

THE LAW OFFICES OF MARK LEWIS & ASSOCIATES
Toll Free: 800.832.2580 ♦ Facsimile: 602.333.1996 ♦ Email: andrew@marklewislaw.com
16427 North Scottsdale Road, Suite 420, Scottsdale, AZ 85254

Additional Office Locations
Calabasas, Corona, Huntington Beach, Irvine, San Diego, Torrance and West Covina

Andrew C. Spitzer
Arizona Counsel

Mark E. Lewis, David S. Pawlowski, Karen E. Kirshon, Diana S. Kliche,
California Counsel

October 24, 2011

Michael Turisk,
Interim Planning Director
Cochise County Planning Department
1415 Melody Lane, Building E
Bisbee, Arizona 85603

Re: Copper Sky Development

Mr. Turisk:

In anticipation of the upcoming November 15, 2011 Board of Supervisors meeting, please consider this letter a formal approval request for approval of an the extension of the Copper Sky Project with the Board. Per the direction we have been provided, two primary items will be addressed in this request. The first being the economic viability of the project, and the second being the provision of water and wastewater services for Copper Sky.

With respect to the economic viability of the project, I would like to begin by first directing you to the enclosed Development Analysis and most particularly vision, economic and geographic rationales contained on pages 6 though 24. The vision and rationales are further supported throughout the Development Analysis which is the specialization of the principal of Copper Sky, Paul Fiel. While we understand that this type of analysis is not typically released, we feel it more than adequately supports the viability of the project.

The Development Analysis, which is the result of hundreds of hours of due diligence has been supplemented by research provided by the University of Arizona Real Estate Department, shows the need and demand for the project exist in today's market. Upon your request, additional analysis can be provided, however the Development Analysis represents in short form thousands of pages of research and documentation to prove the value and viability of the project moving forward.

Also enclosed you will find letters from D&R International and Road 9. Each company is a national provider in their respective fields of green solutions and telecommunications. Both companies have reviewed the project and are enthusiastic about moving forward as a part of development.

Further, we have also reached out to Governor Jan Brewer's office regarding the project and the positive impact it will bring to Cochise County and Southern Arizona. We look forward to developing that relationship further, attracting statewide attention, and maximizing the possible benefit for the area.

At this time one of my roles in the project is to locate an investor and/ builder to facilitate in the completion of the project. While the real estate market for development projects has been stagnant for several years, there remains a strong group of investors who are evaluating projects such as Copper Sky in looking for their next viable investment. Copper Sky is particularly attractive due to its scalability in the project can be built and costs recouped in a staged development.

In leveraging my contacts I have generated interest in the project and will be conducting numerous meetings over the coming months with both investors from across the county and builders based in Arizona. The goal being to determine not only which parties have an interest, but also which will be the right fit for the project. I am extremely optimistic about Copper Sky and its ability to fill a need in the area, create long-term growth and revenue for the county, and as a result be attractive for the right investor and builder.

With respect to Condition 2 of a approval granted on August 12, 2008 which calls for a development agreement for the provision of water and wastewater services, Copper Sky requests that the board grant an additional extension for the following reasons.

First, given the uncertain real estate market from 2008-2010, it was incredibly difficult to approach partners regarding the project. Many investors and builders found themselves out of real estate given the freeze in lending and credit. Moreover, those that had the financial capability were unwilling to further evaluate the project until the overall economic uncertainty was resolved. These conditions made pursuing the project incredibly difficult.

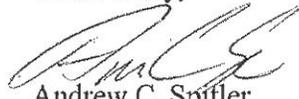
Second, the decision as to how to provide water and sewer services to Copper Sky has a significant impact on how and with whom the project will proceed. While on paper choosing a direction to proceed in at this time may seem like a straightforward task, the reality is the choice dramatically impacts the direction of the project and the viability for each owner. As a result, we are working with several large firms in Arizona to evaluate options for public financing of the utilities in relation to an on-site build-out of facilities and the provision of utilities from the City of Douglas. As you know, the City of Douglas has previously documented its willingness to commit to providing water and sewer services.

With respect to public financing, as you may know approximately two years ago it became possible to implement a community facilities district within a county for the purpose of constructing public infrastructure such as water and sewer services. This is an option we are currently exploring and could have the added benefit of expediting the project.

Given the positive momentum of the project and the desire for Copper Sky to settle on a direction for the provision of water and waste water services in the near future, it is our hope and formal request that an extension be granted. The resulting project will undoubtedly provide a significant positive impact to the county.

Please feel free to contact me via any of the above contact information to discuss this matter further and I look forward to working with you on this project.

Yours Truly,



Andrew C. Spifler

enclosures:

1. Development Analysis
2. Letter from D&R International
3. Letter from Road 9