



# Master Planned Communities

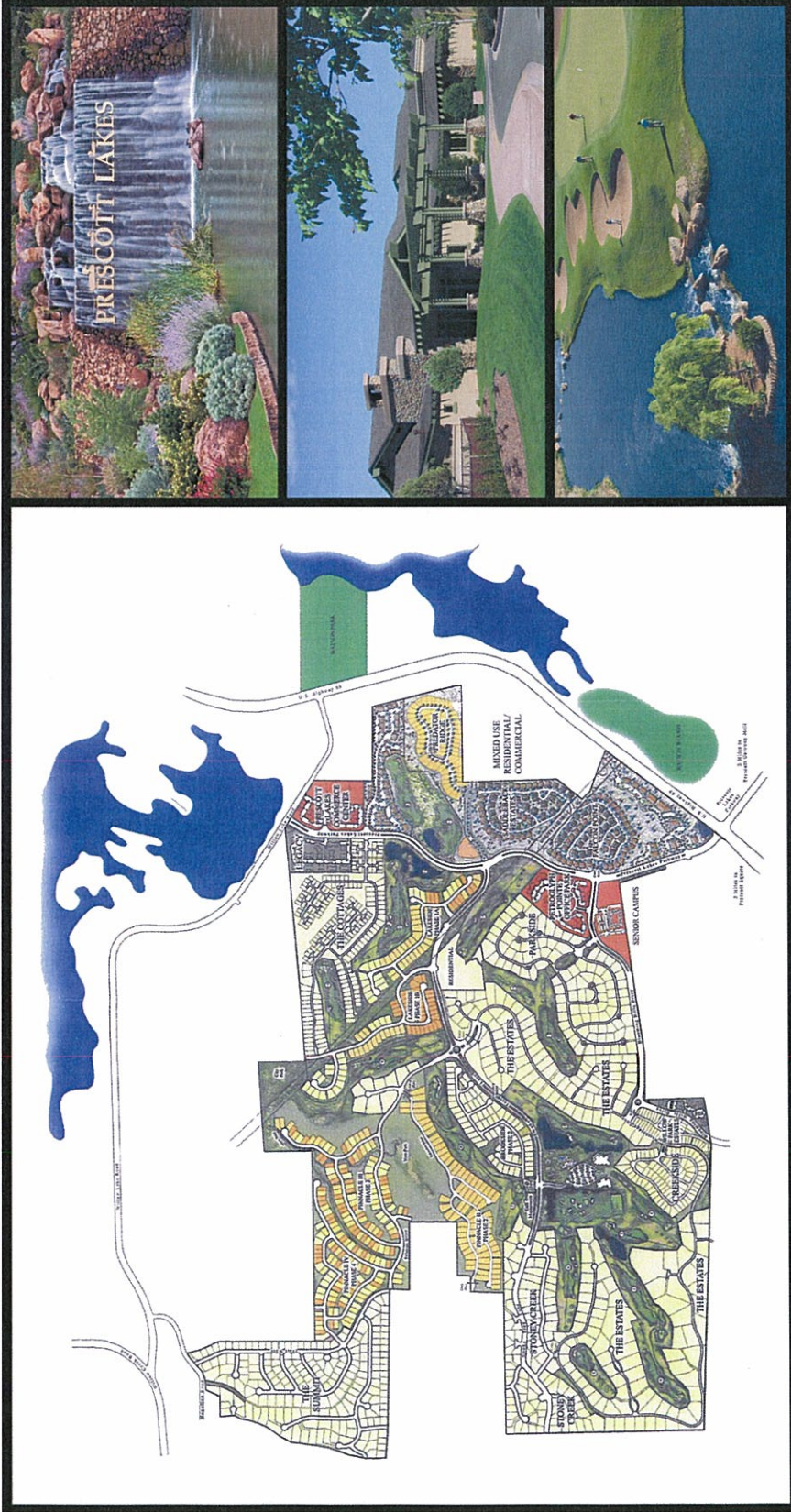




Founded in 1981, the M3 Companies' principals, Bill Brownlee, Jeff Davis and W. Scott Schirmer, have forged their separate areas of expertise into a long-lasting partnership. They work together to apply ideas, address issues and make decisions as a team, ensuring the continued success of the properties.

- More than 25 years of expertise working in concert with city, state and federal agencies to entitle both small and large scale projects.
- From 2006 to 2008, M3 Companies completed land planning and entitlements for more than 10,000 acres comprised of approximately 10,000 dwelling units and 2 million-square -feet of non-residential units.
- During 2007 and 2008, M3 Companies constructed more than \$55 million in master planned community infrastructure.





**PRESCOTT LAKES**  
 GOLF & COUNTRY CLUB

Prescott, Arizona

## **PRESCOTT LAKES PROJECT OVERVIEW**

<b>Total Acres</b>	<b>1,150</b>
<b>Total Entitled Units</b>	<b>2,718</b>
<b>Total Units Sold (Sold Out)</b>	<b>1,800-2,000 depending upon final platting of sold parcels</b>

## **PRESCOTT LAKES ENTITLEMENT HIGHLIGHTS**

- From 1993 to 1998, the M3 Companies assembled 64 separate land parcels from 33 different property owners to form Prescott Lakes.
- The first full-scale, master planned golf community developed within the City of Prescott, Arizona, located approximately one-and-a-half hours north of metropolitan Phoenix.
- This 1,150-acre community features custom homes in both gated and non-gated residential neighborhoods, condominiums, patio homes and luxury apartments.

- Lifestyle amenities include an 18-hole championship, Hale Irwin Signature Golf Course highlighted by 12 acres of lakes, vistas of surrounding mountains, a 14,000-square-foot athletic club and a planned 11,000-square-foot clubhouse.
- Commercial uses include office, retail and hotel.
- Originally zoned for 3,400 units; down-zoned to 2,718 housing units; 1,800-2,000 units at build out.
- Effluent agreement with the City of Prescott-approximately 550 acre feet per year.
- Joint participation in infrastructure with the City of Prescott for the main arterial streets.
- Agreement with the area's Indian Tribes to establish seven petroglyph parks throughout the Prescott Lakes Community to consolidate the petroglyph sites (numbering approximately 3,000) within the community, noted as one of the largest in the state of Arizona.
- Negotiated a long-term water policy with the City of Prescott and the Arizona Department of Water Resources (ADWR).

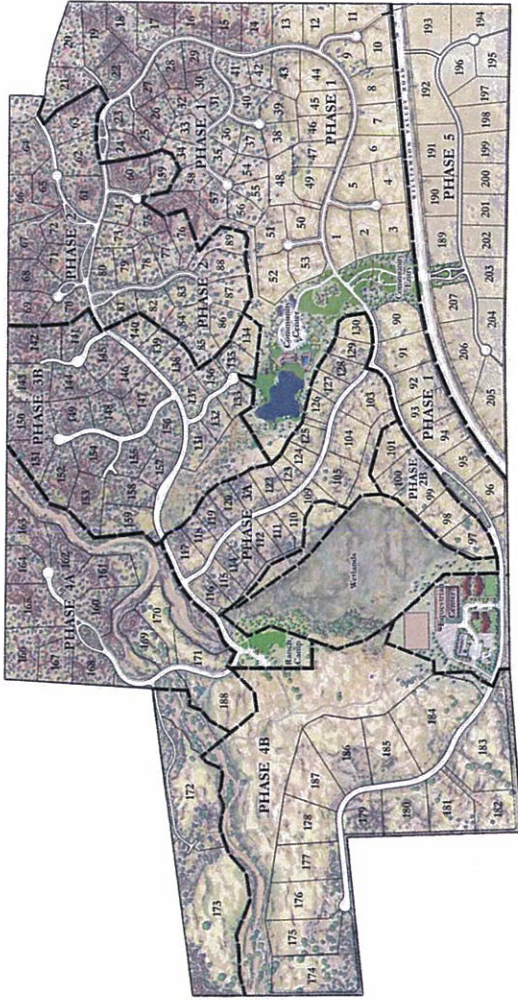
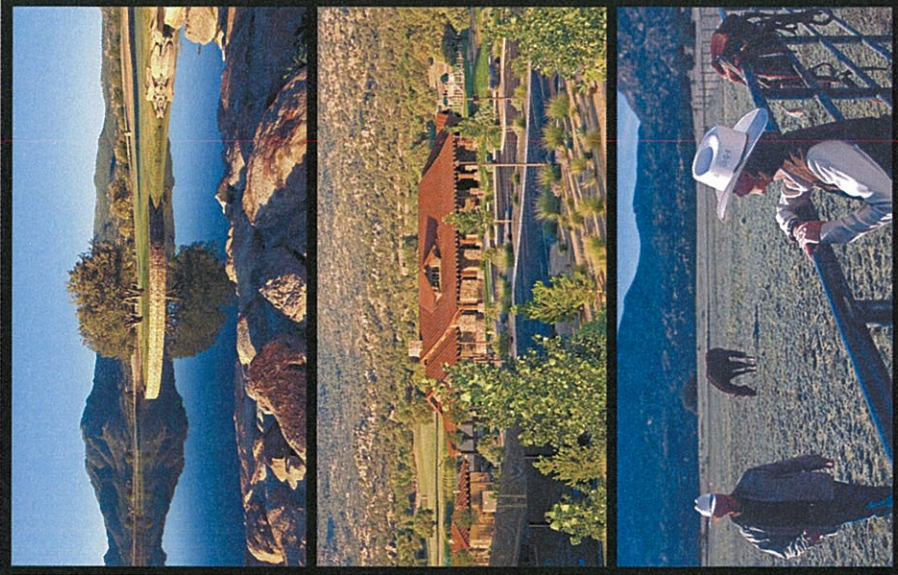
- Constructed over \$100 million in infrastructure, including six miles of arterial streets, 600 custom lots, golf course, athletic club, and 150-unit apartment project.

## **PRESCOTT LAKES SALES HIGHLIGHTS**

Sales commenced July 1998

Record Sales Momentum from July 1998-July 1999

- 200+ custom lot sales.
- Average lot price of \$110,000 versus market average of \$55,000.
  - Twice the Prescott marketplace average at the time.
  - Select custom lots sold for more than \$600,000.
  - Finished custom homes have been valued up to \$2 million.
  - Average custom home price of \$450,000.
  - Approximately 20% premium over local market per square foot of finished home.



# Prescott, Arizona

## PRESCOTT AMERICAN RANCH PROJECT OVERVIEW

Total Acres	630
Total Entitled Units	210
Total Units Sold (Sold Out)	207

## PRESCOTT AMERICAN RANCH DEVELOPMENT HIGHLIGHTS

- The Prescott American Ranch is a historic ranch located eight miles northwest of downtown Prescott, Arizona.
- This equestrian-based community is the premier community feature in Williamson Valley. In 1998, the M3 Companies acquired the 630-acre ranch from its long-time owners (since the 1950s) after discussing with their plan for this distinctive property. Many tried before, but M3 understood the proud history of this unique property, once traded for a six-shooter and a bag of bullets. By preserving its heritage—in the smallest details—the street names, the architectural styles, the recreation of the old stage stop that once stood on the premises, residents will long appreciate the history of the American Ranch, and will always be custodians of its future.



- The American Ranch vision created an equestrian and true open-space lifestyle community featuring a high-level of amenities and architectural design honoring the heritage of the ranch and its surroundings, including maintaining the expansive landforms, rock formations and open vistas that characterize the area, as well as its idea of creating seven petroglyph parks to recreate the history.
- Lifestyle amenities for this unique master planned community include:
  - State-of-the-art Equestrian Center with barn, paddocks, riding arena, grooming and exercise areas.
  - Scenic bridle paths and riding and hiking trails extending into adjacent Prescott National Forest and Granite Mountain Wilderness Area.
  - Three-acre lake for fishing and storage of reuse water.
  - Other amenities include 20-acre Community Center with an outdoor swimming pool, tennis and sports courts and a Ranch Headquarters Community Center.



This property is the basis of the M3 American Ranch brand—which M3 is carrying forward throughout select ranch developments in the West. The second American ranch community is Sandstone American Ranch in Castle Rock, Colorado.

### **PRESCOTT AMERICAN RANCH SALES HIGHLIGHTS**

- Sales commenced in 2002 and were sold out in 2004.
- Established new area marketplace price points.

### **PRESCOTT AMERICAN RANCH ENTITLEMENT HIGHLIGHTS**

- M3 received unanimous approval of its entitlement which:
  - Down-zoned the property from 315 units to only 210 units.
  - Provided for over 50% open space.



- Provided public trail access to the 13,000-acre Granite Mountain Wilderness Area through brokering an agreement with the U.S. Forest Service, resulting in the only permitted access in the area other than federal access points.
- Formed a Water and Waste Water Improvement District.
- Designed and built central sewer and water facilities; most surrounding developments are on well and septic.
- Provided for a reuse system for irrigation of open space—60 acre feet per year.
- Negotiated a nine-party Indian burial and artifact recovery agreement.
- Received approval from ADWR for a Designation of Assured Water Supply after completing an extensive hydrological study.
- Completed a complex hydrological study of the area; obtained Conditional Letter of Map Revision and Letter of Map Revision.



- Established new hydro-geological information for the aquifer in the area, at the time was contrary to ADWR.
- M3's efforts addressed 3,000 local area residents' concerns related to the development of the American Ranch—long viewed as everyone's ranch and access to the Wilderness Area.
- Constructed over \$40 million in infrastructure improvements, including 206 custom lots, community center, equestrian center and water and 60,000 gpd sewer plant.





Wickenburg, Arizona



## **WICKENBURG RANCH PROJECT OVERVIEW**

<b>Total Acres</b>	<b>2,160</b>
<b>Total Entitled Units</b>	<b>2,324</b>
<b>Custom</b>	<b>382 lots from ½ to 3 acre lots</b>
<b>Semi-Custom</b>	<b>252 lots from 9,000 square feet to 22,000 square feet on golf</b>
<b>Production</b>	<b>1,690 single family and attached products</b>
<b>Projected Sales</b>	<b>10 year sellout sales will start in 2010 depending upon market conditions.</b>

## **LAND PARCEL ASSEMBLY**

The M3 Companies acquired the property through an assemblage of two parcels of land in 2004 and 2006.

- 1,900 acres of the property was acquired from a previous developer who had been denied in 2004 by Yavapai County for its zoning request for approximately 3,000 dwelling units and a golf course.



- A 200-acre parcel known as the “Wickenburg Inn” from Childhelp, a charitable organization, was utilizing the former Merv Griffin-developed Wickenburg Inn as a recovery facility for abused children. M3 worked with Childhelp to craft a purchase agreement that allowed them to relocate their facilities and operations to Phoenix to meet the changing market demands for their business.

### **WICKENBURG RANCH ENTITLEMENT HIGHLIGHTS**

M3 successfully rezoned the property through Yavapai County-representing one of the largest master planned communities approved in Yavapai County and the Wickenburg market area.

M3, through its entitlements:

- Entitled the land for 2.324 dwelling units, a resort hotel, golf course and recreational vehicle park.
- Obtained approval for a golf course based upon providing Yavapai County with a water and reuse management plan for Yavapai County.
- Created eight acres of lakes for storage of Class A+ effluent.



- The 950,000 gpd wastewater treatment plant will produce around 600 acre feet per year of A+ effluent to be used for irrigation of common area and golf course.
- Established public utility companies for the water and sewer facilities.
- Obtained a Designation for the Water Company from ADWR outside of an Active Management Water Area which is not required.
- H1I and M3 have drilled two new wells and reworked four wells on the property. Original estimates for production of the wells was 450+/- gpm, the wells have been completed and are pumping between 750 gpm and 1100 gpm. The aquifer is proving to be more dynamic than the original hydrological studies have estimated. The two wells will support the 1,000,000 gallon storage facility.

### **WICKENBURG RANCH DEVELOPMENT HIGHLIGHTS**

M3 began development of the property in June 2007; to-date it has completed construction of over \$55 million in infrastructure:

- Seven million yards of dirt have been moved to create development pads and the golf course.



- Over 4,000 trees were harvested from the site to be replanted.
- Over 6,000 trees and 800,000 plants are being planted within the common area slopes as mitigation for grading.
- Construction of eight miles of main line infrastructure.
- Construction of an 18-hole golf course utilizing 65 acres of turf versus normal average of 90 acres to conserve on water.
- Design, permitting and beginning construction of 950,000 gpd wastewater treatment facility.
- Design of and in the process of constructing a regional electrical substation.
- Design of and in the process of constructing over eight miles of arterial roadways.





**SANDSTONE**  
AMERICAN RANCH

Castle Rock, Colorado

## **SANDSTONE AMERICAN RANCH PROJECT OVERVIEW**

<b>Total Acres</b>	<b>2,100</b>
<b>Total Entitled Units</b>	<b>106</b>

### **LAND PARCEL ASSEMBLY**

The M3 Companies acquired the Sandstone Ranch, 2,100 acres of pristine ranch land adjacent to the Pike National Forest and just outside of Castle Rock, Colorado, in 2006 with the intention of creating the M3 Companies' second American Ranch community. M3 completed the design for the community during 2006-2007 and completed entitlements in the summer of 2008.

### **SANDSTONE AMERICAN RANCH ENTITLEMENT HIGHLIGHTS**

M3 successfully processed an entitlements case through Douglas County with unanimous approval from the County Commissioners.

The Rural Site Plan approval provides for:

- 106 lots between 2 and 25 acres.
- 67% open space.

**SANDSTONE**  
AMERICAN RANCH

- Preservation of the rural lifestyle.
- An equestrian center and community center.
- Recognition by the County Commissioners as the model project for Rural Site Plan.

Approval of engineering and planning documents from all state and federal agencies.

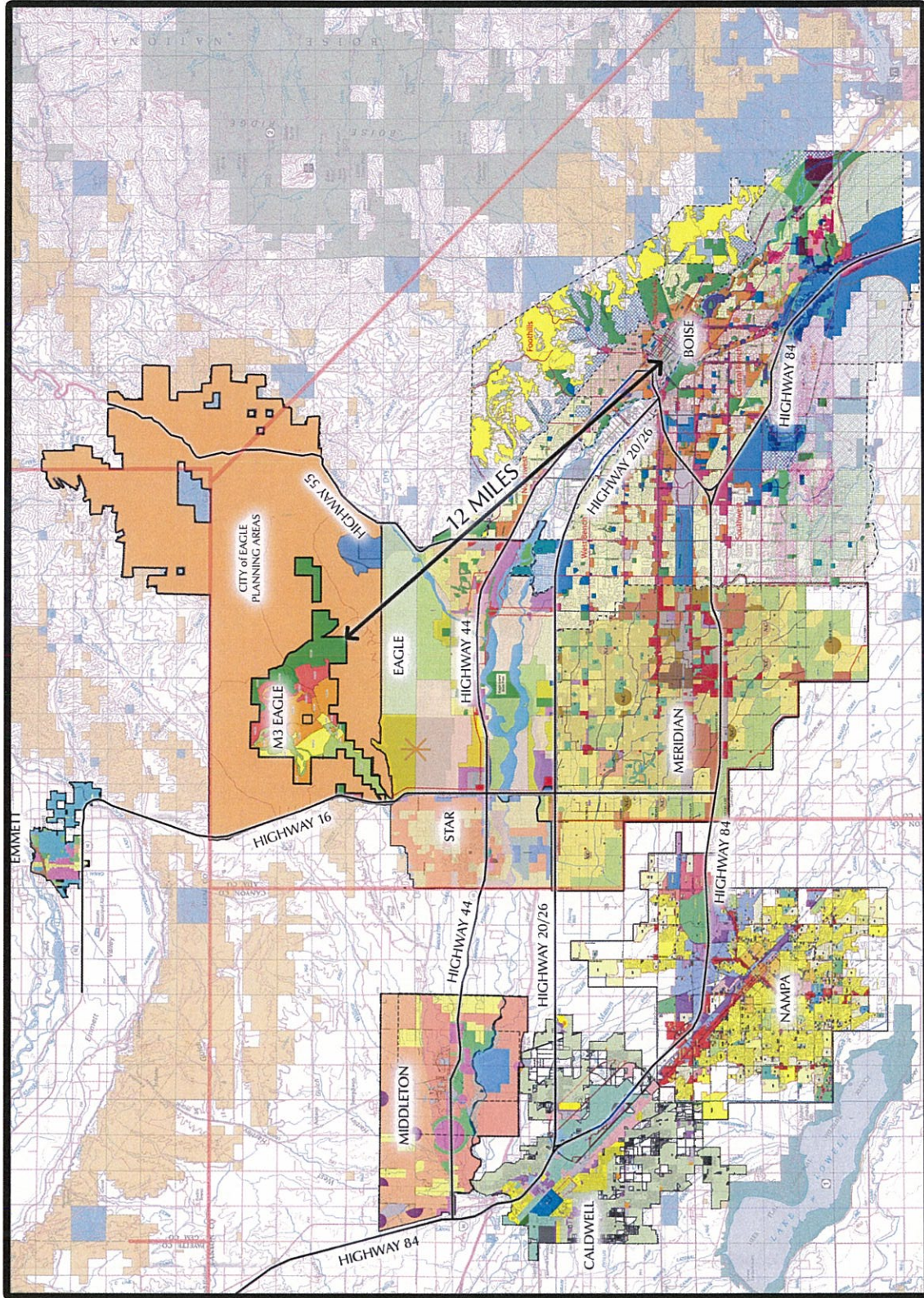
- Resolved significant issues with endangered species.
- Jurisdictional delineations and 404 permits.
- Approvals of state and federal agencies for a very sensitive parcel of land adjacent to the Pike National Forest – two endangered species.
- Obtained approval for water and sewer service from Perry Park, an adjacent sanitation and water district. This was the first time in more than 50 years that Perry Park did an inclusion agreement of this scale.

## **CURRENT STATUS**

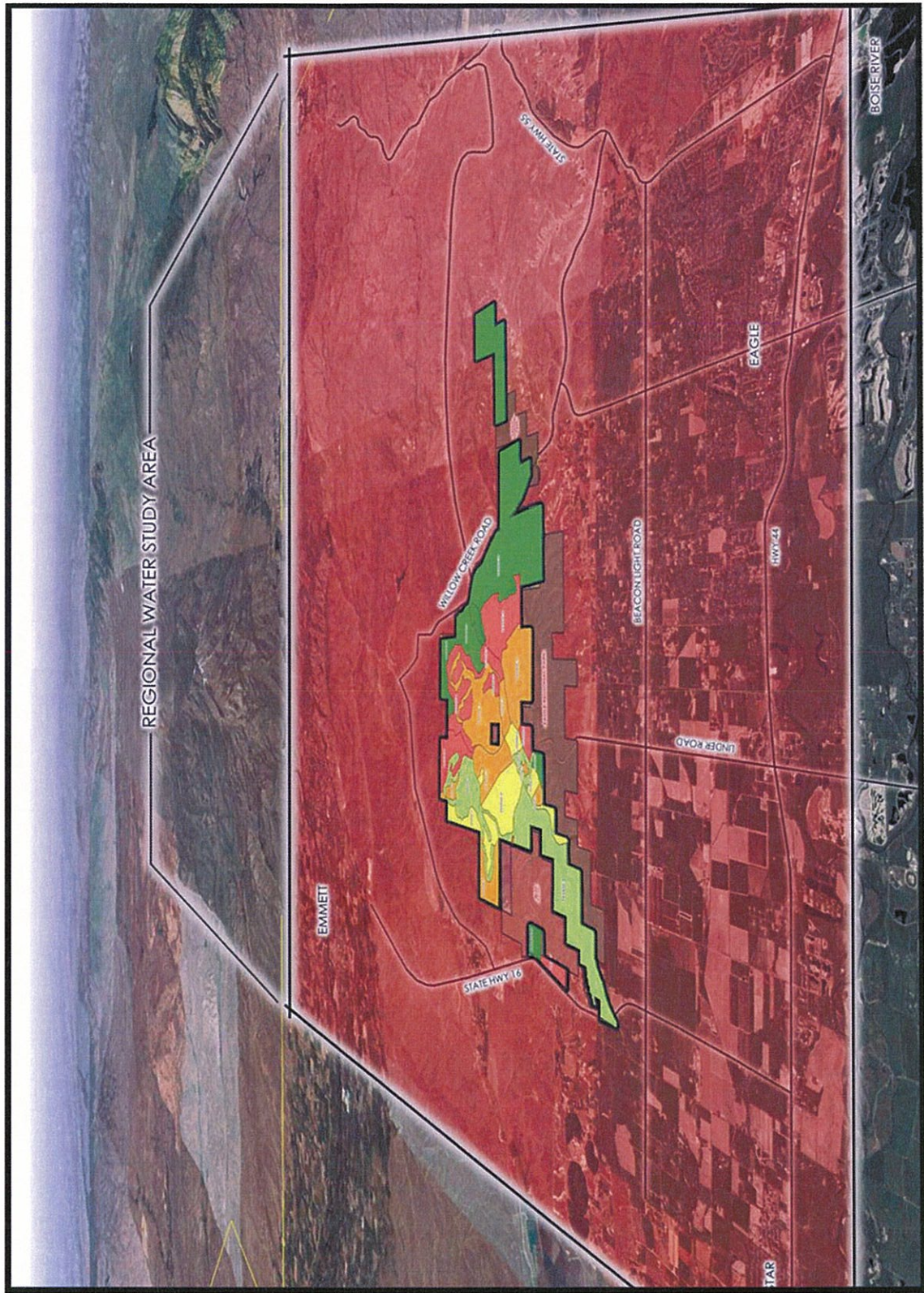
Project is permit-ready to start construction of phase one infrastructure.  
Project is on hold pending market recovery.

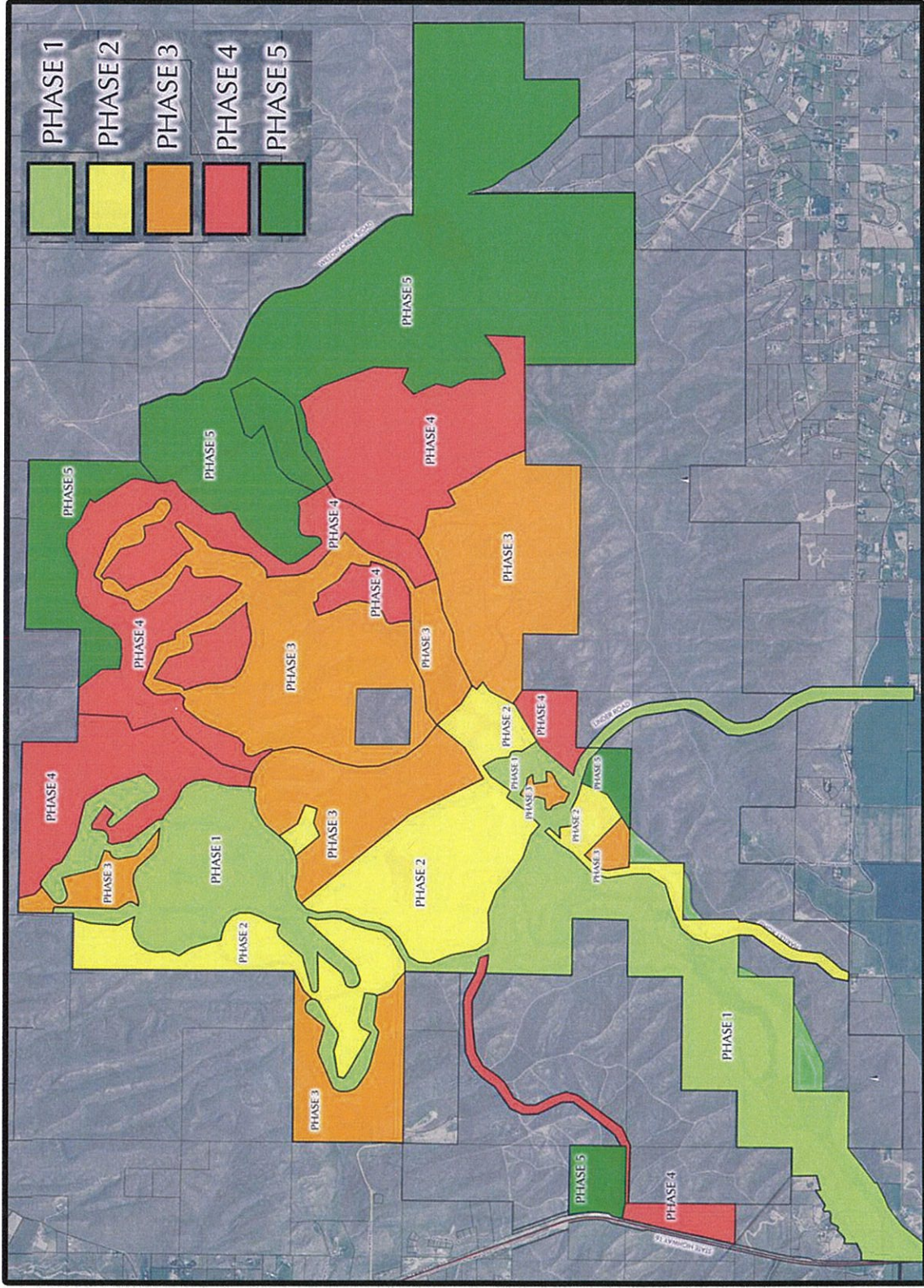
**SANDSTONE**  
AMERICAN RANCH



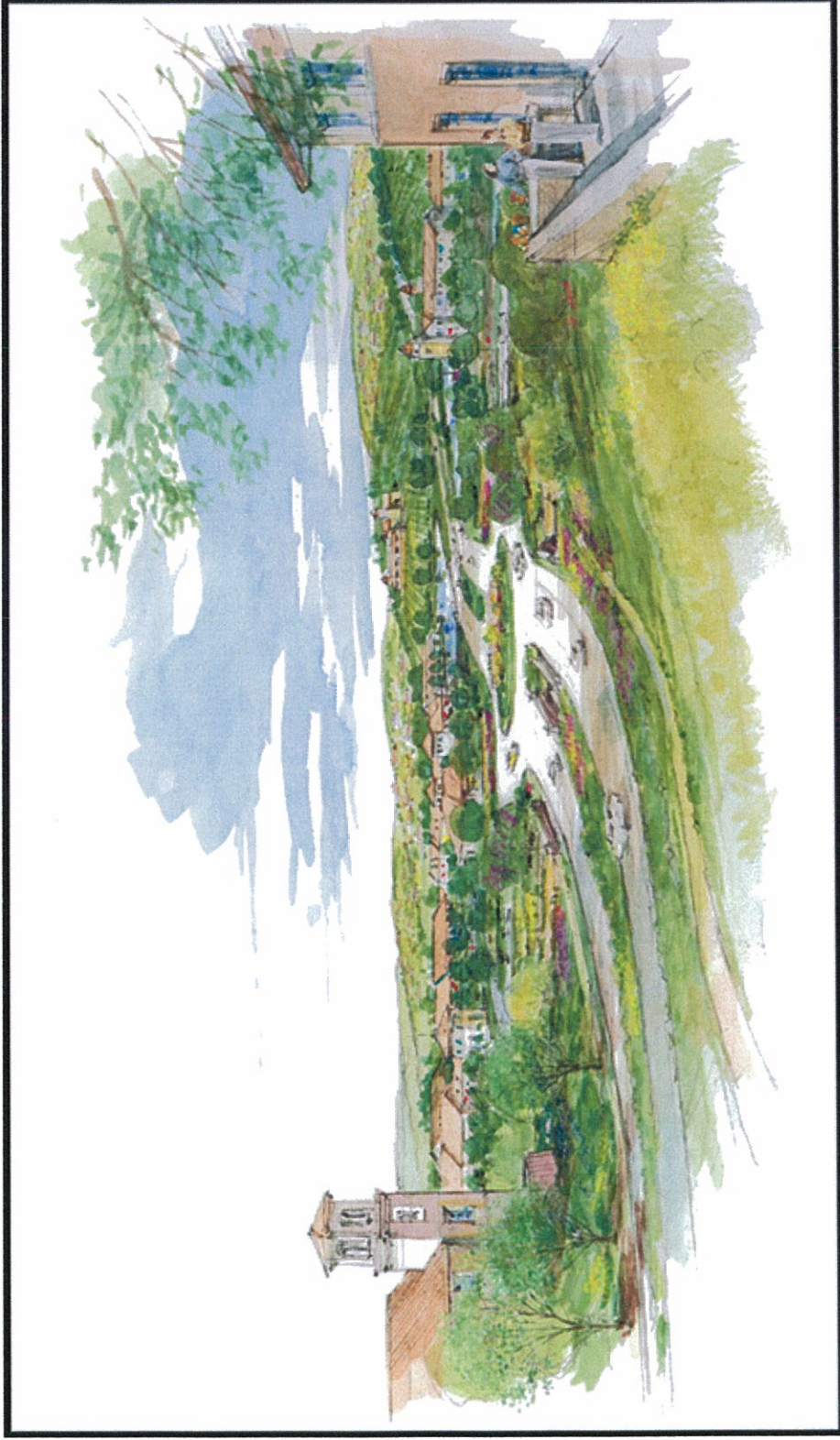


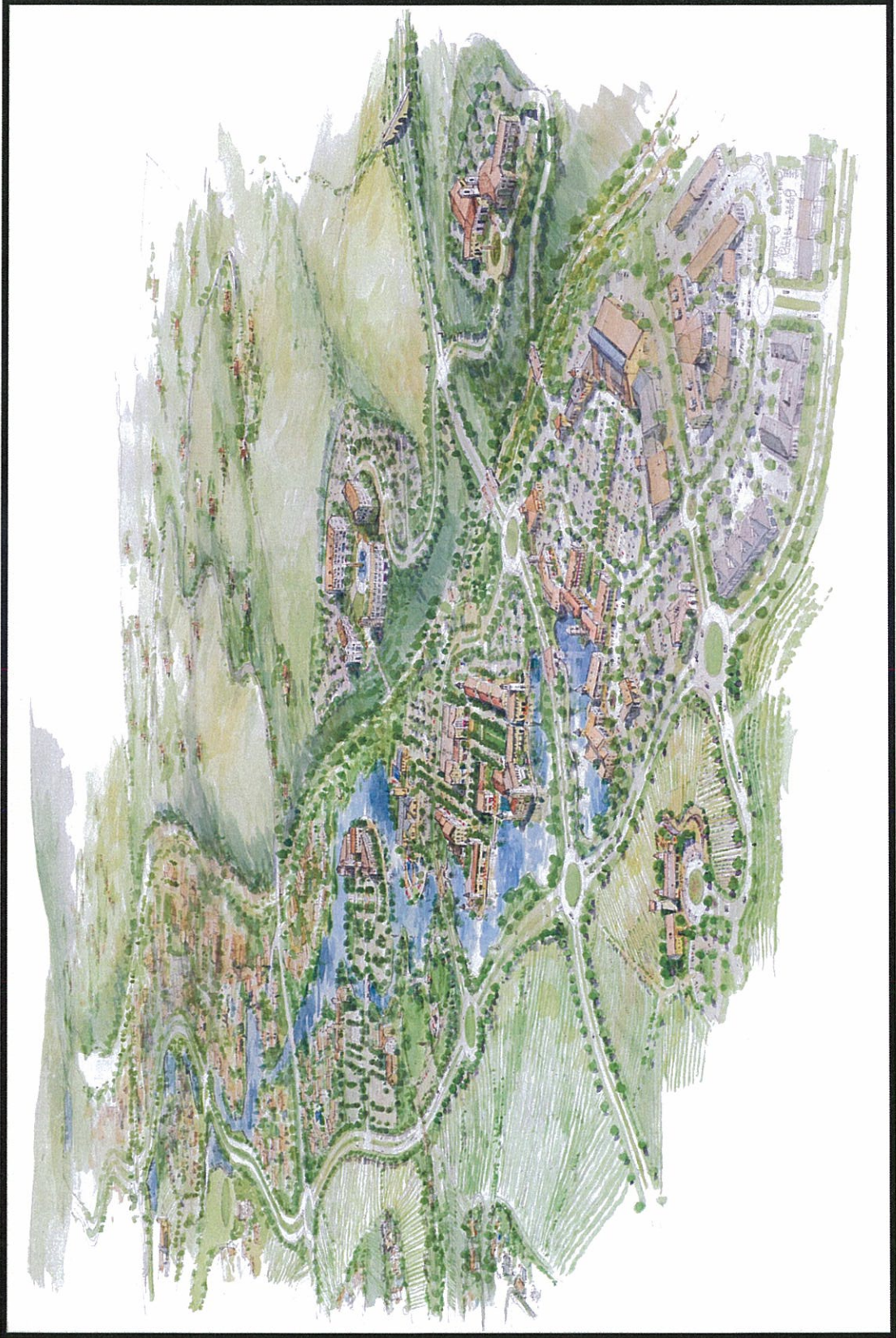
Area Map





Phasing Plan







## **M3 EAGLE PROJECT OVERVIEW**

<b>Total Acres</b>	<b>6,005</b>
<b>Total Entitled Units</b>	<b>7,153</b>
<b>Total Non-Residential Acres</b>	<b>245</b>

## **LAND PARCEL ASSEMBLY**

From 2005 to 2008, M3 assembled 11 separate properties totaling 6,005 acres for the development of a master planned residential community.

## **M3 EAGLE ENTITLEMENT HIGHLIGHTS**

M3 Eagle is a proposed 6,005-acre master planned community, located in the foothills north of Eagle, Idaho, between Idaho State Highway 16 and Willow Creek Road, north of Beacon Light Road.

M3 Eagle property is located in some of the most suitable and least constrained land for development in the Eagle Foothills. Over 73% of M3 Eagle contains slopes less than 25% in grade.

On December 18, 2007, after 34 public hearings, the Eagle City Council approved a Pre-Annexation and Development Agreement for M3 Eagle that provides for:

- A base of 3,003 dwelling units and a maximum of 7,153 dwelling units.
- A maximum of 245 acres of commercial, office and mixed-uses.
- A minimum of 20% of the project area, or 1,201 acres, as open space.

The goal of the project is to have 40% open space, or 2,400 acres.

- Approximately 15% of the open space, or 880 acres, is planned to become part of the 2,715-acre Eagle Regional Park and Willow Creek Road open space corridor.
- M3 Eagle will share a seven-mile common boundary with the park along its southern border.

The M3 Eagle Master Plan segments the community into five distinct, yet connected planning areas based on:

- Topography
- Location
- Roadway corridors
- Open space
- Land-use mix

The Master Plan also calls for:

- Three elementary schools, a middle school and a high school.
- A public library and two fire stations, including one station with shared police facilities.
- One regional park, five community parks and 13 neighborhood parks.
- Public trails for walking, cycling and horseback riding.
- One or more golf courses.
- A full-service equestrian center with indoor and outdoor arenas, boarding facilities, and links to outdoor riding trails.
- Lakes for storage of class A+ effluent to be used to irrigate common areas and golf courses-approximately 1,800-acre-feet of water per year at build out.

M3 Eagle will construct its own sewer and water system. Parks and landscaped common areas will be irrigated with treated reuse water to promote water conservation.

M3 Eagle will be developed in five phases over a 20-to 30-year period. Construction of the first phase is projected to begin 2011.

Total employment is expected to be 2,455 persons at build out.

The next steps for M3 Eagle are to:

- Create a name and theme for the community that reflects its vision and unique setting.
- Obtain City approval of a habitat mitigation plan that addresses “areas of special concern” on the property.
- Obtain City approval of hillside grading standards and development standards.
- Begin detailed planning and engineering for the first phase(s) of the project.

- Work with public agencies on roadway, sewer, water and utility planning.
- Obtain approval of a water right from the Idaho Department of Water Resources to serve the project.
- Water right application is for “future needs” with 30-year “planning horizon.”