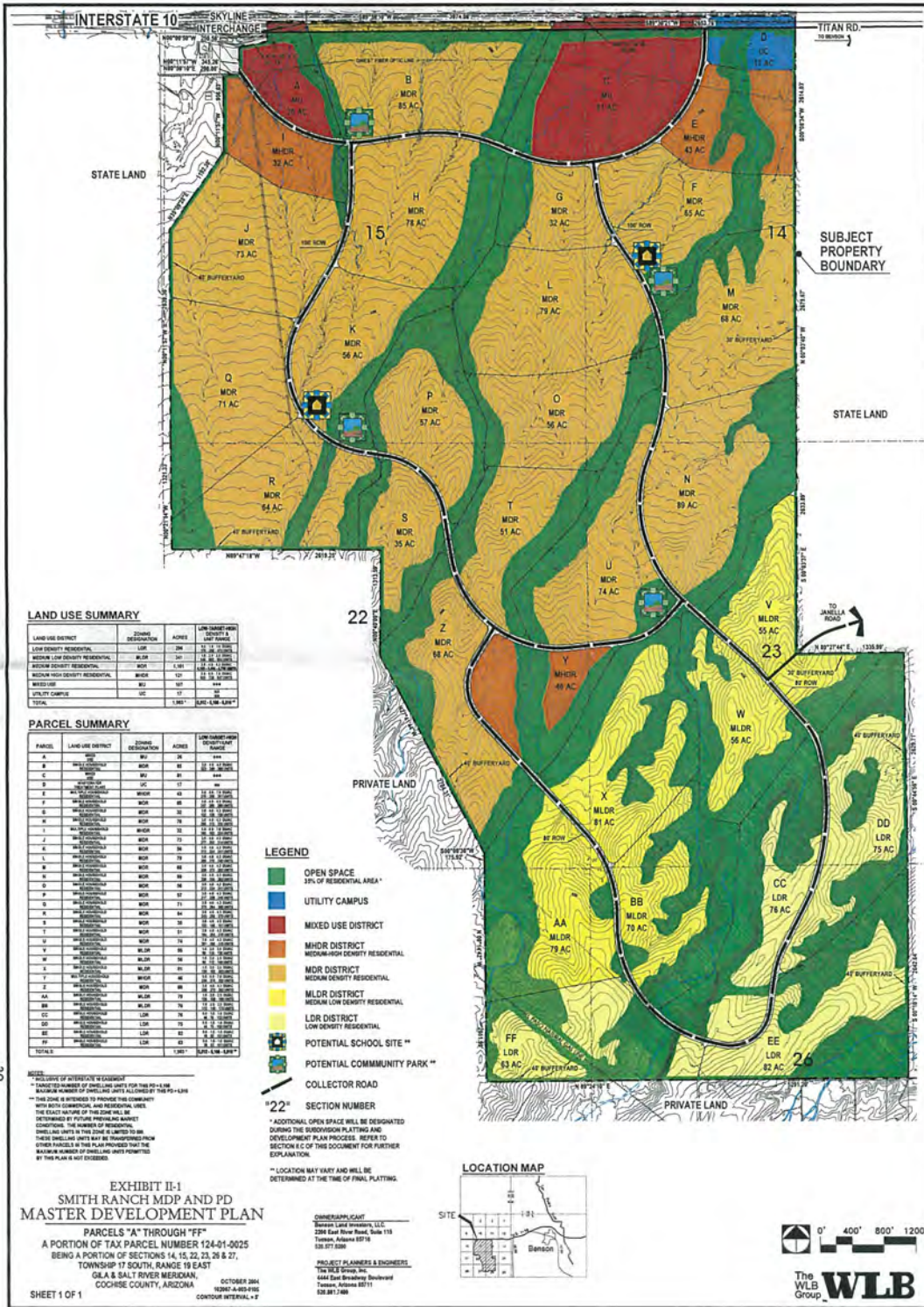
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Smith Ranch Aerial Photograph



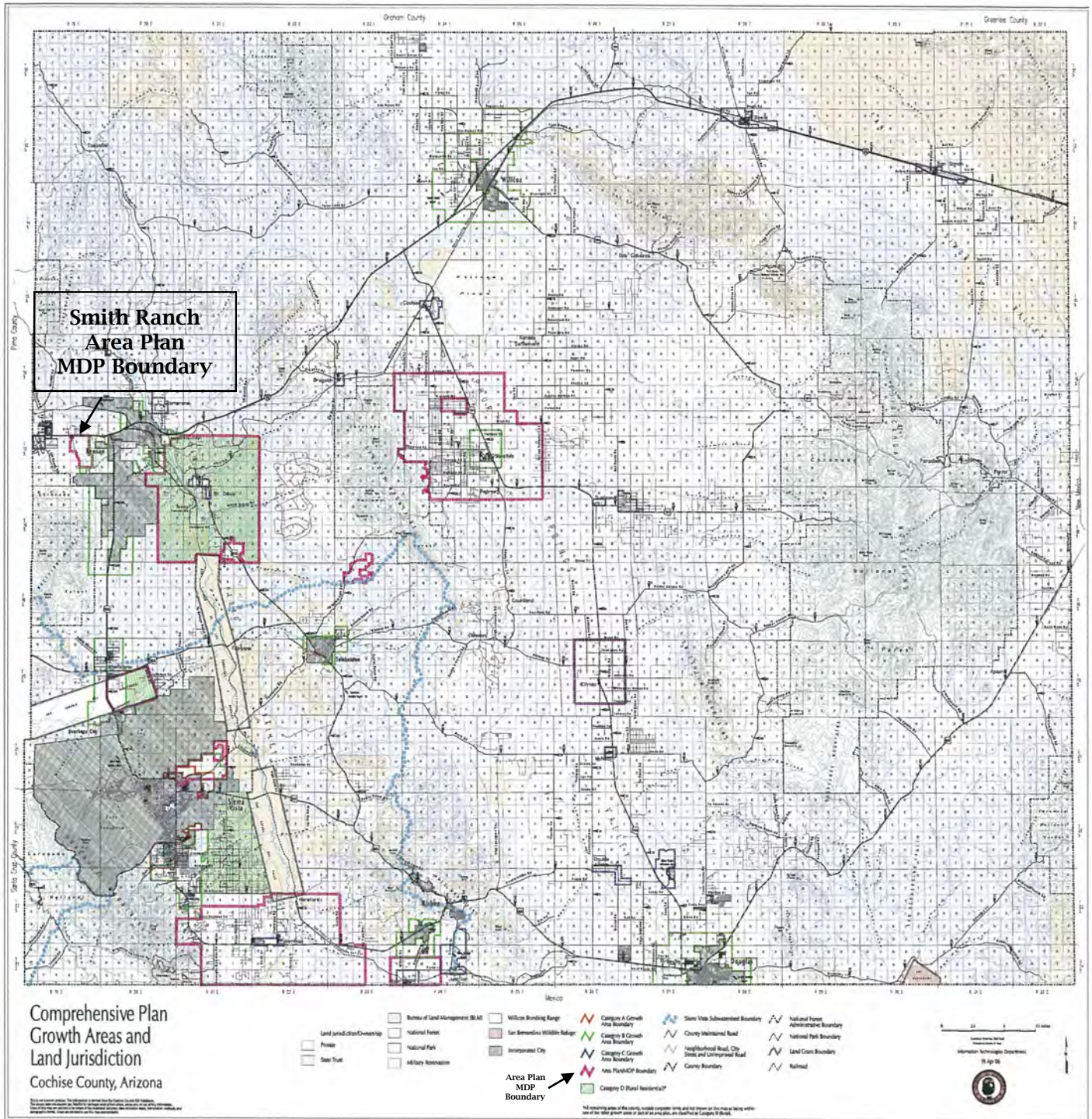
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Smith Ranch MDP and PD



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Cochise County Comprehensive Plan



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Southeast Arizona Economic Activity



Cochise County encompasses 6,219 square miles and has an estimated population of approx. 136,000 residents. Cochise County is characterized by mountain ranges and grasslands. It has 284 days of sunshine a year, receives about 13 inches of rain annually, has average temperatures of 30.5 degrees in January and 92.9 degrees in July and an average elevation of 4,630 feet. Agriculture and ranching have historically played a major role in the County's economic base and that continues today. Farming in Cochise County today includes many organic and sustainable farms and a growing number of vineyards and wineries.

It is the home of Ft. Huachuca, an active U.S. Army installation in Sierra Vista, and the County's largest employer. Ft. Huachuca employees full-time active duty military personnel, full-time and part-time civilian employees and military students assigned for training throughout the year. Several defense contracting and service firms which support Ft. Huachuca also expand the employment base, including Northrop Grumman and Science Applications International Corporation (SAIC).

Arizona exports \$6 billion annually to Mexico. Mexican visitors to Arizona spend an average of \$7 million per day in Arizona stores, restaurants, hotels and other businesses. International commerce is a major component of the State's economy, and border counties are the gateways of that commerce. Cochise County shares an

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Southeast Arizona Economic Activity (cont'd.)

82-mile border with Sonora Mexico and international commerce, predominantly agriculture and produce is a major revenue source. U.S. Customs and Border Protection has over 4,000 agents working at eight Stations in the Tucson Sector. The Douglas Station, located on the border in Cochise County is responsible for 40.5 miles of the international border. The Douglas-Agua Prieta Port of Entry is experiencing the greatest increase of Arizona. Direct expenditures in Arizona from Mexican visitors at the Douglas port exceeded \$564 million dollars. The Federal Government and State of Arizona have plans underway to expand this port to increase trade and commerce opportunities.

Stable employment is provided by the public sector. Government and public employers account for many of the jobs in Cochise County. In addition to Ft. Huachuca and U.S. Customs and Border Protection, correctional facilities, colleges and school districts and county and city governments provide stable employment for residents. Towns include Sierra Vista, Bisbee, Willcox, Tombstone, Douglas, Benson, and Huachuca City. School districts include Benson Unified, Bisbee Unified, Bowie Unified, Douglas Unified, San Simon Unified, Sierra Vista Unified, St. David Unified, Tombstone Unified, Willcox Unified, as well as numerous elementary school districts and public charter schools.

Cochise County, Land of Legends has a rich and diverse history and its historic towns and unique national and state parks make it a popular tourist destination. The County is home to the Chiricahua National Monument, Coronado National Memorial, Ft. Bowie National Historic Site, San Bernardino National Wildlife Area, Kartchner Caverns State Park, San Pedro Riparian National Conservation Area, Whitewater Draw Wildlife Area, Tombstone and Courthouse State Historic Park. The National Register of Historic Places includes numerous locations in Cochise, reflecting the social, cultural and archeological diversity of the region. Some Historic Registry sites include: the Benson Railroad Historic District, the Bisbee Residential Historic District, Council Rocks Archeological District in St. David, Dagoon Springs Stage Station, the Gadsden Hotel, the Geronimo Surrender Site, Hi Wo Company Grocery, Lehner Mammoth Kill Site, Santa Ana del Quiburi, the Pearce General Store among others. The leisure and hospitality industry as well as retail sector benefit from the popularity of visiting the natural beauty and historic significance found in Cochise County.

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Southeast Arizona Economic Activity (cont'd.)

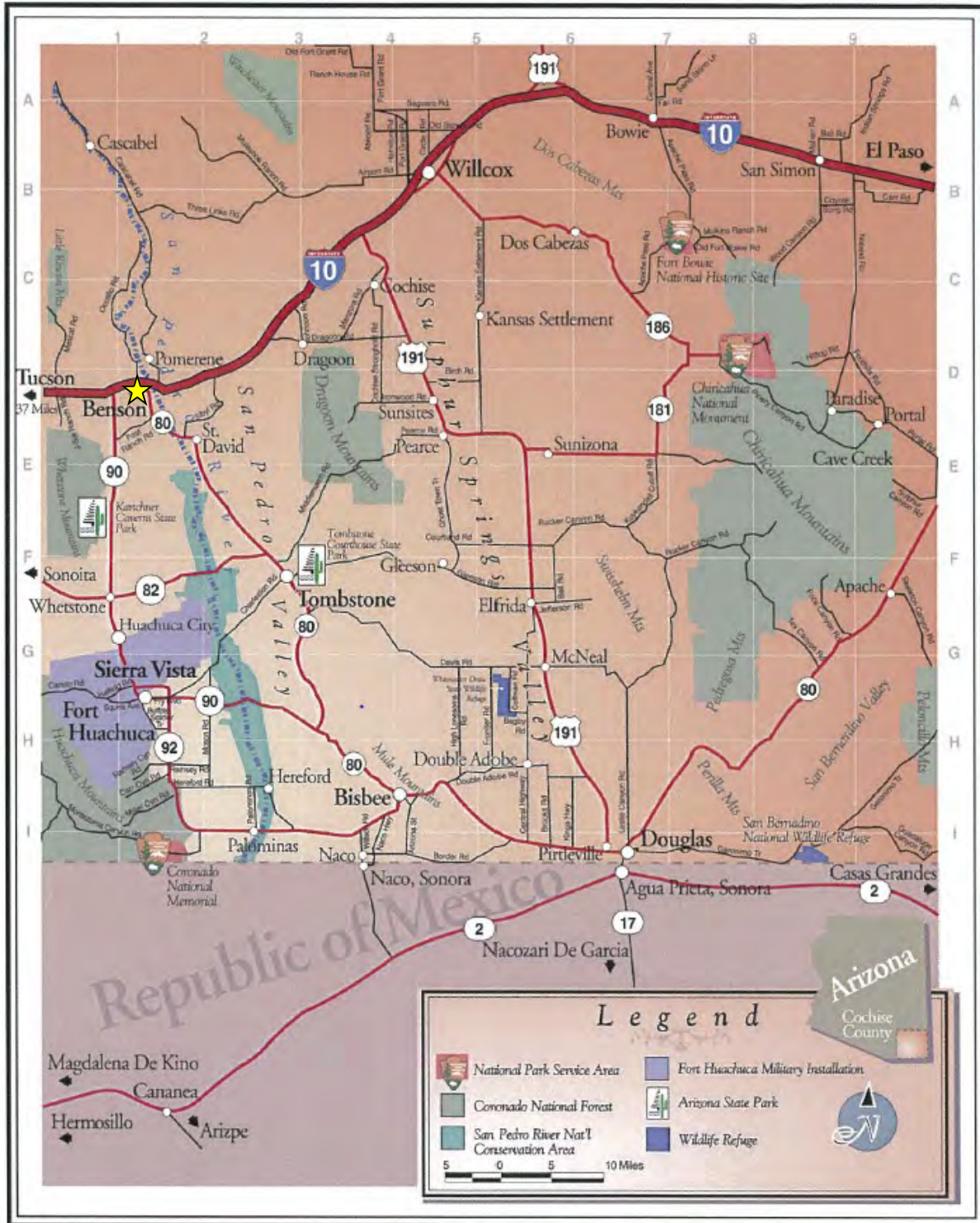


Mining, and particularly copper mining is a core industry. Arizona produces 68 percent of the nation's copper and is ranked sixth in the world compared to copper producing nations. It is a major employment sector in the state and southern Arizona. In addition to copper; Cochise County mines produce gold, silver, lead, zinc, cadmium, bismuth, silica, manganese, gypsum, tungsten, beryllium, limestone, titanium, tin, fluorine, and mica, as well as gemstones and turquoise.

Cochise County is home to six general aviation airports, including Benson Municipal airport. Major highways and state routes provide access to national and international markets. Union Pacific Railroad provides rail service. Cochise County has seven golf courses, five hospitals and active state universities, including Arizona State University and University of Arizona, as well as Cochise Community College.

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Cochise County Communities



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City of Benson Profile

Vail, Census Designated Place Profile

Smith Ranch is located between the communities of Benson, in NW Cochise County and Vail, in SE Pima County. Both communities are known for low crime rates, great schools, outdoor recreation, impressive mountain views, access to major employers, low cost of living and high quality of life.

BENSON 85602 zip code

5,090 population in 2012

89.32% white

50 median resident age

\$32,324 median family income in 2011

27.3% population have bachelor's or graduate degrees

23.7 minutes average commute time

VAIL 85641 zip code

10,208 population in 2010

87.16% white

35 median resident age

\$75,212 median household income in 2011

41% population have bachelor's or graduate degrees

27.6 minutes average commute time



Smith Ranch Technical Studies/Consultants

Diamond Ventures, Inc. and Benson Land Investors, LLC.

The WLB Group, general planning

Westland Resources, environmental, water, sewer infrastructure

Curt Lueck Associates, transportation impact

Pinnacle One, K-12 public education

Fluid Solutions, hydrological assessment, water availability

Caliber Communications, community outreach

Lewis & Roca, legal

Gallagher & Kennedy, legal

Cochise Community College, economic impact analysis



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SMITH RANCH PROPERTY DOCUMENTS

Upon opening of escrow, full due diligence package with the following reports will be provided to a Buyer during its Feasibility Period.

1. Smith Ranch Due Diligence Report prepared by The WLB Group, dated June 12, 2003
 - a. Phase I Environmental prepared by EEC
 - b. Biological, Cultural, Archeological Resources prepared by Westland Resources
 - c. Soil Conditions, Earth Fissures, Percolation, Cut and Fill Slope analysis prepared by Western Technologies
 - d. Pygmy Owl Survey prepared by Westland Resources
 - e. Army Corp of Engineers 404 jurisdictional waters of the U.S. by Westland Resources
 - f. Hydrology Study, Water Rights, Regulatory Approvals, Well Analysis, Water Quality prepared by Fluid Solutions
 - g. Transportation Study prepared by Curtis Lueck and Associates
 - h. Skyline Interchange Analysis prepared by Cannon and Associates
2. Comprehensive Plan Amendment, verification of approval letter from Cochise County Planning Department, dated September 25, 2003.
 - a. Application to Amend the Cochise County Comprehensive Plan & Public Participation Report prepared by The WLB Group, dated June 24, 2003
3. Master Development Plan and Planned Development District [No longer valid due to referendum]
 - a. Mark Apel memo dated April 6, 2005 giving notice of Board of Supervisors approval of MDP/PDP with conditions
 - b. Smith Ranch Master Development Plan and Planned Development District prepared by The WLB Group, dated April 21, 2004
 - c. Smith Ranch Master Development Plan and Planned Development District Appendices
 - i. Summary of Meetings Held and Issues Raised and Discussed in the meetings
 - ii. Hydrologic Study prepared by Fluid Solutions, dated June 9, 2004
 - iii. Master Development Plan Traffic Report prepared by Curtis Lueck & Associates, dated July 8, 2004
4. Grazing Lease Agreement with Don & Charlene Smith, dated May 27, 2005

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Property Documents (cont'd)

5. Home Site Lease
 - a. With Don & Charlene Smith, dated May 27, 2005
 - b. Termination of Home Site Lease dated January 16, 2007
 - c. With Lynn & Doreen Ray dated April 24, 2007
 - d. With Devlon Smith dated September 1, 2009
6. Access Easement & Agreement to Construct Improvements with Don & Charlene Smith, dated May 26, 2005
 - a. First Amendment to Access Easement & Agreement to Construct Improvements with Don & Charlene Smith, dated July 21, 2005
 - b. Diamond Ventures, Inc. letter to Don Smith, dated July 23, 2010
7. License Agreement with Guacamole Farm, dated March 27, 2003
8. Army Corps of Engineers 404 Jurisdictional Boundary Determination
 - a. Submittal package from CMG Drainage, dated December 15, 2003
 - b. Jurisdictional Determination from the Department of the Army, date June 28, 2005
 - c. Extension of Jurisdictional Determination from the Department of the Army, dated June 21, 2010
9. ALTA Survey sealed by Jack Buchanan on May 4, 2005
10. Well Sites - North and South
 - a. Access and Utility Easement - North Well Site (ATI& BLILLC) Recorded 3/23/06
 - b. Monterey Assurance Agreement-Third Party Trust to Construct Subdivision Improvements
 - c. Access and Utility Easement - Waterline thru PH II - Kartchner Vista recorded 3-11-09
11. Arizona Department of Water Resources (ADWR) Analysis of Adequate Water Supply, dated December 12, 2005 and recently renewed through December 2020.
 - a. Hydrologic Study prepared by Fluid Solutions, dated February 2005
12. ADWR Wells and Surface Water Rights:
 - a. Assignment of wells: 55-641320, 55-641321, 55-641322, 55-641323
 - b. Applications for Assignments (Conveyance of Claim for Stockpond Nos. 38-15380, 38-15384, 38-15387, 38-15388, and Statement of Claims Nos. 36-15372, 36-15375, and 36-15378, 36-15379
 - c. Certificate of Stockpond Water Right: 38-15380.0000

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Property Documents (cont'd)

- d. Assignments (Conveyance) of Statement of Claim No. 36-15375 and Claim for Stockpond No. 38-15384
 - e. Assignment (Conveyance) of Statement of Claim No. 36-15378 & Claim for Stockpond No. 38-15387
 - f. Statement of Claimant "39" Assignment for 39-3840, 39-3842, 39-3844, 39-3845
13. ADWR request to obtain depth-to-water measurements from wells, dated April 30, 2009 & June 1, 2009
14. Aerial Photographs from Cooper Aerial Surveys, dated November 19, 2002
15. Arizona State Land Department Right of Way No. 16-110271 with Red Rock Utilities for waterline
16. Arizona State Land Department Right of Way No. 16-114400 with Benson Land Investors for Titan Road
- a. Plant Inventory prepared by WLB Group, dated October 22, 2009
 - b. Archeological Survey prepared by Professional Archaeological Services of Tucson, dated October 31, 2009
17. Arizona State Land Department Right of Way No. 16-110270 with the City of Benson for Nueva Janella Road
- a. Biological Resources Assessment prepared by Carothers Environmental, dated June 2, 2005
 - b. Native Plant Inventory for Nueva Janella Right-of-Way prepared by Carothers Environmental, dated June 7, 2005
 - c. Cultural Resources Survey prepared by Carolyn K (Casey) Dennis, dated October 18, 2005
 - d. Nueva Janella Road Alignment Design & Right-of-Way Acquisition Contract Status Report prepared by The WLB Group, dated January 21, 2005
 - e. Letter of Agreement - New Road Collaboration between San Pedro Partners & Benson Land Investors, dated November 15, 2004
 - f. Memo from Kartchner's to ASLD dated July 27, 2005
 - g. Kartchner / San Pedro "Infrastructure Improvement Agreement" (not signed)
 - h. Letter of Agreement - New Road Collaboration between Benson Land Investors & San Pedro Partners, dated November 15, 2004
 - i. Infrastructure Improvement Agreement between San Pedro and Kartchner, dated February 15, 2008
18. City of Benson Annexation memo, dated January 9, 2006



Purchase Opportunity Summary

- 2,000 + acres with evaluation and analysis of development potential.
- Beautiful setting, attractive surroundings, expansive views.
- Well-located next to I-10 and SR90 highways with reasonable commutes to Tucson, Sierra Vista, Benson, Ft. Huachuca, U of A Science and Tech Park, and other existing large employers.
- Strategically positioned in path of future growth; poised to take advantage of job and population growth anticipated in the next 10-20 years in Southeast Arizona and eastern Pima County.
- Developable site for custom and single family residential housing, as well as possible commercial opportunities.
- Current legal and physical access, planned access expansion.
- Quality K-12 public education.
- Annexable from Cochise County to City of Benson municipality.
- Comprehensive data base of technical studies and reports available for use in future land use change consideration. Significant hydrological studies and ADWR analysis.
- Experienced, knowledgeable and flexible Seller.

