

**CANYON  
OF  
GOLD  
RANCH**



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## The Opportunity

*CDO Ventures LLC of Fort Worth, Texas is excited to bring to the marketplace, the sale of the 1600-acre Canyon of Gold Ranch (CDO) property and all remaining improvements.*



## The Offering

The proposed CDO Ranch Planned Community is a 1,600-acre project which is improved with approximately 40 structures. The property has an existing, planned area development (PAD) and zoning to allow a total of 1,553 residential units and 200 resort units. In addition, there is a 2,115-acre PAD for 1,800 units on state-leased land. A tentative block plat for 1,294 acres is approved by Pinal County. A second plat on a 364-acre south parcel is also included. Water has been approved for 100-years assured water supply by the Arizona Department of Water Resources. Preliminary plans are underway for a wastewater treatment concept.

## Highlights

- Direct access from major state highway
- Southern Pinal County location in path of growth adjacent to Metro Tucson
- Existing PAD
- 1,553 approved units on fee land; and an additional 1,800 units on state land of existing PAD
- Final block plat approved
- Fee land: 1,600 acres (approved for 1,553 units)
- State-leased land: 2115 acres (approved under PAD for 1800 units)
- High-growth area
- Topography which allows marketable open space with significant lot premiums
- 3,800-foot elevation with exceptional views of the Catalina Mountains and Tucson Valley
- Ridgelines allow a diverse and marketable housing product
- Contiguous with SaddleBrooke Retirement Community
- All major entitlements and studies complete
- Significant redevelopment opportunity
- Sundance Ridge Gated Community including 55 lots

## Property Overview

**Location:** The CDO Ranch is located northwest of metropolitan Tucson, Arizona, situated in Pinal County in the Foothills of the Santa Catalina Mountains.

**Parcel Size:** 1,600 deeded acres plus 2,115 acres of State leased land.

**Zoning:** The 1,294 acre project was originally approved 1993. A Block Plat ensued. The other southern 364 acres is zoned General Rural (GR) by Pinal County. Pinal County zoning allows 1,553 residential units and 200 resort units, golf and commercial.

|  | Zoning       | Acreege              | Total Units Allowed      | Minimum Lot Size |
|--|--------------|----------------------|--------------------------|------------------|
| <b>Existing PAD &amp; Zoning for FEE Land:</b> | CR-IA        | 382.8                | 306                      | 10,000 SF        |
|  | CR-I         | 350.8                | 526                      | 6,000 SF         |
|  | TR           | 91.2                 | 390                      | 1,000 SF         |
|  | SR           | 270                  | 40                       | 3.3 acres        |
|  | GR           | 364                  | 291                      | 5,000 SF cluster |
|  | CB-I         | 200                  | 200 resort               |                  |
|  | <b>Total</b> | <b>1,658.6 acres</b> | <b>1,553 residential</b> |                  |

**State Land:** CDO leases 2,115 acres of adjacent State land. All of the 1,436 acres of state-leased land in PAD allows 1,800 single family homes.

**Topography:** This property has ridges, views and valleys. The site is spectacular and offers a homebuilder options for creative projects which will have no equal.

**Access:** Current access is via State Route 77 to Biosphere Road. Pinal County owns the improved Biosphere Road. A proposed new south access connecting with SaddleBrooke Road is approved by Pinal County and the State of Arizona.



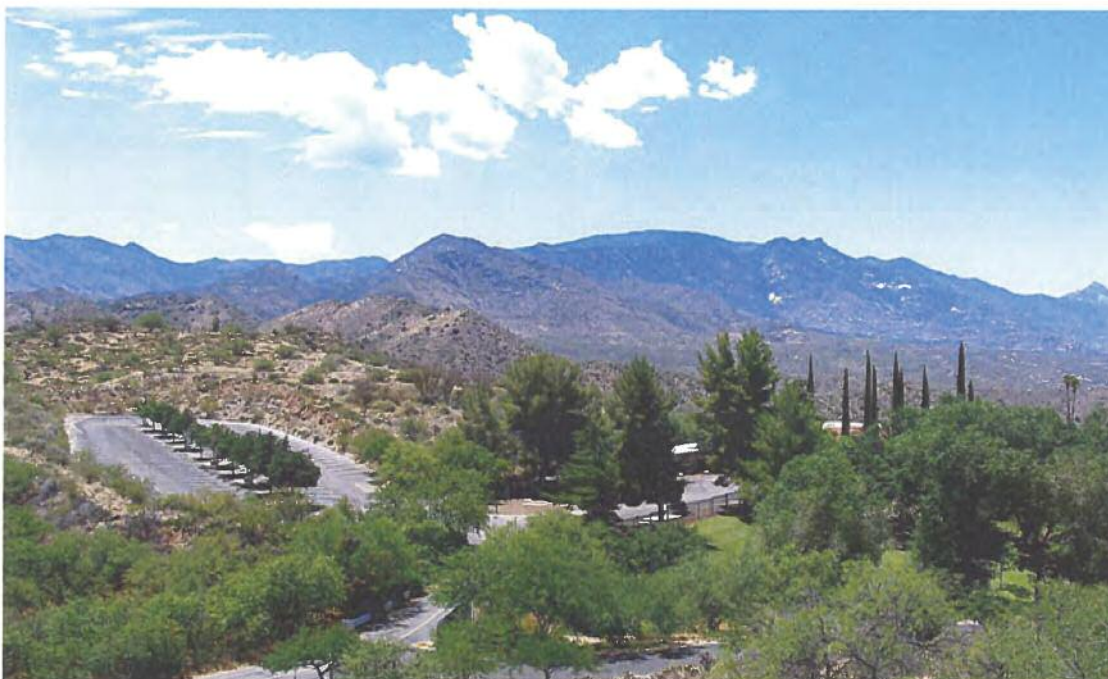
**Water:** Property is currently served by two wells built by CDO and located on deeded and State leased land. Two new wells have been drilled on the existing deeded property and one is fully operational. Owner has the Desert Springs Water District in place and the option of developing a private water company or joining one of two adjacent water companies.

**Sewer:** Developed property (approx. 100 acres) is currently served by multiple septic systems. A new wastewater system facility will provide future services.

**Electricity:** The improved portion of the 100-acre property is currently served by the San Carlos Irrigation Project (SKIP). TRICO Electric has service to the southern portion and can be used for the larger, undeveloped property.

**Gas:** There is currently, a high-pressure Southwest Gas line through the property.

**Telephone:** CenturyLink



**Existing Buildings:** Forty buildings of different condition are on the 50-acre campus which has mostly been mothballed. Some have very interesting potential as reuse property for commercial and residential use.

**Summary of Building Space:**

- Offices
- Meeting / classrooms
- Laboratories
- Meeting / classrooms
- Modular residential housing
- Hotel / Conference Center
- Private guest quarters
- Full-service restaurant

**Consultants:** Land planning – Rick Engineering  
Legal – Rose Law Scottsdale  
Wastewater and water facilities design – Brown and Caldwell  
Platting and engineering – Rick Engineering  
Hydrogeologist – Chuck Dickens  
404, owl, endangered species and plants – Westland Resources  
Archeology – David Stephen  
Phase I, 2, 3 – Brown and Caldwell  
Water Law – Meyers, Sellers Sims

**Final Block:** Final Block Plat approval in 2016

**Due Diligence:** Individual studies are available for qualified and approved purchasers.





## Unmatched Opportunity

1. *Exceptional valley and mountain views*
2. *Topography with ridges will offer significant lot premiums*
3. *Existing PAD & Plat Block zoning*
4. *Entitlements and completed studies to allow significant time savings in development schedule*
5. *Location in an explosive growth area*
6. *Existing improvements with exceptional redevelopments possibilities*
7. *Water rights, substantial, existing water infrastructure and early concept water treatment facility*
8. *New access opportunity*
9. *3,800-foot elevation which offers marketable temperature variations*
10. *100-year assured water approved, designated certification is in process.*





## ENTITLEMENTS

| ENTITLEMENT                   | 1294 ACRES |          |           | GOLDER 364 |          |           |
|-------------------------------|------------|----------|-----------|------------|----------|-----------|
|                               | Completed  | Underway | Scheduled | Completed  | Underway | Scheduled |
| Archeological study           | ✓          |          |           |            |          |           |
| Owl study                     |            | ✓        |           |            | ✓        |           |
| Biological (plants)           | ✓          |          |           |            |          |           |
| 404 wash study                | ✓          |          |           |            |          |           |
| Drainage study                |            |          |           |            | ✓        |           |
| Phase I Environmental         |            |          |           | ✓          |          |           |
| Mining claims                 |            |          |           | ✓          |          |           |
| Boundary survey               |            |          |           | ✓          |          |           |
| Traffic study                 |            | ✓        |           |            | ✓        |           |
| Topographic mapping           | ✓          |          |           | ✓          |          |           |
| Fire & rescue annexation      |            | ✓        |           |            | ✓        |           |
| Easements & rights of way     | ✓          |          |           |            | ✓        |           |
| Waste water planning & permit |            | ✓        |           |            | ✓        |           |
| Power provider                |            | ✓        |           |            | ✓        |           |
| South road access             |            | ✓        |           |            | ✓        |           |
| Entry monument                |            | ✓        |           |            |          |           |
| Section 8 crossing            |            | ✓        |           |            |          |           |
| Tentative block plat          |            | ✓        |           |            | ✓        |           |
| Final block plat              |            |          | ✓         |            |          | ✓         |
| Assured water                 |            | ✓        |           |            | ✓        |           |
| PAD and zoning                | ✓          |          |           | ✓          |          |           |

ENTITLEMENT  
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**LEGEND:**

- 1. Copper Hills – custom lots developed (6 items completed)
- 2. Willow Springs – conceptual
- 3. Eagle Crest – completed (1,000 homes)
- 4. SaddleBrooke – topping out (5,500)
- 5. SaddleBrooke Ranch – half-constructed (2,000)
- 6. Black Horse Ranch – completed (500)



## Location

The CDO Ranch is located in eastern Pinal County, adjacent to Metro Tucson. Access to the site is via Arizona State Highway 77, with a travel time from northwest metropolitan Tucson of approximately 20 minutes.

The site is an irregularly-shaped parcel comprised of 1,600 acres owned by CDO Ventures LLC and Cañada Partners LP. It is situated at an elevation of 3,850 feet in the western foothills of the Santa Catalina Mountains. Adjacent lands are primarily state-owned, and CDO holds the grazing leases on 2,115 acres of these state-owned lands.

Other prominent features in the immediate vicinity include the Cañada del Oro Wash, Coronado National Forest, SaddleBrooke retirement communities of 7,000 combined homes and Little Hill Mine, and the town of Oracle, Arizona.

CDO Ranch is one of the most attractive, undeveloped parcels located in all of Arizona. Located in the northern foothills of the Catalina Mountains in Pinal County, Arizona, CDO Ranch is nestled within ridges of the upper Sonoran Desert. Natural ridges, canyons and washes overlook the Santa Catalina Mountains and the Cañada del Oro Wash.

The western face of the Santa Catalina Mountains presents a dramatic mixture of canyons, ridge lines and pine-covered mountains. Well-defined washes give way to dramatic ridge lines. The site is unmatched due to its views, ridges, proximity Coronado National Forest and state land. Stunning views extend beyond the mountains to city lights of Metro Tucson and beyond.



## Land Ownership

CDO of Ft. Worth, Texas, owns the 1,600 acres, of which approximately 100 acres have been improved. CDO also leases another 2,115 acres, which are generally used for grazing. Small commercial leases are also maintained on the waterwell system property and the Highway 77 entry point. Total owned and leased land in excess of 3,770 acres.

There is zoning provided for nearly 1,553 residences on CDO's deeded-lands and approximately another 1,800 units approved on the surrounding state land within the approved PAD. There is also an additional 200 resort units allowed in the commercial zoning at the deeded properties core.



Historically, the property ownership includes the countless of Berkshire Suffolk, Motorola Corporation, The University of Arizona Foundation, and Space Biospheres Ventures. Columbia University of NYC managed the property from 1996-2004.

| Township | Range | Section | Book | Map | Parcel # | Use        |
|----------|-------|---------|------|-----|----------|------------|
| 10S      | 14E   | 1       | 305  | 39  | 001B6    | Structures |
| 10S      | 14E   | 1       | 305  | 39  | 01504    | Grazing    |
| 10S      | 15E   | 5       | 305  | 39  | 004A5    | Grazing    |
| 10S      | 15E   | 6       | 305  | 39  | 00605    | Grazing    |
| 10S      | 15E   | 7       | 305  | 35  | 2B       | Structures |
| 10S      | 14E   | 12      | 305  | 31  | 03101    | Structures |
| 10S      | 14E   | 12      | 305  | 31  | 002A4    | Structures |
| 10S      | 14E   | 13      | 305  | 53  | 007      | Grazing    |
| 10S      | 14E   | 13      | 305  | 53  | 006      | Grazing    |
| 10S      | 14E   | 13      | 305  | 53  | 000      | Grazing    |
| 10S      | 14E   | 13      | 305  | 53  | 00101    | Grazing    |
| 10S      | 14E   | 13      | 305  | 53  | 00309    | Grazing    |
| 10S      | 14E   | 13      | 305  | 53  | 00705    | Grazing    |
| 10S      | 14E   | 13      | 305  | 53  | 00408    | Grazing    |
| 10S      | 14E   | 13      | 305  | 53  | 00903    | Grazing    |
| 10S      | 14E   | 13      | 305  | 53  | 00804    | Grazing    |
| 10S      | 14E   | 13      | 305  | 32  | 012A     | Grazing    |
| 10S      | 14E   | 13      | 305  | 32  | 012C     | Grazing    |
| 10S      | 14E   | 13      | 305  | 32  | 012D     | Grazing    |
| 10S      | 14E   | 13      | 305  | 32  | 015D     | Grazing    |
| 10S      | 14E   | 14      | 305  | 31  | 0350     | Grazing    |
| 10S      | 14E   | 14      | 305  | 31  | 004C     | Grazing    |
| 10S      | 14E   | 14      | 305  | 31  | 004D     | Grazing    |
| 10S      | 14E   | 14      | 305  | 31  | 004J     | Grazing    |
| 10S      | 14E   | 23      | 305  | 34  | 064E     | Grazing    |

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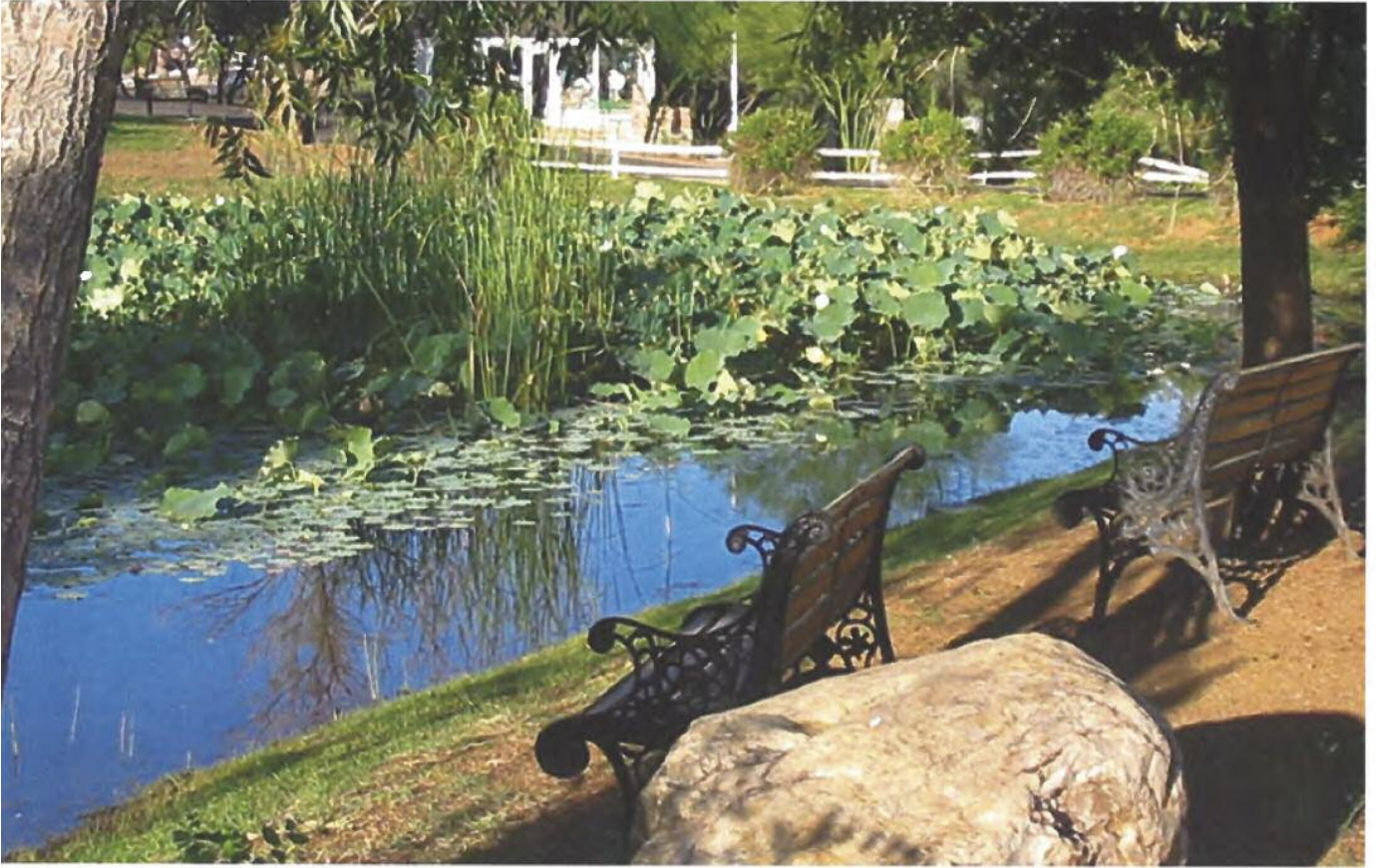


**CDO Leased Land**

| Township | Range | Section | SLUP KE#  | Commercial Acres | Use                            |
|----------|-------|---------|-----------|------------------|--------------------------------|
| 10S      | 14E   | 1       | 23-93434  | 316.914          | Grazing                        |
| 10S      | 14E   | 11      | 23-93434  | 640              | Grazing                        |
| 10S      | 14E   | 14      | 23-93434  | 480              | Grazing; commercial/well lease |
| 10S      | 15E   | 8       | 23-93434  | 516.66           | Grazing                        |
| 10S      | 15E   | 17      | 23-93434  | 162.03           | Grazing                        |
| 10S      | 14E   | 36      | 23-100814 | 0.001            | Rock at highway 77             |
| 10S      | 14E   | 14      | 03-1053   |                  | Well - 10 acres are above 480  |

Total CDO leased land 2115.605

Total Owned and Leased Acreage 3,715



## **PAD and Existing Zoning**

The CDO property includes 1,600 acres allowing PAD zoning for 1,594.6 of those acres and 364 acres which are zoned General Rural by Pinal County.

In addition, there are 2,115 acres of state-leased land with approximately 1,436 acres which are zoned in PAD for 1,800 units.

The original PAD was approved by Pinal County in 1993. On August 17, 2004, Pinal County approved an updated PAD with a total of 1,262 single-family units and 200 resort-units for the 1,294.6 acres. In 2016, a final Block Plat was approved. The 364 acres outside of the 1993 PAD is zoned GR and allows for 291 units. It is in the final Block Plat and has an approved, 55-lot community with 13 lots sold.

Following is a summary for the updated PAD.

Updated 2004 PAD

CB-I 200.0 200

CR-I 350.8 526

Following is a summary for the updated PAD.

91 390

Total 1,294.6 1,462

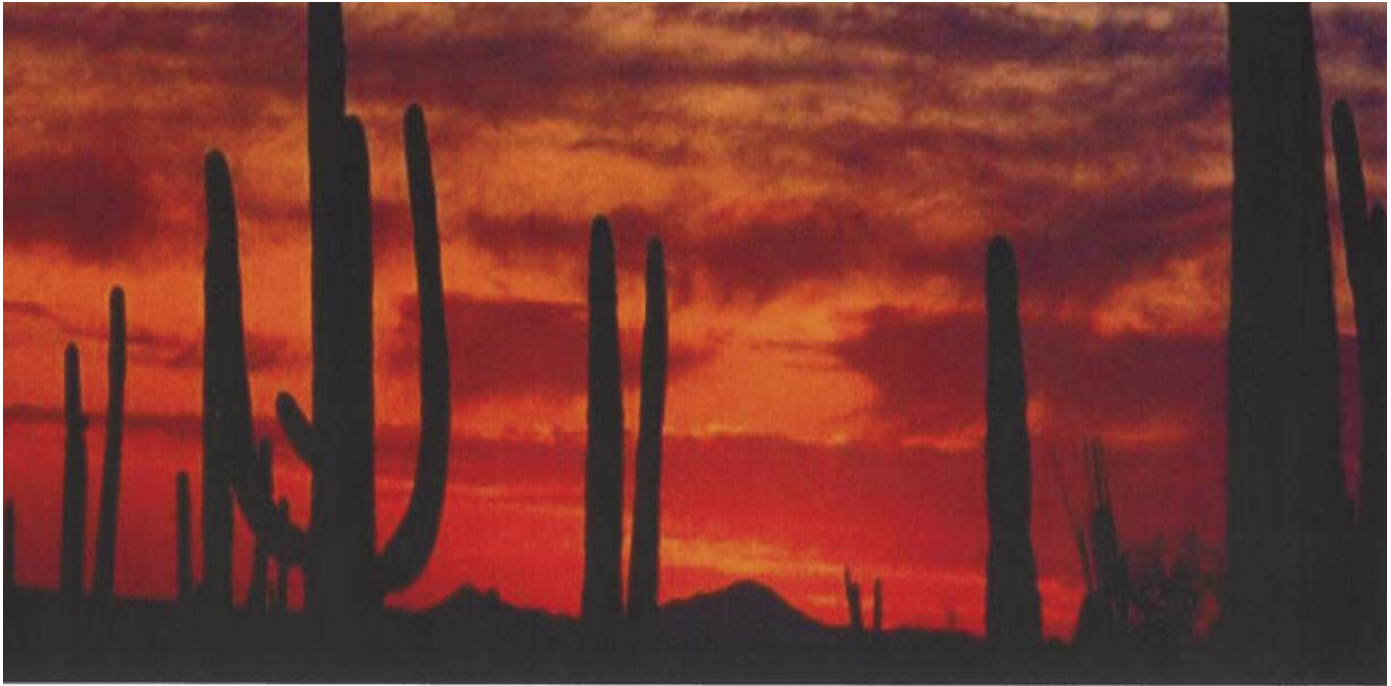
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Updated 2004 PAD

| Zoning | Acres   | Units |
|--------|---------|-------|
| CB-1   | 200.0   | 200   |
| CR-1   | 350.8   | 526   |
| CR-1A  | 382.8   | 306   |
| TR     | 91      | 390   |
| SR     | 270     | 40    |
| Total  | 1,294.6 | 1,462 |

|  | CB-1 P.A.D.            | CR-1 P.A.D.  | CR-1A P.A.D. | TR P.A.D. | SR P.A.D. | TOTAL ACREAGE           |
|--|------------------------|--------------|--------------|-----------|-----------|-------------------------|
| Gross acreage of Land use                        | 200                    | 350.8        | 382.8        | 91        | 270       | 1,294.60                |
| Net area of development in Land Use area (acres) | 100                    | 233.8        | 182.8        | 85        | 145.8     | 747.4                   |
| Area of Open Space within Land Use area (acres)  |                        | golf course) |              | 6         | 124.2     | 547.2                   |
| % of open space for community                    | 50                     | 39%          | 48%          | 7%        | 46%       | 42.2%                   |
| Average gross area per dwelling unit             | N/A                    | 29,051 SF    | 54,493 SF    | 10,164 SF | 294,030   | N/A                     |
| Maximum number of dwelling units                 | 200 resort/hotel units | 526          | 306          | 390       | 40        | 1462                    |
| Proposed gross density Residences per Acre (RAC) | N/A                    | 1.5 RAC      | 0.8 RAC      | RAC 4.3   | RAC .15   | Avg. Density = 1.13 RAC |

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## 2004 Updated Planned Area Development for Fee Land

|                | • Min. Lot Size<br>• Min. Area/D.U. |                             | Setbacks                          |                                   | Min. Lot Width            |          | Max. Building Height      |          | Total Overall Density |                           |             | Maximum Dwelling Units Permitted |             |                 |
|----------------|-------------------------------------|-----------------------------|-----------------------------------|-----------------------------------|---------------------------|----------|---------------------------|----------|-----------------------|---------------------------|-------------|----------------------------------|-------------|-----------------|
|                | Base Zoning District Req.           | PAD Req.                    | Base Zoning District Req.         | Req. for PAD                      | Base Zoning District Req. | PAD Req. | Base Zoning District Req. | PAD Req. | Total Acres           | Base Zoning District Req. | Update 2004 | Existing Zoning Code             | 1993 PAD    | Update 2004 PAD |
| CB-1 P.A.D.    | • N/A<br>• 3500 sf/du               | • N/A<br>• 3500 sf/du       | Front=20'<br>Side=0'<br>Rear=25'  | Front=10'<br>Side=0<br>Rear=10'   | 0                         | 0        | 30'                       | 40'      | 200                   | 0                         | 0           | 0                                | 283 resort  | 200             |
| TR P.A.D.      | • 10,000 sf<br>• 1000 sf/du         | • 10,000 sf<br>• 1000 sf/du | Front=20'<br>Side=7'<br>Rear=25'  | Front=20'<br>Side=10'<br>Rear=10' | 60'                       | 60'      | 30'                       | 30'      | 91                    | 43 RAC                    | 4.3 RAC     | 3913                             | 800         | 390             |
| CR-1A P.A.D.   | • 43,560 sf<br>• 43,560 sf          | • 10,000 sf<br>• 5000 sf/du | Front=30'<br>Side=10'<br>Rear=40' | Front=10'<br>Side=10'<br>Rear=20' | 100'                      | 60'      | 30'                       | 30'      | 382.8                 | 1.0 RAC                   | 0.8 RAC     | 383                              | 93          | 306             |
| CR-1 P.A.D.    | • 20,000 sf<br>• 20,000 sf          | • 6,000 sf<br>• 3000 sf/du  | Front=25'<br>Side=10'<br>Rear=25' | Front=20'<br>Side=5'<br>Rear=15'  | 80'                       | 45'      | 30'                       | 30'      | 350.8                 | 2.2 RAC                   | 1.5 RAC     | 772                              | 63          | 526             |
| SR + GR P.A.D. | • 144,000 sf<br>• 144,000 sf        | • 144,000<br>• 144,000 sf   | Front=50'<br>Side=10'<br>Rear=50' | Front=50'<br>Side=10'<br>Rear=50' | 0                         | 0        | 30'                       | 30'      | 270                   | 0.3 RAC                   | 0.15 RAC    | 57                               | 99          | 40              |
| <b>TOTAL</b>   |                                     |                             |                                   |                                   |                           |          |                           |          | <b>1294.</b>          |                           |             | <b>5125</b>                      | <b>1338</b> | <b>1462</b>     |

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### Planned Area Development Monitoring Report

| 1<br>Development Area | 2<br>Total Acres | 3<br>Developed Acres | 4<br>Open Space Acres | 5<br>Authorized D/U | 6<br>D/U Utilized | 7<br>D/U Remaining |
|-----------------------|------------------|----------------------|-----------------------|---------------------|-------------------|--------------------|
| CB-1 P.A.D.           | 200              | 100                  | 50%<br>100            | 200<br>Resort/hotel |                   |                    |
| CR-1 P.A.D.           | 382.8            | 233.8                | 39%<br>149            | 526                 |                   |                    |
| CR-1A P.A.D.          | 350.8            | 182.                 | CHART IN EDIT         |                     |                   |                    |
| TR P.A.D.             | 91               | 85                   | 7%<br>6               | 390                 |                   |                    |
| SR P.A.D.             | 270              | 145.5                | 46%<br>124            | 40                  |                   |                    |
| <b>TOTALS</b>         | <b>1,294.60</b>  | <b>747.1</b>         | <b>42.2%<br/>547</b>  | <b>1,462</b>        |                   |                    |

- Open space is functional which allows golf course, walking trails, bike paths, drainage and retention/detention.

\*\* 40 acres donated to University of Arizona Biosphere 2 Center

## Zoning for South 364

The 364-acre parcel was not part of the original or updated PAD. These 364 acres of Cañada Partners LP were purchased later and are zoned General Rural (GR). This parcel can be developed under basic GR or under the new GR Cluster Ordinance. There are 291 units allowed under GR zoning with a minimum lot size of 54,450 sq. ft. under standard GR and a minimum lot size of 5,000 sq. ft. under the new Cluster Ordinance.

On September 22, 2004, the Pinal County Board of Supervisors approved an amendment to General Rural (GR) Zoning Ordinance. This amendment was approved in order to allow the clustering of home sites within this zone. The purpose of the amendment was as follows:

- 1.. Preserve the natural, open space without increasing densities
- 2. Encourage innovative site planning
- 3. Support open spaces which are interconnected, continuous and integrated
- 4. Allow for more cost-effective development and more efficient servicing of road utilities and other services



Cluster option is to be used in conjunction with the subdivision plat process.

- a. Maximum density:  
1 home per 54,450 sq. ft.
- b. Minimum lot size: 5,000 sq. ft.
- c. Front yard: 25 sq. ft.
- d. Side yard: 10 sq. ft.
- e. Rear yard: 25 sq. ft.
- f. Minimum lot width: 50 sq. ft.
- g. Minimum open space: 30%



The south 364 has significant ridges and valleys. The Cluster Ordinance could be used very profitably for this part of the CDO Ranch. Currently, the Sundance Ridge custom-gated community has built and exists with seven homes on 13 purchased lots; 42 one-acre lots remain.



## CDO Ranch Project History

- In the 1920s, the original land parcel contained a hunting lodge and a sprawling cattle ranch.
- In 1957, Lady Margaret, Duchess of Suffolk Berkshire, England, purchased the property and built Casa del Oro, her private estate.
- In the late 60s, Motorola Corporation purchased the site and developed an executive training and conference facility.
- In 1979, the University of Arizona Foundation, by virtue of a land exchange with Motorola, gained control of the property and utilized it as a university-related retreat and conference facility.
- In 1984, attracted by the topography, climate, conference center facilities and site amenities, the first private space company Space Biosphere Ventures purchased the property.
- In 1987, ground was broken for Biosphere 2. It opened publicly in 1991 as a research and science learning center aimed at exploring space colonization. Over 4.0-million tourists have visited the site since its opening.
- January 1, 1996, Columbia University of New York City began management of the project, developing it as a residential campus for both undergraduate and graduate students. The university also constructed lab facilities in and around the Biosphere 2, thereby creating an active research center for scientists from around the world.
- In December 2003, Columbia relinquished management of the project.
- In July 2007, the University of Arizona began management of the Biosphere 2 Research Institute. Ownership of the CDO Ranch still remains with CDO Ventures LLC.

## CDO Ranch Area Development

Tucson has been one of the fastest-growing metro areas in the U.S. over the last 30 years. In 1990, the metro population was 660,000. By 2020, that population had surpassed 1.0 million.

This growth trend is expected to continue as more baby boomers reach retirement and mid-size town lifestyles become more fashionable. Tucson's economic base (Raytheon Corp., IBM, the University of Arizona, Honeywell (formerly Allied Signal), Ventana Medical (Roche Corp.), Catapillar and Davis-Monthan Air Force Base) are the area's largest employers other than Health Care, Government Agencies and School Districts.

Tourism is also a major economic contributor to the area and five major resort hotels, two top-rated spas, numerous golf courses and a few remaining dude ranches thrive here. Miraval, an internationally known resort and spa, is located approximately three miles south of the CDO Ranch and the world's most famous spa, Canyon Ranch is also in Tucson.

Until 2003, the property and nearby town of Oracle was not directly affected by the rapid growth of Metro Tucson. The nearest recipients of the explosive growth have been the nearby towns of Oro Valley (16 miles south) and Marana (25 miles southwest). In 1996, the growth activity beyond Tangerine Road lying to the south in Oro Valley was limited to the new 7,700 acre subdivision called Rancho Vistoso and the adjacent Sun City, a Del Webb development. Beyond this bedroom community, there was only the small, unincorporated town of Catalina and SaddleBrooke, a Robson retirement community development. Sun City Tucson, located in north Oro Valley, completed their build-out in 1997 and now accommodates approximately 5,000 residents, which are divided between snowbirds and full-time retirees. The nearby SaddleBrooke Resort Community is topping out at 5,400 homes. SaddleBrooke Ranch, across the highway from CDO, has 2,000 homes. Eagle Crest community of 1,000 homes in Catalina topped off in 2018. Black Horse Ranch is also here.

The northwest side development of Metro Tucson has led the way in high and medium income growth. Large portions of Honeywell and Raytheon employees live here in Oro Valley. Good public schools, very low crime rates and great housing plans? are some of the distinctive advantages. An excellent private, christian K-12 in Oro Valley is not far from the nation's top-five public school "Basis." Oro Valley is the #1 retirement town in the USA for safety and affluence.

Catalina, a small rural town between SaddleBrooke and Oro Valley, has developed out of the old Rocking N Ranch. Catalina hosts about 8,000 residents and is slowly converting from old ranch homes to more medium and higher-end homes. Catalina also hosts Miraval Spa Resort, an exclusive, high-end health resort modeled after the Tucson-based Canyon Ranch. Miraval (three miles south of CDO) and the country's top treatment facility Sierra Tucson are here.

In addition, two new developments have proven highly successful in redeveloping Catalina. In 2003, the Black Horse Ranch development broke ground in Catalina with 400+ completed homes and just across the county line in Pinal County, the development of Eaglecrest already has over 1000 homes.

## Project Location

Neighbors to the north are the small town of Oracle and two other rural communities beyond. These three towns form the tri-community – Oracle, Mammoth and San Manuel. San Manuel is an old Arizona copper mining town, which hosted one of the world's largest copper mines. BHP of Australia closed the mine in 1999, but it was just purchased. Retirees have discovered the values in the old company town. Much of the workforce here is derived from the Tri-community.





## **Retail and Shopping**

Today, major shopping is in the larger trade area. Major stores are Home Depot, Target, Walmart, Kroger, McDonalds, Burger King, In-N-Out Burger, Chili's Grill – along with an array of more local businesses in the nearby communities of Catalina and Oro Valley.

| Project                                   | Location   | Distance From Property (Minutes) | Status                                      | Tenants   |
|---|--|----------------------------------|---|---|
| 1 EagleCrest                              | East side Oracle Rd. between Edwin Rd. and SaddleBrooke Rd.    | 10                               | Proposed                                    | <del>Domini's</del><br>Probable grocery, drug   |
| 2 Bashas Rancho Vistoso                   | Northwest corner of Rancho Vistoso Blvd. and Oracle Rd.        | 15                               | Existing                                    | Bashas, Walgreens, Bon Voyage, Bank One, UPS  |
| 3 Safeway Rancho Vistoso                  | Northeast corner 1st Ave. and Tangerine                        | 20                               | Existing                                    | Safeway   |
| 4 Vestar                                  | CV<br>Southeast corner of Oracle and Tangerine<br>MARKET PLACE | 16                               | Proposed                                    | Supermarket, DSU,<br>Proposed lifestyle power center  |
| 5 Home Depot                              | Northeast corner of 1st Ave. and Oracle Rd.                    | 20                               | Existing                                    | Home Depot, Albertsons, Costco, Best Buy, Big O Tire, Starbucks, Bank America<br>IN-N-OUT<br>Pizzeria<br>Gloria<br>GARD             |
| 6 Target                                  | Southwest corner of 1st and Oracle                             |                                  |   | Target, Ross, <del>Best Buy</del> , Fry's, PetsMart, Office Max, <del>Blockbuster</del> , Sleep America                             |
| 7 Bashas                                  | Northeast corner Oracle and Golder Ranch                       | 12                               | Under construction - late fall 2005 opening | Bashas grocery<br>Blockbuster, Subway, etc.<br>Beauty care  |
| 8 <del>Food Mills Mall</del><br>CITY TOWN | Northwest corner of Ina and La Cholla                          | 30                               | Existing                                    | Off Fifth Avenue, Nike Outlet, Super Walmart, Loews Theatre, Thomasville, Outback, Applebee's<br>Luxury Apt, Hotel, shops, etc.     |
| 9 Oracle Crossing                         | Southeast corner of Magee and Oracle                           | 25                               | Existing and under construction             | Wal*Mart Grocery  |
| 10 Tucson Mall                            | Northeast corner Wetmore and Oracle                            | 35                               | Existing                                    | Dillard's, Macy's, JC Penney, Sears, Robinson Mays  |
| 11 Steampump Village                      | West side of Oracle south of Canada Del Oro                    | 18                               | Under construction                          | California Design Center, Chilli's, Baggins, Carpet One, Motel, Performing Arts<br>FARMERS MKT., Chilis,<br>STORAGE, Freeways, etc. |

## Medical

The northwest side of Metropolitan Tucson has had a significant addition with the opening of Northwest Medical Center in Oro Valley in 2005. Just 20 minutes from CDO Ranch, the location of this major amenity is very significant and a positive marketing advantage for home builders in the area.

A large range of medical services are emerging in the area. This is especially important as retirement housing continues to be a major part of the market.

### Inpatient Services

- 96 all-private inpatient beds
- Cardiology
- Gastroenterology
- General Surgery
- Gynecology
- ICU
- Neurology
- Oncology
- Orthopedics
- Otolaryngology
- Physical Rehabilitation
- Plastic surgery
- Podiatry
- Urology

### Outpatient Services

- Emergency Department
- Cardiopulmonary Testing
- Day Surgery
- Imaging & Diagnostics
- Endoscopy/ GI labs
- Laboratory
- Physical Therapy
- Orthopedics

### State-of-the-art technology

- Filmless Radiology
- Wireless phones, computers
- Computerized drug dispensing
- Wireless cardiac monitoring
- High definition imaging & cardiac cath lab
- Manually invasive surgical suites

In addition, a 70,000 sq. ft. medical office building opened at 1521 E. Tangerine Road directly to the west of the hospital. This new medical office has approximately 30 various offices for specialty groups and individual practices.



## Schools

The subject area is served by Oracle School District. A pre-kindergarten and kindergarten school (Oracle Ridge) and Grades 1-8 (Mountain Vista) are currently located in Oracle. The enrollment was 300 students. The Oracle School District is a smaller rural school district but also allows locals to open enroll in nearby Oro Valley Schools.

Area residents can currently attend San Manuel High on Canyon del Oro within the Amphi School District. The SaddleBrooke community has been a major supporter of quality education for the Oracle School District. The Basis school in Oro Valley is ranked as a top-five school in the nation. Several very good private schools are in Oro Valley too.



## Water

CDO Ranch is located within the southern Pinal County area of the Tucson Active Water Management area

Currently, water is supplied from two active wells located on CDO commercial lease number 03-1053 in Section 14. Biosphere 2 maintains numerous grandfathered, Type II ground-water rights. CDO holds a total of 578 acre-feet of grandfathered rights. Current usage is about 75 acre-feet per year mostly used for Biosphere 2.

The state land wellhead consists of two wells drilled to a depth of 750 ft.. Each consists of a 75 hp pumps delivering 200 gpm. The well-pump station has a staged, 3-pump configuration that is capable of delivering 225 gpm or 324,000 gpd at the 200K tank. Another 300K, underground water tank is also in use. Pumping stations, storage tank, and fire hydrants are located throughout the existing development, but would need improvement for expansion. A third well on deeded property delivers water to a new 200K storage tank for Sundance Ridge and CDO.

Complete water studies are available for a more detailed evaluation of the future water system. A 100-year, water supply for 1553 homes. Golf, Resort has been approved.

The provider, Desert Spring Water improved district has applied for service to the entire ranch and provides final certification of water usage.



Approximately \$10.0 million dollars of water infrastructure is in place on CDO and Sundance Ridge. And, 700 gallons of water service is included in water improvements.



## Wastewater

Most of the UA Biosphere 2 site is presently served by traditional septic/leach wastewater systems. Twenty-two septic systems of various size and capacity are in use and are pumped on a regular schedule. None of the systems have proven problematic.

Specifically, the following seven tasks are proposed to meet future waste water objectives.

- Establish design flows and loadings

- Recommend treatment processes

- Determine utility requirements

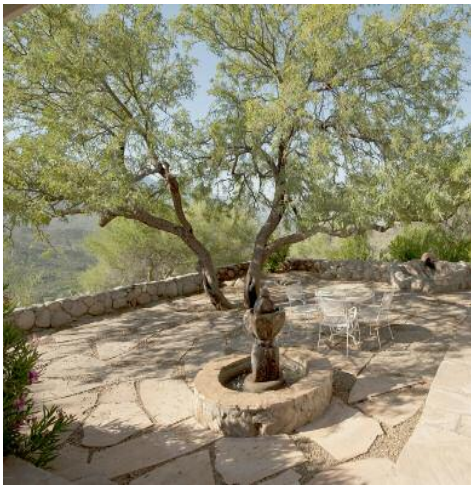
- Establish phasing plan

- Develop operating scheme

- Implementation, estimated costs, and schedule. Summarize design

- Permitting

A portion of the project (custom lots) at Sundance Ridge have individual septic systems.





*Many desert plants and animals are unique to Arizona.*

## Transportation

The CDO Ranch property is currently accessible from Oracle Road State Route 77 to Biosphere Road. The two-mile entry road (Biosphere Road) was improved to County standards in late 2004. The one-million dollar improvement transfers up-keep and maintenance to Pinal County as a county road.

These internal roads are in generally good condition. Proposed access to the site from the south is planned. This road will connect to SaddleBrooke and cross state land before entering the deeded property. When finished, this proposed public road will connect from Hwy. 77 at SaddleBrooke all the way back to Hwy. 77 at the Biosphere entry. This new south access will provide easier access for commercial development in SaddleBrooke and Catalina while shortening the drive time to Tucson by 8-10 minutes.

Application to the State of Arizona for a new right-of-way was approved.

Following is a summary of distance comparisons between Biosphere property and other planned communities:





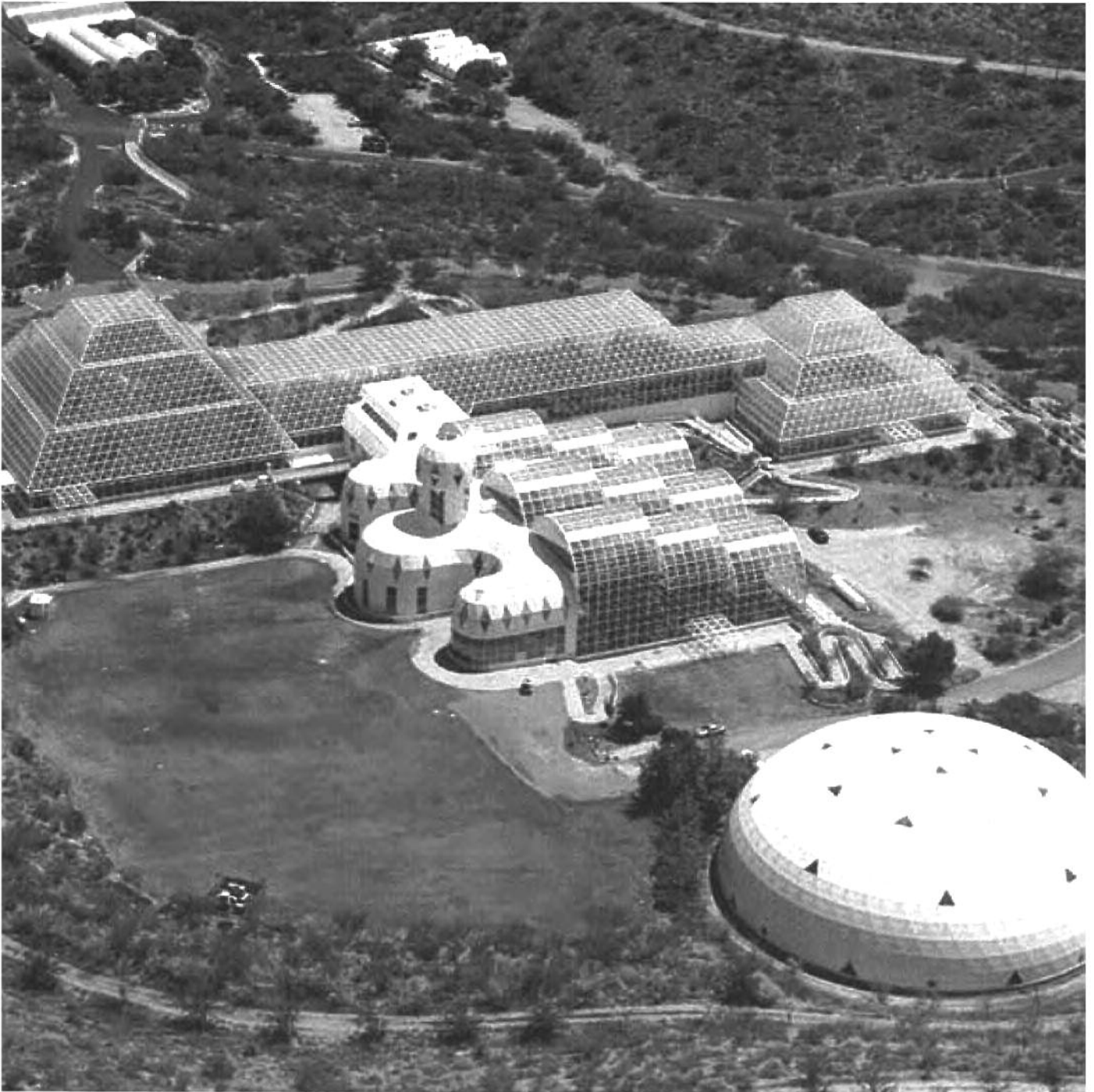
**Distance in Miles to Various Destinations from Select Projects**

| <b>Project</b>                   | <b>Nearest Hospital</b> | <b>Neighborhood Shopping</b> | <b>Elementary/School</b> | <b>Regional Shopping</b> | <b>University of Arizona</b> | <b>Tucson Airport</b> |
|----------------------------------|-------------------------|------------------------------|--------------------------|--------------------------|------------------------------|-----------------------|
| <b>Northwest</b>                 |                         |                              |                          |                          |                              |                       |
| SaddleBrooke                     | 9.0                     | 6.0                          | 6.0                      | 14.5                     | 22.5                         | 29.5                  |
| Eagle Crest                      | 7.0                     | 4.0                          | 4.0                      | 12.5                     | 20.0                         | 27.0                  |
| Rancho Vistoso                   | 1.0                     | 0.5 - 1                      | 1.0                      | 9.0                      | 14.0                         | 21.0                  |
| Dove Mountain                    | 7.5                     | 6.0                          | 6.0                      | 9.5                      | 19.0                         | 26.0                  |
| <b>West &amp; Marana</b>         |                         |                              |                          |                          |                              |                       |
| Continental Reserve              | 9.0                     | 0.5                          | 0.5                      | 8.0                      | 17.5                         | 24.5                  |
| Gladden Farms                    | 12.5                    | 8.5                          | 1                        | 8.5                      | 25                           | 232.0                 |
| Red Rock                         | 12                      | 16                           | 5                        | 16.5                     | 33                           | 40.0                  |
| <b>South and Green Valley</b>    |                         |                              |                          |                          |                              |                       |
| Sahuarita                        | 12.0                    |                              | 0.5                      | 16.0                     | 13.0                         | 9.0                   |
| Green Valley                     | 14.0                    | 1.0                          | 3.5                      | 18.0                     | 15.0                         | 11.0                  |
| Canoa Ranch                      | 19.0                    | 5.0                          | 7.0                      | 23.0                     | 20.0                         | 16.0                  |
| Quail Creek                      | 16.0                    | 6.0                          | 6.0                      | 21.5                     | 18.0                         | 14.0                  |
| <b>East &amp; Southeast</b>      |                         |                              |                          |                          |                              |                       |
| Rancho del Lago                  | 17.0                    | 9.5                          | 6.0                      | 16.0                     | 23.0                         | 20.0                  |
| Benson                           | 1                       | 3                            | 2                        | 32                       | 31                           | 30.0                  |
| <b>Catalina Foothills</b>        |                         |                              |                          |                          |                              |                       |
| La Paloma                        | 5.0                     | 0.5                          | 0.5                      | 6.0                      | 8.0                          | 15.0                  |
| Ventana Canyon                   | 6.0                     | 1.0                          | 1.0                      | 9.0                      | 12.0                         | 19.0                  |
| Biosphere - Today                | 17.0                    | 14.0                         | 14.0                     | 22.5                     | 30.0                         | 37.0                  |
| Biosphere - With Southern Access | 11.0                    | 8.0                          | 8.0                      | 16.5                     | 24.5                         | 31.5                  |

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The summary table above indicates the following:

- With a southern access route, the Property would be very competitive in terms of proximity to destinations and services.



*Aerial photo of Biosphere 2 showing the various biomes: the Rainforest, Tower and Lung.*

## Existing Improvements

This spectacular property is located at nearly 3,850 feet in the foothills of the Santa Catalina Mountains and 15 miles northwest of Metropolitan Tucson, Arizona. Forty buildings in various conditions currently make up the developed 50 acres. The existing CDO Ranch site contains 100,000-square feet of private property space that includes, but is not limited to, administrative offices, classrooms, research and teaching laboratories, a hotel and conference center, residential housing, full-service restaurant, retail outlets, and a 3-megawatt power plant – all surrounding the \$150 million, living, bio-complexity laboratory known as Biosphere 2.

The existing CDO operation is owned and operated by CDO Ventures LLC of Fort Worth, Texas. Investment in the buildings and infrastructure since inception has exceeded \$200 million and additional operating costs have added another \$200 million in the form of employment, taxes and services.

As a tourist attraction, Biosphere 2 has drawn over 3.5-million visitors since opening to the public in 1990. Included in that number are more than 300,000 K-12 school children that have participated in Biosphere's field trip programs.

There is a 28-room hotel (formerly the Motorola Conference Center) and a 120-seat auditorium.

A 4,500 square-foot conference room and a new, multi-purpose facility, which can hold up to 200 persons for lectures and 125 for catered dining events, is also located on the adjacent UAB2 property.

The 140,000 square-foot Biosphere 2 living laboratory is one-of-a-kind in the world. Completed in 1991, it is the largest, sealed structure ever built.

A one-mile, dirt landing strip exists on the CDO-owned property that is suitable for handling small, private and corporate propeller-driven aircraft and helicopters. This landing strip has no navigational aids or refueling facilities. The field is designated as "private" on navigational charts, but has been determined as closed until further notice by the owner. The nearest, scheduled air service is located at Tucson International Airport and private travel can be accommodated at Marana.

Note: The remaining buildings of the CDO Ranch are all in need of repair in various stages.

## The Biosphere 2 Apparatus

Biosphere 2 consists of medium-scale, synthetic communities of plants and soils encased in a glass and metal shell. It includes a rainforest, desert, savannah, marsh, ocean and a separate, agro-forestry area. The structure covers 1.27 hectares (3.15 acres) and can be operated in a variety of configurations including “flow-through” and “closed system” modes. When operated as a “closed system” the air leakage is estimated at a rate of 1.5% per day (as measured on 12-May-97) Operation as a “flow-through” system means that the apparatus has external air flowing through it.

Lightweight curtains allow reversible closure of the rainforest, desert and 3 agro-forestry sections. In 2005, in order to help facilitate energy conservation within the structure, windows were strategically removed and replaced with a fine screen. The removal of the windows has reduced the temperature by approximately 200°F and energy loads from traditional levels of 60%.



**Rainforest:** The rainforest mesocosm at the north end of Biosphere 2 and was created to simulate a tropical rainforest habitat.

*Current status:* Cooling in the upper canopy has been discontinued since the summer of 2004. As a result, the upper one-third of the canopy dies back each summer and recovers during winter months. Note: This was the normal cycle of events prior to 1997. Recent, natural, airflow initiatives have greatly reduced the stratification issue and summer die-backs will not be as prominent as in past years.

**Savannah:** The savannah was designed to perform several different functions within Biosphere 2. Its primary goal was to provide a hydrological transition zone between the desert and rainforest mesocosms. The savanna was to be a scaled-down model of tropical savannas, both duplicating ecosystem processes in savannas and capturing essential features of biodiversity and aesthetics.

*Current status:* Additional growth is in the canopy, but it's relatively unchanged since 1991.

**Ocean:** The Biosphere 2 Ocean simulates a Caribbean reef. It is a large tank with a surface area of 35 x 20 meters (100 x 60 feet) consisting of a southern portion that is seven meters deep (21 feet) and a northern, shallow lagoon partially-separated by a fringing reef.

*Current status:* We are currently maintaining ocean chemistry under the guidance of Dr. Chris Langdon. Dr. Chris Langdon, Associate Director NCORE, RSMAS, University of Miami.

**Mangrove:** The marsh mesocosm is comprised of two major wetland types: 1) a small area of marshes dominated by grass species and 2) forested swamps dominated by mangrove trees covering 80% of the mesocosm.

*Current status:* With the exception of additional growth, this mesocosm remains unchanged since 1991.

**Desert:** The desert was modeled after a coastal fog desert. This remains active in winter and dormant in summer. A plastic partition was installed in 2002 to isolate and help better control this mesocosm.

*Current status:* With the exception of additional growth, this mesocosm remains unchanged since 1991.

**Managed Forest:** This area was originally used as the "farm" during the habitation missions (1991-1995) and was later converted to an Eastern Cottonwood Forest (1997-2003).

*Current status:* This area is currently fallow.



| Building Name             | Building I.D. | Foot print SQ. footage |
|---------------------------|---------------|------------------------|
| Front Gate House          | A             | 200                    |
| Security Booth            | B             | 35                     |
| Hotel / Admin             | C             | 3,500                  |
| Lomas                     | D             | 1,357                  |
| Hotel Level 1             | E             | 5,120                  |
| Hotel Level 2             | F             | 5,120                  |
| Hotel Level 3             | G             | 5,120                  |
| Catalina Conf Center      | H             | 1,462                  |
| Suffolk House             | I             | 5,620                  |
| Canada Del Oro Restaurant | J             | 4,884                  |
| Orientation Center        | K             | 6,538                  |
| Q-Bays                    | L             | 3,024                  |
| Midway offices and shops  | M             | 1,670                  |
| Greenhouse                | N             | 35,261                 |
| ECS Lab                   | O             | 360                    |
| Test Module               | P             | 600                    |
| Desert Digs gift shop     | Q             | 400                    |
| Café Offices              | R             | 2,150                  |
| Analytic                  | S             | 3,820                  |
| Insect                    | T             | 3,940                  |
| Trans vault               | U             | 600                    |
| Faculty                   | V             | 1,357                  |
| Faculty                   | W             | 1,357                  |
| Faculty                   | X             | 1,357                  |
| Faculty                   | Y             | 1,357                  |
| Martin Building           | Z             | 10,500                 |
| Dorm A                    | AA            | 2,079                  |
| Dorm B                    | AB            | 2,079                  |
| Dorm C                    | AC            | 2,079                  |
| Dorm D                    | AD            | 2,079                  |
| Dorm E                    | AE            | 1,560                  |
| Arroyo 1 & 2              | AF            | 1,357                  |
| Arroyo's 3 & 4            | AG            | 1,357                  |
| Arroyo 5 & 6              | AH            | 1,357                  |

CHART IN EDIT

## Archeology

A cultural resource survey was completed by David Stephen and Westland Resources of the Professional Archeological Services of Tucson. The report is available for review by qualified buyers.

The study indicated that “Considering cultural resources found on the property, the development of the CDO Ranch will not have an effect on previously recorded cultural resources.”

Based upon archival information, field methods, observable surface indications and the fact that none of the materials observed on the subject property have the potential to provide important archeological information, no additional studies or work are required.

## Biological Evaluation

Westland Resources has completed a biological study with emphasis upon:

1. Vegetation and habitat types
2. Wildlife
3. Federally listed species
4. State listed specifications



These services included the development of a Biological Evaluation of the CDO Ranch area to determine potential for occurrence of any US Fish & Wildlife listed endangered, threatened, proposed, candidate or conservative species agreement that would be effected by the development of the CDO Ranch into a planned community.

Results of the analysis indicate that no federal, special-interest species or proposed or designated, critical habitat is known to occur on or near the CDO Ranch.

The Biological Evaluation is available for review by qualified and approved, potential purchasers.





## **Cactus Ferruginous Pygmy Owl**

A full survey was completed in 2005. Resources in 2005 and a second phase will be completed in the 2006 Survey Season. The accepted protocol recommends the completion of two consecutive years of survey prior to vegetation clearing occurs in the development process.

## **Jurisdictional Waters**

Westland Resources completed a study in September 2004 to help identify potential jurisdictional waters of the United States. The lateral boundaries of the jurisdictional waters are indicated by ordinary high-water marks, well-defined channels, scour lines, debris lines, changes in substrata, water stains on bed rock or presence of xeroriparian or riparian vegetation. Westland completed aerial photographs to identify drainage systems and completed a study to determine the potential jurisdictional status and width of drainages present on the CDO parcel.

Potential jurisdictional waters within the CDO Ranch area are related to various washes and the Cañon del Oro. The channels vary from approximately 0.5 feet to 30 feet in width. The estimated area of potential jurisdictional waters within the original 1,262 acres is 9.32 acres. This 404-analysis is available to potential qualified and approved purchasers.

## Phase One Environmental Site Assessment

Brown and Caldwell completed Phase I on the 1,264 acres on November 24, 2004. Phase I was completed on 364 acres on February 25, 2005.

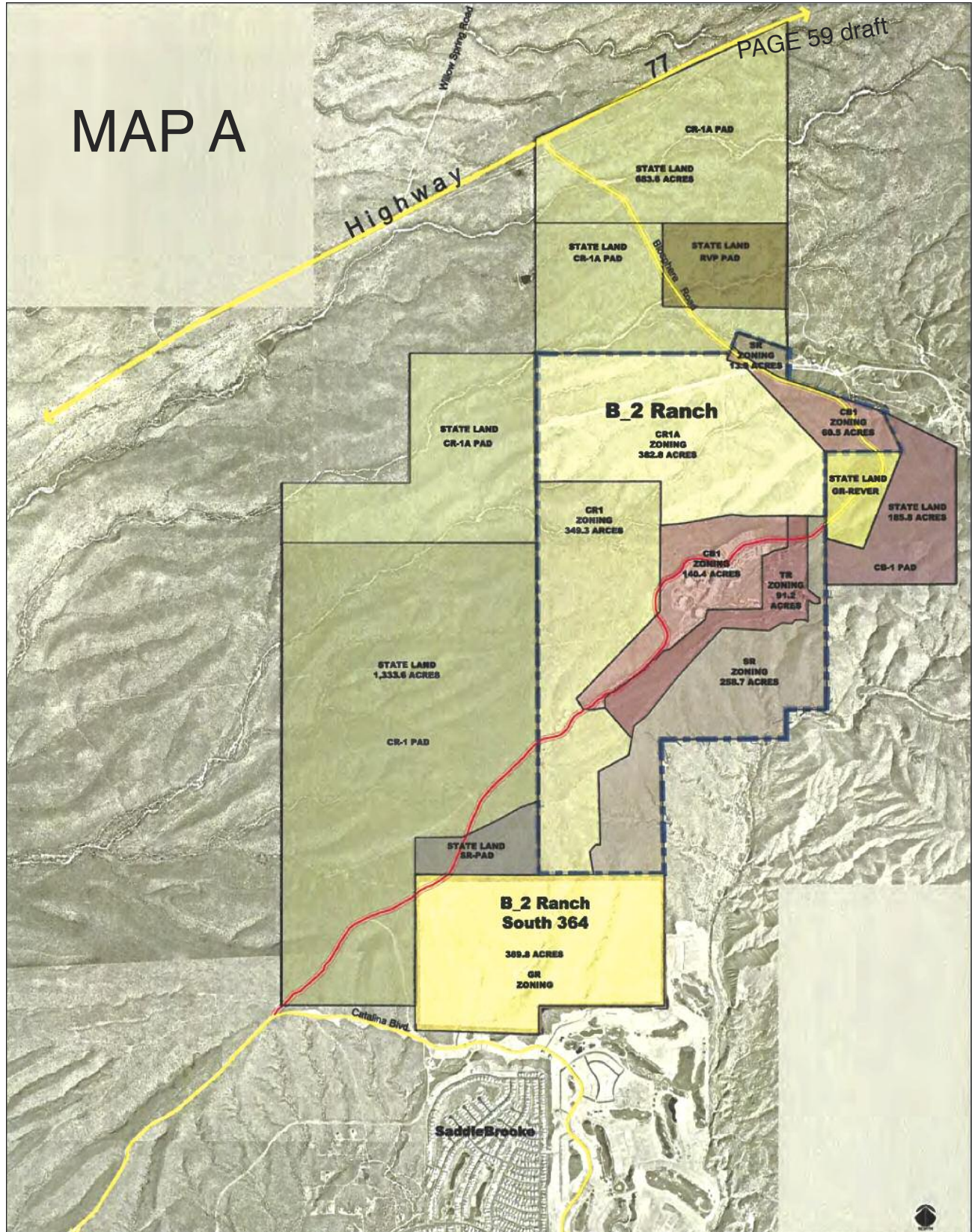
Various recognized environmental conditions and concerns are identified in Phase I for 1,264 acres relating to portions of the Biosphere complex and the former airstrip. The majority of the land was determined to consist of undeveloped, desert land.

Phase I and II for 364 acres did not reveal any recognized environmental condition or historically-recognized environmental conditions that would indicate a significant impairment of the site according to Brown and Caldwell.

Approved and qualified potential purchasers should review Phase I reports prepared by Brown and Caldwell.

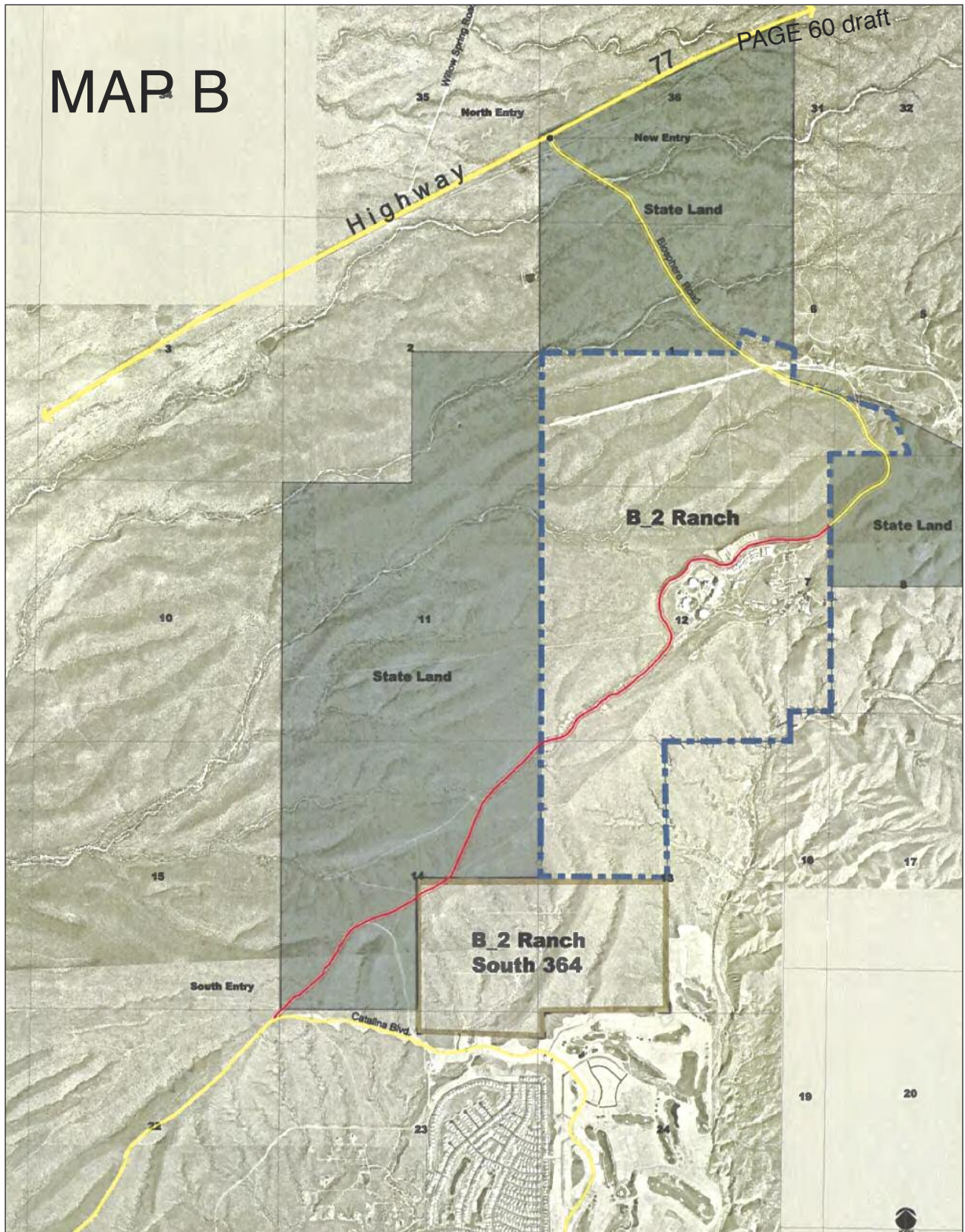






CHANGE ALL B2 RANCH LABELS TO CDO RANCH!

# MAP B



CHANGE ALL B2 RANCH LABELS TO CDO RANCH!

## Tucson Overview

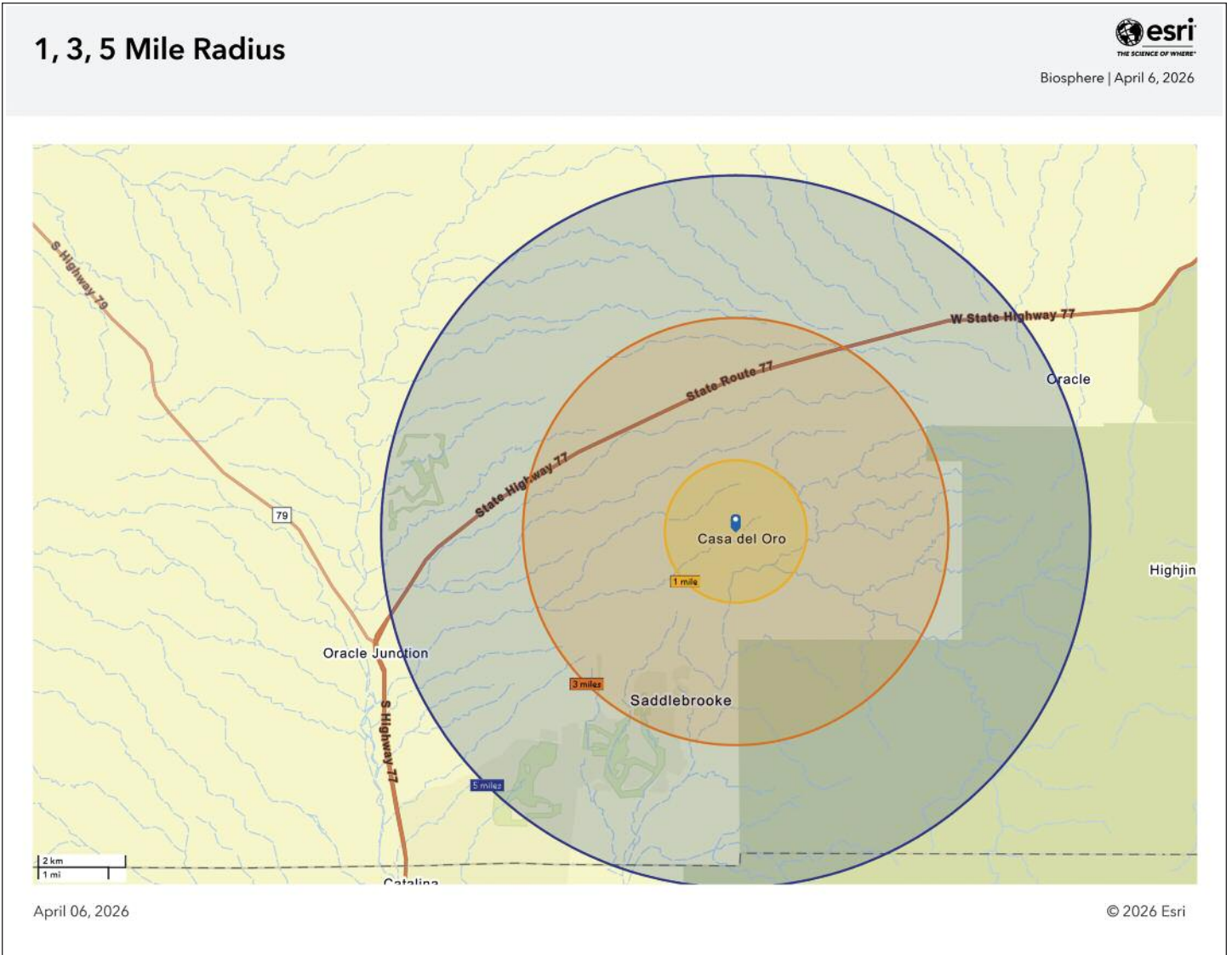
Tucson is a diverse and dynamic metropolis of 1.0 million and remains the second largest city in Arizona. Situated between Phoenix and the Mexican border, Tucson is strategically positioned to accommodate an expanding population base and the economic diversities of these two major trade areas. Tucson is also located along the California and Texas transportation corridor, centered in the newly coined “Western Canamex” corridor.

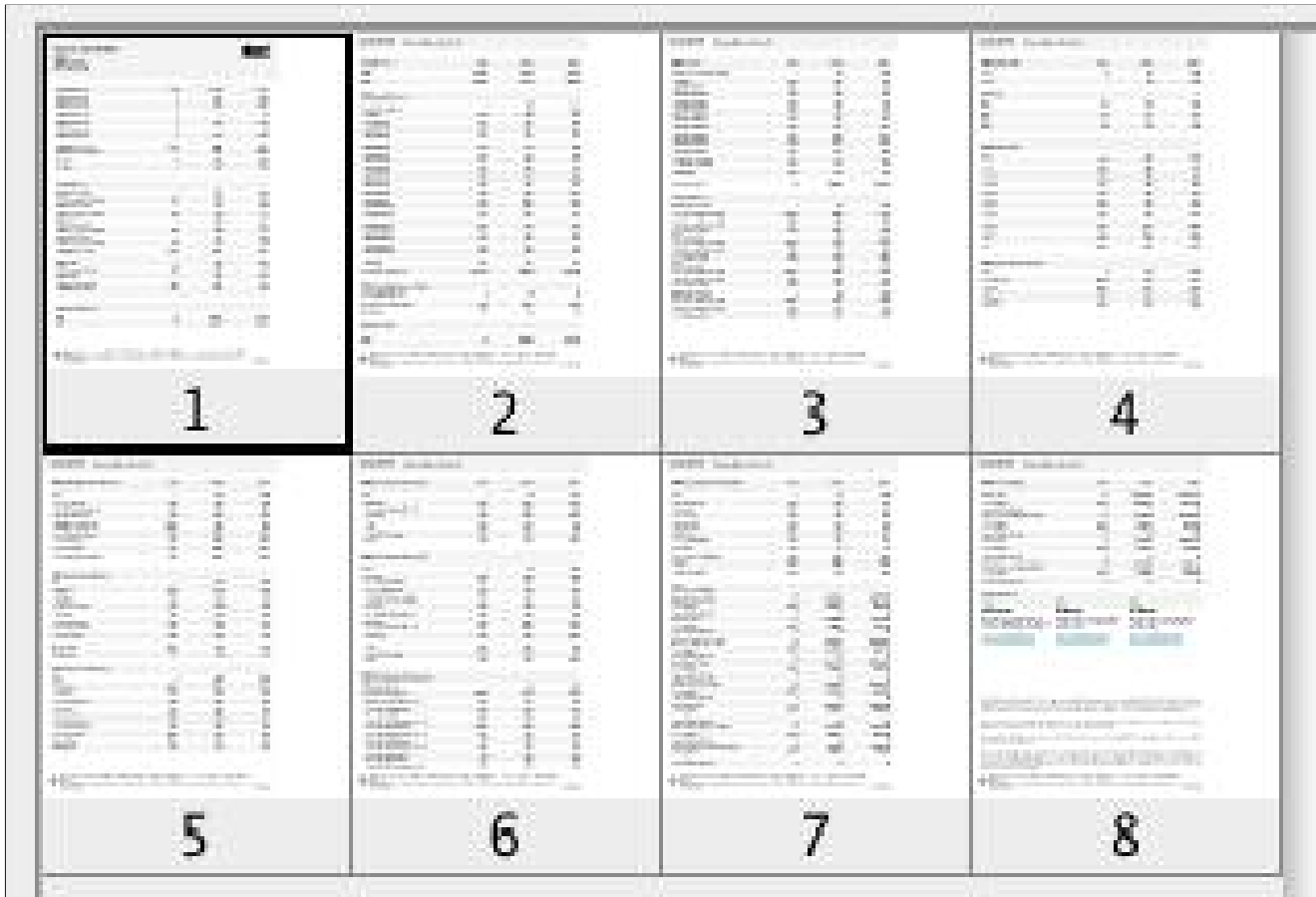
According to the Metropolitan Tucson Convention & Visitors Bureau, a University of Arizona 1999-2000 study. Tourism accounts for one in ten workers in Pima County – a total of over 50,000 jobs.

The University of Arizona is integral to Tucson. It's the tenth largest, publicly-funded, research university in the United States. Located in the center of Metropolitan Tucson, it includes a school of law, hospital/medical school, pharmacy and nursing colleges, architectural and engineering schools and other influential departments. UA boasts a student body of approximately 40,000 and an administrative staff of 15,000 people. The university also features a nationally-ranked College of Optical Sciences presently ranked number one in the world. UA is a Land Grant and space university.

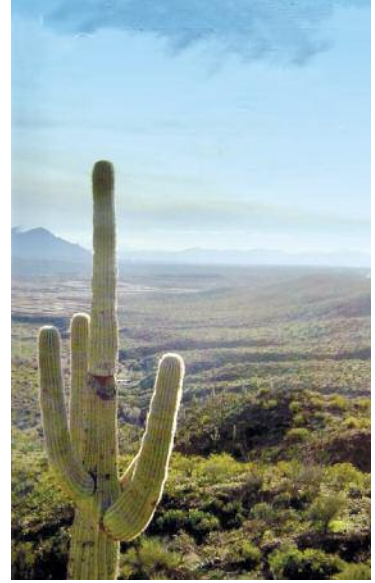


Various Data Charts to be added at this point





Eight Pages of Data Charts to be added



END