STATE OF ARIZONA DEPARTMENT OF REAL ESTATE

SUBDIVISION PUBLIC REPORT

FOR

RINCONADO ESTATES

Registration No. DM07-053250

SUBDIVIDER PRUDENCE ESCALANTE, LLC 505 N. ALVERNON WAY TUCSON, AZ 85711

February 9, 2007

Effective Date First Amended April 23, 2007

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 Suite 100 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 CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.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: Lots 1 through 13

The map of this subdivision is recorded in Book 61, Page 96, records of Pima County, Arizona.

The subdivision is approximately 49.86 acres in size. It has been divided into 13 lots. Lot boundaries will be staked after completion of improvements.

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: Tanque Verde turns into east Redington Road, turn north (left) on El Camino Rinconado to subdivision; Tucson, Pima County, Arizona.

SUBDIVISION CHARACTERISTICS

Topography: Steep, mountainous rocky terrain

Flooding and Drainage: In a letter dated December 11, 2006, by PSOMAS Engineering it states:

"This entire subdivision, as indicated by FEMA Map 040019C169OK, dated February 18, 1999, lies within Zone "X" (Unshaded), defined as areas determined to be outside 500-year floodplain."

Plat Permitting Note #5 states Lots 1, 2, 6, 7 & 9-12 require Regional Flood Control District review and approval prior to issuance of any permits.

Soils: No subsidence or expansive soils.

Adjacent Lands and Vicinity: Zoned SR (Suburban Ranch Zone). The north: residential; to the east unsubdivided, zoned SR (suburban ranch): to the south subdivided zoned SR.

AIRPORTS

Military Airport: None

Public Airport: None

Airport: Tucson International Airport 7250 S. Tucson Blvd., approximately 18 miles away

UTILITIES

Estimated costs lot purchaser will have to pay for completion of below facilities from the lot line to the dwelling is as follows: For soft conditions in the soil costs are approximately \$5 per linear foot; for hard rock conditions costs are approximately \$15 to \$20 per linear foot. Electricity: Tucson Electric Power 520.623-7711, www.tucsonelectric.com \$14.45 hook-up fee plus tax

Street Lights: None

Telephone: Qwest Communications 800.244-1111, <u>www.qwest.com</u> minimum hook-up fee is \$46.50

Cable: None

Natural Gas: None

Water: City of Tucson Water, 520.791-3242, \$25.00 hook-up fee

Developer advises the utilities to be completed to the lot lines by June 31, 2008

Sewage Disposal: Septic System, alternative septic systems ranging from \$10,000 to \$30,000 depending on size of home and tank.

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: Asphalt-paved public streets maintained by Pima County, Arizona

Access within the Subdivision: Asphalt-paved private streets maintained by Home Owners Association

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 openspace 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 <u>www.land.state.az.us</u>, or call (602) 542-4631.

Flood and Drainage: Cement Culverts <u>COMMON, COMMUNITY AND RECREATIONAL FACILITIES</u>

Within the Subdivision: Common Area "A" (private street and cement culvert); Entry Gate

ASSURANCES FOR COMPLETION

Assurances for Completion of Subdivision Facilities: A Third Party Assurance Agreement for Construction of Subdivision Improvements with Pima County, Arizona

Assurances for Maintenance of Subdivision Facilities: Recorded CC&'R's, Articles of Incorporation and Bylaws for the Home Owners Association, Pima County, and the Utility Providers

LOCAL SERVICES AND FACILITIES

Schools: Tanque Verde Elementary School, 2600 N. Fennimore Ave., 520.749-4244, approximately 2.68 miles away; Emily Gray Junior High and Tanque Verde High School, 4201 N. Melpomene, 520.749-3838, approximately 6.38 miles away

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: Tanque Verde and Catalina Highway, approximately 5 miles away

Public Transportation: None

Medical Facilities: Tucson Medical Center, approximately 11 miles away, and Carondelet Medical Center approximately 5 miles away on Tanque Verde and Catalina Highway

Fire Protection: Rural Metro, costs depending on square footage of the home including garage.

Ambulance Service: 911 Service Available

Police Services: Pima County Sheriff

Garbage Services: Purchaser must contract with private provider

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 Vacant Lot Zoning: Single family residence

Conditions, Reservations and Restrictions: Recorded in Docket 12947 at page 3247

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 County 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 Fidelity National Title Agency, Inc., an Arizona corporation, as Trustee under Trust No. 60,251

Subdivider's interest in this subdivision is evidenced by 100% Beneficial Interest

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 17, 2007, issued by Fidelity National Title Agency, 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: By Licensed Broker/Agent, Conveyance by Special Warranty Deed

Release of Liens and Encumbrances: Purchasers will receive title free and clear of all liens, except those shown by the public records such as real estate taxes not yet due and payable.

Use and Occupancy: Purchaser will be able to use and occupy their lot upon close of escrow and recordation of deed, subject to CC&R's and the designed Guide Lines.

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 2006 is \$12.19270 per \$100.00 assessed valuation. The estimated property tax for an **unimproved lot (vacant)**, based on the above tax rate and average sales price of \$550,000, is \$5,364.78.

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: Rinconado Estates Homeowner's Association, \$1,400 per year to be paid annually

Control of Association: Upon Release of Assurances and, Declarant may, at declarant's sole option at any time thereafter, convey or otherwise transfer to the association all or any part of the property described in the declaration and any improvements situated thereon, and assign or otherwise transfer to the association all or any number of the rights, powers and duties retained by declarant under this declaration.

Title to Common Areas: Upon Release of Assurances

Membership: All Lot Owners

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.

EXHIBIT "A"

- 1. **Regulations, conditions and** restrictions governing use of ground water pursuant to Arizona Revised Statutes 45-101 et. Seq.
- 2. **Property taxes**, which are a lien not yet due and payable, including any personal property taxes and any assessments collected with taxes to be levied for the year 2007.
- **3. Property taxes**, including any personal property taxes and any assessments collected with taxes, for the second half 2006.
- 4. **Reservations, exceptions and provisions** contained in the patent from the United States of America, and in the acts authorizing the issuance thereof, recorded

Book 154, Page 124, of Book of Deeds

- 5. Water rights, claims or title to water, whether or not disclosed by the public records.
- **6. Easements, restrictions, and matters** shown on the recorded map of said subdivision.

as recorded in Book 61 of Maps and Plats at page 96.

7. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Purpose:	ingress and egress, electric transmission line
Recorded:	Book 69, Page 23, of Miscellaneous Records
Affects:	

- 8. Affidavit of Disclosure recorded in Docket 11968, page 3426.
- 9. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document.

Purpose:ingress, egress and utilities as reserved thereinRecorded:Docket 11968, Page 3438Affects:Image: Affect State St

- **10. Any facts, rights, interests or claims** which a correct survey would disclose and which are not disclosed by the public records.
- **11.** Subject to any and all matters as disclosed in survey recorded in Book 49 of Record of Surveys, page 96.

12. Covenants, conditions, and restrictions (but omitting any covenants or restrictions, if any, including, but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law), as set forth in the document

Recorded: Docket 12947 at page 3247

Liens and charges for upkeep and maintenance as set forth in the above mentioned declaration.

13. Assurance Agreement for Construction of Subdivision Improvements (Third Party Agreement) by and between Prudence Escalante, LLC, an Arizona limited liability company; Fidelity National Title Agency, Inc., an Arizona corporation, as Trustee under Trust No. 60,251 and Pima County, Arizona recorded December 8, 2006 in Docket 12947 at page 3241.

NOTE: This report is for informational purposes only and is not to be considered as a commitment to issue any form of Title Insurance Policy. This report is for the use and benefit of the addressee only and liabilities is hereby limited to the amount of the fee paid therefore.

END OF EXCEPTIONS

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.

(Public Report Registration No.)

(Development Name and Lot 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 Name)

(Current Address)

(Date)