

STATE OF ARIZONA
DEPARTMENT OF REAL ESTATE
SUBDIVISION PUBLIC REPORT

FOR
MOUNTAIN VIEW RANCH
aka Sonoita Hills at Mountain View Ranch

Registration No. DM 08-054365

SUBDIVIDER

MOUNTAIN VIEW DEVELOPMENT JOINT VENTURE LLC
3573 E. Sunrise – Suite 225
Tucson, AZ 85718

Date

February 15, 2008

Effective Date

PROPERTY REPORT DISCLAIMER

This report is NOT A RECOMMENDATION NOR AN ENDORSEMENT by the State of Arizona of this land but is provided for informational purposes ONLY. The report reflects information provided by the subdivider and obtained by the Department in its review process in accordance with the provisions of Title 32, Chapter 20, Article 4, of the Arizona Revised Statutes, as amended. **NOTE** that not all of the information in this report has been verified by the Department; certain information has been accepted by the Department as true and accurate based on attestation of the subdivider and/or the subdivider's agents. You should verify all facts before signing any documents. The Department has not passed upon the quality or quantity of any improvement or structure and does not assume responsibility in either event.

PHOENIX OFFICE:
2910 N. 44th Street
First Floor
Phoenix, Arizona 85018
(602) 468-1414 ext. 400

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400 West Congress
Suite 523
Tucson, Arizona 85701
(520) 628-6940

THE ARIZONA DEPARTMENT OF REAL ESTATE

REQUIRES THAT:

1. You BE GIVEN this public report;
2. YOU SIGN A RECEIPT indicating that you received this report;

RECOMMENDS:

1. You DO NOT SIGN ANY AGREEMENT before you have read this report;
2. You see the EXACT PROPERTY you are interested in BEFORE SIGNING any document for lease or purchase.

ARIZONA LAW STATES:

1. THE SALE OR LEASE OF SUBDIVIDED LANDS PRIOR TO ISSUANCE OF THIS REPORT OR FAILURE TO DELIVER THIS REPORT TO YOU SHALL RENDER THE SALE OR LEASE RESCINDABLE BY YOU. ACTION TO RESCIND MUST BE BROUGHT WITHIN 3 YEARS FROM DATE OF EXECUTION OF PURCHASE AGREEMENT.
2. CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.
3. IF YOU HAVE SIGNED A PURCHASE AGREEMENT FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* PRIOR TO INSPECTING THE LOT, YOU HAVE SIX MONTHS TO INSPECT AND UPON INSPECTION MAY RESCIND THE PURCHASE AGREEMENT.

* A contract or agreement for purchase of a lot which includes a building or obligates the seller to complete construction of a building within two years from the contract date does not constitute the purchase of an unimproved lot. Therefore, if your purchase includes a lot and a building or a building to be built, you are not entitled to the rescission rights described in paragraphs 2 and 3.

GENERAL

This report includes: Block B, lots 60-84

The map of this subdivision: is recorded in Book 54 at page 5 , records of Pima County, State of Arizona.

The subdivision is approximately 470 acres in size. It has been divided into 362 lots . Lot boundaries will be staked.

YOU ARE ADVISED TO OBTAIN A COPY OF THE RECORDED MAP AND CORRECTION DOCUMENTS, IF ANY, AND NOTE ALL EASEMENTS, RESTRICTIONS AND STATEMENTS CONTAINED THEREIN.

SUBDIVISION LOCATION

Location: Interstate 10 at State Route 83, Vail, Pima County, Arizona. Take I-10 east to State Route 83. To Sonoita Hills: go south to Wood Canyon Place, east into subdivision. To Windmill Ridge: east onto overpass, east on Marsh Station Rd (Frontage Rd), north on Sundown Ranch Road into subdivision.

SUBDIVISION CHARACTERISTICS

Topography: Land is hilly with occasional small washes.

Flooding and Drainage: Pursuant to a letter from Louis E. Catallini, of Baker & Associates Engineering, dated February 11, 2008 , the lots are not in a designated FEMA flood zone and that each lot has a building site that will be free from the 100 year flooding when construction for the subdivision is completed in accordance with the approved Drainage Report and Improvement Plans.

Soils: In a letter dated July 15, 2005 signed by Ralph Pattison, P.E. states in part..."In our opinion, the site's subsurface soil conditions are suitable for the proposed development, provided the report's recommendations are followed. Our evaluation showed predominantly gravelly sands and sandy gravels with varying amounts of silt, clay, and cobbles. Locally, compressible and expansive soils were encountered. The soil conditions and specific recommendations are presented in the report."

Adjacent Lands and Vicinity: North, South and West of the subdivision, the land is zoned GR-1 (rural residential) and East of the subdivision, the land is zoned RH (rural homestead - state land) State land is also south of the subdivision.

I-10 is adjacent and south of Mountain View Ranch. Open range exists to the north of the property. Commercial development is proposed to the west on 200 acres surrounding Vail School District Administrative campus. The Railroad line is approximately one mile north of Mountain View Ranch. State land is to the east of the property and an El Paso

Natural Gas Line crosses highway 83 and lots 60-66 and 88-90 (lots to the south of Mountain View Ranch). There are existing high voltage power lines located south of I-10 and crossing through lots 8-13, 27, 30, 33, 36, 39-43, 92, 95-97, 104-108, 112 and 113. Voltage of lines is 115 kv. The contact for Western Area Power Administration is 602/605-2525 (Lands Department), fax is 602/605-2630 and their website is www.wapa.gov. Due to security regulations, available information is limited to the above. A 100' Electric Easement is recorded in Docket 249 at page 30.

AIRPORTS

Military Airport: Davis Monthan Air Force Base is approximately 13 miles west of the subdivision.

Public Airport: Tucson International Airport – approximately 21 miles from the subdivision.

UTILITIES

Electricity: Tucson Electric Power, 623-7711. Hook up fee of \$13.50, deposit may be required.

Street Lights: None

Telephone: Qwest Communications, 800/244-1111. Hook up fee \$46.50, deposit may be required of \$100.00.

Natural Gas: Southwest Gas Company, 889-1888, www.swgas.com. Hook up fee of \$30.00, deposit may be required of \$50.00. Gas line is approximately 5000 feet north of lot 319 in Camino Loma Alta.

Cable: Not available

Water: Vail Water Company, 520/647-3679. Establishment fee of \$504.00 and \$440.00 meter fee for 3/4" meter, \$420.00 establishment fee and \$400.00 meter fee for a 5/8" meter and a Central Arizona Project hook up fee of \$1,000.00 per lot for a 5/8" meter.

Sewage Disposal: Individual septic systems will need to be installed by the lot purchaser, including plumbing from home to tank, tank, leach field and all required Pima County permits. Approximate cost is \$4,000.00.

No refund of purchase price will be offered if an operational system cannot be installed.

ALL UTILITIES HAVE BEEN COMPLETED

THE ABOVE COSTS ARE SUBJECT TO CHANGE BY SERVICE PROVIDERS. YOU SHOULD CONTACT THE ABOVE PROVIDERS REGARDING EXTENSION RULES AND REGULATIONS, SERVICE CONNECTIONS AND COSTS INVOLVED.

STREETS, ROADS AND DRAINAGE

Access to the Subdivision: Access through asphalt paved public streets that are complete and being maintained by Pima County and ADOT.

Access within the Subdivision: Access through an asphalt paved public street that has been completed, and maintained by Pima County upon completion and acceptance.

Arizona State Trust Land: The Arizona State Land Department administers over 9.3 million acres of State Trust Land. This is not public land. Trust land may be subject to future development and may not be preserved or saved for open space without compensation.

A person must have prior approval to use State Trust Land. Temporary recreational use is allowed with certain restrictions and conditions through purchase of a recreational permit. Use of State Trust Land without proper approval is a trespass.

MANY ROADS ON RURAL TRUST LANDS ARE NOT LEGAL TRAVEL ROUTES, EXCEPT FOR STATE LESSEES AND HUNTERS, AND DO NOT PROVIDE LEGAL ACCESS TO PRIVATE LAND. STATE TRUST LAND MAY BE SOLD OR LEASED FOR USES WHICH MAY EXCLUDE RECREATION. RECREATION IS A TEMPORARY USE THAT MAY BE TERMINATED AT ANY TIME.

For additional information, visit the State Land Department web page at www.land.state.az.us, or call (602) 542-4631.

Flood and Drainage: There are no flood or drainage facilities installed in the subdivision.

COMMON, COMMUNITY AND RECREATIONAL FACILITIES

Within the Subdivision: There are no recreational facilities in the subdivision and no private streets included in this filing. Common Area "B" is open space, trails, entry monument and landscaping only, will be completed by March 3, 2007 and maintained by the Homeowners Association.

Within the Master Planned Community: Not applicable

ASSURANCES FOR COMPLETION

Assurances for Completion of Subdivision Facilities: Improvements have been completed.

Assurances for Maintenance of Subdivision Facilities: Homeowners Association has been created. Pima County and utility providers will maintain the respective facilities. CC&R's have been recorded.

LOCAL SERVICES AND FACILITIES

Schools: Acacia Elementary School – 12955 E. Colossal Cave Road, Vail, AZ 85641
Old Vail Middle School – 13299 E. Colossal Cave Road, Vail, AZ 85641
Cienega High School – 12775 E. Old Vail Road, Vail, AZ 85641
Schools are 5-7 miles from the subdivision

SCHOOL FACILITIES AND BUS SERVICE MAY CHANGE. YOU SHOULD CONTACT THE LOCAL SCHOOL BOARD REGARDING THE CURRENT LOCATION OF SCHOOLS AND BUS SERVICE.

Shopping Facilities: Safeway located at Houghton and Rita Roads – approximately 9.5 miles from the subdivision, Neighborhood Center approximately 10 miles from the subdivision, Old Vail Station Center and Quik Mart approximately 5.5 miles from the subdivision.

Public Transportation: None available at this time.

Medical Facilities: Tucson Medical Center, Urgent Care at 8045 S. Rita Road . – approximately 11 miles from the subdivision.

Fire Protection: North of I-10 - Rincon Valley Fire District by subscription.
South of I-10 – Corona de Tucson Fire District
Subdivision is not in the fire district, but is in the response area.

Ambulance Service: Via 911

Police Services: Pima County Sheriff

Garbage Services: Saguaro Environmental – 745-8820. \$44.00 per quarter

LOCATIONS AND COSTS OF THE ABOVE SERVICES AND FACILITIES MAY CHANGE. YOU SHOULD VERIFY THEIR CURRENT LOCATIONS AND COSTS PRIOR TO PURCHASE.

SUBDIVISION USE AND RESTRICTIONS

Use: This offering is for single family residences.

Conditions, Reservations and Restrictions: Portions of existing subdivision boundary has barbwire cattle fencing.

Restrictions and Other Matters of Record: Conditions, reservations and restrictions that may run with the land including City or County zoning restrictions should be investigated by you. Copies of those items which are recorded may be inspected at the Office of the Pima County Recorder. Information about zoning may be obtained at the Office of the Pima Planning and Zoning Department. Restrictions are recorded as cited in the following title exceptions and per the subdivision plat.

TITLE

Title to this subdivision is vested in Lawyers Title of Arizona, Inc. Trust 7539-T.

Subdivider's interest in this subdivision is evidenced by a 100% beneficial interest n Trust 7539-T.

Title is subject, among other things, to all taxes, assessments, covenants, conditions, restrictions, limitations, reservations, rights, obligations, powers, easements, rights of way, liens, and charges of record. **YOU SHOULD INVESTIGATE THE TITLE AND SATISFY YOURSELF AS TO WHAT EFFECT, IF ANY, THESE MATTERS MAY HAVE ON THE USE OF THE LAND.** Title exceptions affecting the condition of title are listed in the Preliminary Title Report dated January 29,2008 issued by Lawyers Title of Arizona, Inc. . **You should obtain a title report and determine the effect of the listed exceptions.**

EXCEPTIONS: SEE EXHIBIT " A" ATTACHED

METHOD OF SALE OR LEASE

Sales: YOUR VESTED INTEREST/OWNERSHIP INTEREST IN THE PROPERTY WILL BE EVIDENCED BY THE SUBDIVIDER DELIVERING A RECORDED DEED TO YOU AND BY YOUR SIGNING A PROMISSORY NOTE AND MORTGAGE OR DEED OF TRUST FOR THE UNPAID BALANCE, IF ANY. YOU SHOULD READ THESE DOCUMENTS BEFORE SIGNING THEM.

Release of Liens and Encumbrances: Upon close of escrow and recordation of deed.

Use and Occupancy: Upon close of escrow and recordation of deed.

Leasehold Offering: None

THE PURCHASE CONTRACT IS A BINDING AGREEMENT. CONTRARY TO THE TERMS AND PROVISIONS OF THE CONTRACT, YOU MAY HAVE ADDITIONAL RIGHTS, REMEDIES AND WARRANTIES PROVIDED BY

LAW. READ THOROUGHLY BEFORE SIGNING. IF NOT UNDERSTOOD, SEEK COMPETENT ADVICE PRIOR TO COMMITMENT TO PURCHASE.

TAXES AND ASSESSMENTS

Real Property Taxes: The combined primary and secondary property tax rate for this subdivision for the year 2007 is \$ 12.4346 per \$100.00 assessed valuation. The estimated property tax for an improved lot (lot with dwelling), based on the above tax rate and average sales price of \$ 300,000.00, is \$ 3,750.00 . The estimated property tax for an unimproved lot (vacant), based on the above tax rate and average sales price of \$ 85,000.00 , is \$ 1,225.00.

Special District Tax or Assessments: None

AMOUNT OF TAXES AND ASSESSMENTS SET FORTH ABOVE ARE APPROXIMATE ONLY AND SUBJECT TO CHANGE.

PROPERTY OWNERS ASSOCIATIONS

Name and Assessments: Sonoita Hills at Mountain View Ranch Community Association. Association dues is \$200.00 per year.

Control of Association: Control will transfer upon the sale of lots.

Title to Common Areas: Title will be transferred upon completion of the improvements to the subdivision, and sale of all lots.

Membership: All lot owners are members.

PAYMENTS TO PROPERTY OWNERS ASSOCIATIONS ARE SUBJECT TO CHANGE IN ACCORDANCE WITH RECORDED RESTRICTIONS. SAID ASSOCIATION MAY ALSO IMPOSE SPECIAL ASSESSMENTS.

YOU ARE ADVISED TO READ THE RECORDED DECLARATION OF (COVENANTS, CONDITIONS AND RESTRICTIONS, ARTICLES OF INCORPORATION, DECLARATION OF CONDOMINIUM, BYLAWS) FOR THIS SUBDIVISION TO DETERMINE THE RIGHTS OF LOT/UNIT OWNERS TO PARTICIPATE IN THE CONTROL OF THE PROPERTY OWNERS' ASSOCIATION AND TO DETERMINE THE RIGHTS, DUTIES AND LIMITATIONS OF OWNERS IN AND TO USE OF THEIR LOT/UNITS. FURTHER, YOU SHOULD DETERMINE FOR YOURSELF IF SUBDIVIDER'S ARRANGEMENTS AND PLANS FOR THE PAYMENT OF ASSESSMENTS ON UNSOLD LOTS/UNITS WILL BE SUFFICIENT TO FULFILL THE NEEDS ,

DEMANDS AND FINANCIAL OBLIGATIONS OF THE ASSOCIATION, AS SET FORTH IN THE DECLARATION AND BYLAWS.

1. RESERVATIONS contained in the Patent from the United States of America recorded in Book 115 of Deeds at page 388, reading as follows:

RESERVED from the lands hereby granted a right of way thereon for ditches or canals constructed by the authority of the United States of America. Excepting and reserving, however, to the United States all the coal and other minerals in the lands so entered and patented, together with the right to prospect for, mine, and remove the same pursuant to the provisions and limitations of the Act of December 20, 1916 (39 Stat., 862)

2. TAXES AND ASSESSMENTS collectible by the County Treasurer, a lien not yet due and payable for the following year:

2008

3. TAXES AND ASSESSMENTS collectible by the County Treasurer, a lien payable but not yet due for the following year:

Second half of 2007

4. RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS, including but not limited to any recitals creating easements, liabilities, obligations or party walls, omitting, if any, from the above, any restrictions based on race, color, religion sex, handicap, familial status or national origin contained in instrument:

Recorded in Docket	11412
Page	545
Assignment of Developer's Rights recorded in Docket 12483 at page 4488	
Amendment recorded in Docket	12715
Page	5998
Amendment recorded in Docket	12816
Page	5760
Amendment recorded in Docket	12816
Page	5764
Amendment recorded in Docket	13240
Page	1124

5. RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS and EASEMENTS, including but not limited to any recitals creating easements, liabilities, obligations or party walls, omitting, if any, from the above, any restrictions based on race, color, religion sex, handicap, familial status or national origin contained in instrument:

Recorded in Docket	12784
Page	1956

6. EASEMENTS, RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS, as shown on the plat recorded in Book 54 of Maps, page 5.

7. EASEMENT and rights incident thereto, as set forth in instrument:
Recorded in Miscellaneous Book 102
Page 492
And in Docket 136
Page 528
Purpose utilities
8. EASEMENT and rights incident thereto, as set forth in instrument:
Recorded in Miscellaneous Book 107
Page 491
Purpose communication facilities
9. EASEMENT and rights incident thereto, as set forth in instrument:
Recorded in Miscellaneous Book 107
Page 587
Purpose communication facilities
10. EASEMENT and rights incident thereto, as set forth in instrument:
Recorded in Docket 218
Page 206
Purpose electric transmission facilities
11. EASEMENT and rights incident thereto, as set forth in instrument:
Recorded in Docket 249
Page 30
Purpose electric transmission facilities
12. EASEMENT and rights incident thereto, as set forth in instrument:
Recorded in Docket 995
Page 527
Purpose communication facilities
13. EASEMENT and rights incident thereto, as set forth in instrument:
Recorded in Docket 1397
Page 409
Purpose utilities
14. EASEMENT and rights incident thereto, as set forth in instrument:
Recorded in Docket 1696
Pages 483 and 485
Purpose utilities
15. EASEMENT and rights incident thereto, as set forth in instrument:
Recorded in Docket 1708
Page 523
Purpose utilities

16. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket	4608
Page	229
And in Docket	10126
Page	1803
Purpose	cathodic protection station

17. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket	11206
Page	721
Purpose	utilities

18. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket	11388
Page	30
Purpose	slope and drainage

19. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket	11412
Page	541
Purpose	public trail

20. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket	12553
Page	529
Purpose (Lot 319)	water

21. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket	12676
Page	6926
Purpose (Lot 63)	slope & drainage

22. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket	12676
Page	6930
Purpose (Lot 68)	slope & drainage

23. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket	12676
Page	6934
Purpose (Lot 71)	slope & drainage

24. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket	12676
Page	6938
Purpose (Lot 72)	slope & drainage

25. THE RIGHT OF THE STATE OF ARIZONA to prohibit, limit, control or restrict access to the highway named below, as set forth in instruments:

Recorded in Docket	1613
Page	470
And in Docket	5252
Page	165
And in Docket	3600
Page	496
Name of Highway	Interstate 10

EXCEPT as to a right of reasonable access to a frontage road, as set forth in said instruments.

26. The following matters as set forth on that certain survey made by SJV & Associates, dated October 29, 2004, Job No. SON6782:

- a. Existing 12-foot wide dirt road and the possible adverse claim of those using said dirt road;
- b. Existing billboard and 8-foot wide service road to that billboard and the possible claims of those using and/or owing said billboard and service road;

27. DEED OF TRUST given to secure the original amount shown below, and any other amount payable under the terms thereof:

Amount	\$3,500,000.00
Dated	June 27, 2005
Recorded	June 30, 2005
Docket	12585
Page	10870
Trustor	MOUNTAIN VIEW RANCH DEVELOPMENT JOINT VENTURE, LLC, an Arizona limited liability company
Trustee	ALLIANCE BANK OF ARIZONA, an Arizona corporation
Beneficiary	ALLIANCE BANK OF ARIZONA, an Arizona corporation

Amendment to Deed of Trust recorded February 22, 2007 in Docket 12997, page 3400.

28. Inclusion with the Central Arizona Groundwater Replenishment District as evidenced by Notice Confirmation of CARGD Fee Payment recorded in Docket 12711 at page 12514.

29. Note: Access is via Old Sonoita Highway and Arizona State Route 83 (Sonoita Highway) and those roads shown on the plat of MOUNTAIN VIEW RANCH.

30. There are no further matters of record concerning this property and the general indices have been searched as of the date of this report.

PUBLIC REPORT RECEIPT

The developer shall furnish you, as a prospective customer, with a copy of the public report required by the Arizona Department of Real Estate. It is recommended that you read the report before you make any written offer to purchase or lease an interest in the development and before you pay any money or other consideration toward the purchase or lease of an interest in the development.

FOR YOUR PROTECTION, DO NOT SIGN THIS RECEIPT UNTIL YOU HAVE RECEIVED A COPY OF THE REPORT AND HAVE HAD THE OPPORTUNITY TO READ IT. BY SIGNING THIS RECEIPT, THE BUYER HAS ACCEPTED THE PUBLIC REPORT AND ACKNOWLEDGES THE INFORMATION IT CONTAINS.

Mountain View Ranch (Sonoita Hills)
Lot No. _____

_____ DM 08-054365
Public Report Registration No.

I understand the report is not a recommendation or endorsement of the development by the Arizona Department of Real Estate, but is for information only.

Buyer's Signature

Buyer's Signature

Buyer's Printed Name

Buyer's Printed Name

Date

Date

Buyer's Address: _____