

STATE OF ARIZONA
DEPARTMENT OF REAL ESTATE
SUBDIVISION PUBLIC REPORT

FOR
MOUNTAIN VIEW RANCH
aka Windmill Ridge at Mountain View Ranch

Registration No. DM 06-051574

SUBDIVIDER

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

Date

May 2, 2006

Effective Date

First Amended June 7, 2006

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

TUCSON OFFICE:
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 CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.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: Phase I, Lots 303-337 and 340-362

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, go south to Wood Canyon Place and continue south to Moke's Mile Trail, west to Davidson Road and north to Costello Ranch Place and north to Marsh Station Road, east to Sundown Ranch Road.

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 August 17, 2005, 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: The lots in this subdivision are not subject to subsidence or expansive soils.

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

**SCHEDULE B – SECTION II
EXCEPTIONS
(Continued)**

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. Utility to be completed by March 15, 2007.

Street Lights: None

Telephone: Qwest Communications, 800/244-1111. Hook up fee \$46.50, deposit may be required of \$100.00. Utility to be completed by March 15, 2007.

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. Utility to be completed by March 15, 2007.

Cable: Cox Communications, 884-0133 www.cox.com. Installation charge can range from \$4.95 to \$54.95, depending on the number of services ordered from Cox (cable, phone, Internet). A deposit of \$60.00 to \$120.00 may be required, if credit check is returned with request. . Utility to be completed by March 15, 2007.

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. Utility to be completed by March 15, 2007.

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.

**SCHEDULE B – SECTION II
EXCEPTIONS
(Continued)**

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 will be completed by March 3, 2007 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

**SCHEDULE B – SECTION II
EXCEPTIONS
(Continued)**

Assurances for Completion of Subdivision Facilities: The developer has an Assurance Agreement with Pima County to guarantee completion of the improvements.

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: Whip and Spur Trash Company – 647-7537. \$54.00 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.

**SCHEDULE B – SECTION II
EXCEPTIONS
(Continued)**

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 March 29, 2006 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

**SCHEDULE B – SECTION II
EXCEPTIONS
(Continued)**

**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 2005 is \$ 14.4163 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 \$ 1,225.39.

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: Mountain View Ranch Homeowners Association. Association dues is \$250.00 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.**

**SCHEDULE B – SECTION II
EXCEPTIONS
(Continued)**

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. WATER RIGHTS, claims or title to water, and agreements, covenants, conditions or rights incident thereto, whether or not shown by the public records.
This exception is not limited by reason of the disclosure of any matter relating to Water Rights as may be set forth elsewhere in Schedule B.
3. (INTENTIONALLY OMITTED)
4. TAXES AND ASSESSMENTS collectible by the County Treasurer, a lien not yet due and payable for the following year: 2006
5. 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	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

**SCHEDULE B – SECTION II
EXCEPTIONS
(Continued)**

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

**SCHEDULE B – SECTION II
EXCEPTIONS
(Continued)**

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. 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.
22. (INTENTIONALLY OMITTED)
23. (INTENTIONALLY OMITTED)
24. (INTENTIONALLY OMITTED)
25. (INTENTIONALLY OMITTED)
26. (INTENTIONALLY OMITTED)
27. EASEMENT and rights incident thereto, as set forth in instrument:
- | | |
|----------------------------|---|
| Recorded in Docket | 12655 |
| Page | 674 |
| And recorded in Docket | 12664 |
| Page | 998 |
| Purpose
(as to Lot 319) | gas pipeline or pipelines and appurtenances |
28. AGREEMENT, according to the terms and conditions, contained therein:
- | | |
|--------------------------|--|
| Purpose | easement for underground telecommunications facilities and other appurtenances |
| Docket | 12632 |
| Page | 393 |
| Re-recorded in Docket | 12662 |
| Page | 2347 |
| (as to Lots 338 and 339) | |
29. Assurance Agreements recorded in Docket 12544 at pages 39 and 50.

**SCHEDULE B – SECTION II
EXCEPTIONS
(Continued)**

30. 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;

31. 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

(Lots 298-362 with other property)

32. 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	10902
Trustor	MOUNTAIN VIEW RANCH INVESTMENT JOINT VENTURE, LLC, an Arizona limited liability company
Trustee	ALLIANCE BANK OF ARIZONA, an Arizona corporation
Beneficiary	ALLIANCE BANK OF ARIZONA, an Arizona corporation

(Lots 92-297 with other property)

33. (INTENTIONALLY OMITTED)

34. Inclusion within the Central Arizona Groundwater Replenishment District as evidenced by Notice of Confirmation of CAGR D Fee Payment recorded in Docket 12711 at page 12514. (as to Lots 303 through 337; Lots 340 through 362)

35. (INTENTIONALLY OMITTED)

.

