



ECO RANCHOS, INC.

EXECUTIVE SUMMARY

Mankind is now facing the converging problems of climate change, peak oil, shortages of fresh water, pollution of our air, soil and water, and spreading desertification that threaten not only our global economy, but our very ability to feed, house and clothe ourselves. Our modern agriculture, being wholly dependent on cheap oil and massive inputs of fossil fuel inputs, is unsustainable and highly vulnerable to change. Climate change and peak oil urgently demand that we transition rapidly to a sustainable, post-carbon world. This transition will require fundamental changes and shifts in every economic sector and every facet of our social and political structures.

An integral part of this critical transition is the incredible *Paulownia* tree, which is envisioned as one of the biological jumpstarters of a viable *agroforestry* industry within a dramatically shortened time frame. Renewable energy is the currency of the future, and solar energy is the most available of all renewable energies. The *Paulownia* tree is one of, if not the most, efficient trees in terms of growth and the production of usable biomass. The *Paulownia* tree will significantly shorten the time necessary to realize the long-term benefits of an agroforestry industry. Eco Ranchos is one of the foremost experts in the western hemisphere in the commercial propagation of the *Paulownia* tree.

Agroforestry is the agricultural practice of integrating trees and other large woody perennials into farming systems and into the agricultural landscape. As envisioned by Eco Ranchos, agroforestry is a dynamic, ecologically-based natural resource management practice that diversifies production, increases biodiversity, and reclaims degraded agricultural land for increased social, economic, and environmental benefits. Agroforestry is a solutions-multiplier presenting convergent solutions to convergent problems.

Eco Ranchos has over 30 years experience in agriculture, including timber crops, annual crops, perennial crops, subtropical fruits and livestock. This experience, along with the in-depth expertise of its Advisory Group members and affiliated companies, allows Eco Ranchos to effectively design and implement complex agroforestry and intercropping systems.

Agroforestry, driven by the powerful *Paulownia* “engine,” can help address the critical state of our agriculture by creating favorable microclimates with increased soil fertility, lower temperatures in the summer, warmer temperatures in the winter, decreased evaporation and transpiration, increased water-retention made possible by the improved soil structure, self-fertilizing systems through leaf-drop, increased bio-diversity and therefore resiliency to change, biological pest and weed control, and reduced exposure to wind—all within the short time frames facing us. Agroforestry also promises both short and long term diverse revenue streams. Other than agricultural or forestry products, income can be generated from carbon credits, payments for ecosystem services, and other conservation incentives.

Eco Ranchos is dedicated to the development of complex agroforestry systems in the context of sustainable community development.

Agroforestry, based on sound permaculture and landscape ecology principles, designed for economic, social and ecological sustainability, planned to address the inevitability and impacts of climate change and the end of cheap oil, is one of the best investments in our individual and collective future. The central challenge of our time is to create and maintain sustainable communities, i.e., social, cultural and physical environments in which we can satisfy our needs and aspirations without diminishing the chances (or options) of future generations. At the same time, we must confront and constructively resolve the issues of overall ecological decay, population growth, climate change, and the difficult transition to a post-oil world. We are at a critical, but hopeful juncture, where converging problems are revealing converging solutions, and SOUND opportunities that are beneficial to the planet.

“Trees are absolutely essential for the health, the balance, the efficiency, and for the aggrandizement of all the special purpose landscapes of man, so trees and millions more trees are essential for the total environment.” *Water for Every Farm*, P.A. Yeomans

The Opportunity: The time to plan, prepare and implement sustainable solutions to our collective energy and ecology crisis is short and is *now*. Sustainable industries established now not only significantly contribute to the solving of the current global ecological crisis, but allow those that take the necessary brave and visionary steps to profit as well.

Eco Ranchos is currently developing a large-scale nursery and timber and biomass production company to engage in sustainable, high volume *Paulownia* wood production in the Central Valley of California. The expanded nursery operations, strategically located in the Central Valley, provide the ideal starting point for catalyzing an entire regional industry in which the Company will be first to market.

Why the Central Valley of California? California is the United States’ most populous state, the largest economy in the U.S., and the Central Valley of California is, by itself, the 7th largest economy in the *world*. As such, California has the resources to lead the way to a sustainable future. The state already has the world’s most massive and sophisticated agricultural infrastructure. There is no greater concentration of skilled tree growers (orchardists) in the world. Growers in California represent the state of the art when it comes to innovation and growing trees. The work to establish a sustainable agriculture system that will continue to provide food and fiber for the future is well underway in the California. Because California helps feed the nation and the world, actions here will create waves of change.

California is leading the nation in Climate Change and Biofuel Initiatives. These laws, most notably AB-32—The Global Warming Solutions Act of 2006, create the legal, economic, and political foundation for market-based solutions to climate change and peak oil. Agricultural, and in particularly agroforestry, is destined to become a major player in the effort to mitigate climate change. Biofuels, particularly through integrated conversion technologies, will be a major source of renewable energy for California.

Our production model is an array of large, medium and small independent growers operating under a contract growing arrangement and company-operated plantations, utilizing complex agroforestry systems to diversify production and improve long-term sustainability.

Eco Ranchos will have five major, interrelated aspects that are being developed simultaneously:

1. A self-sustaining commercial nursery operation that will provide all of the tree propagation needs of Eco Ranchos and growers, a demonstration plantation, a R&D site, and a training and education facility;
2. A contract growing operation, managed plantations, and company-owned plantations capable of sustainably producing high volume, quality *Paulownia* timber for domestic and international markets;
3. Agroforestry project development and consulting. Current projects include carbon offsets, biofuel-cropping, waste to energy conversion technology and bioremediation projects. Eco Ranchos has consulted internationally, including Mexico, Brazil, Guyana, Ghana, and Southeast Asia;
4. Carbon Credit and Financing Program; and
5. A vertically-integrated industry that makes sustainable and green Paulownia Homes.

Management Team: Eco Ranchos brings a skilled, highly diverse management team to the Project with expertise in agriculture, education, ecology, business, law, and marketing. This team is headed by:

Timothy Hall, Co-Founder, Chief Agroforester
Christopher Danch, Co-Founder, Director of Development
Jason Hall, Director of Nursery Operations

Eco Ranchos has a distinguished international board of advisors who provide additional expertise in all Project areas.

Web: www.ecoranchos.com

“Complex, interconnected issues must be dealt with rapidly and effectively if we are to advance a resilient future” Post Carbon Institute