

STATE OF ARIZONA
DEPARTMENT OF REAL ESTATE

SUBDIVISION PUBLIC REPORT
FOR
THE ESTATES AT CIENEGA CREEK PRESERVE

Registration No. DM03-047520

SUBDIVIDER

Canoa Development, Inc.
310 So. Williams, Ste. #340
Tucson, AZ 85711

Effective Date

October 24, 2003

First Amended March 11, 2004

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.

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 CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.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

REGISTRATION NO.

GENERAL

This report includes: Lots 1 thru 67

The map of this subdivision: is recorded in Book 56 of Maps, Page 90, records of Pima County, State of Arizona.

The subdivision is approximately 50.3 acres in size. It has been divided into 67 lots and Common Areas A thru C. Lot boundaries will be staked at corners with rebar & survey tag.

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: Northeast corner of intersection of Colossal Cave Road and Camino Loma Alta.

SUBDIVISION CHARACTERISTICS

Topography: North & South is flat where streets & lots are located. Middle third of property is hilly with minor washes (which is the common area)

Flooding and Drainage: There are no known flooding or drainage problems. In a letter dated October 3, 2003 from Clinton Glass, P.E., CMG Drainage Engineering, Inc., it states in part, "...all lots within the subdivision have building sites that are outside of the platted 100-year floodplain limits."

Soils: Soils are medium dense to very dense. Subdivision lots are not subject to subsidence or expansive soils.

Adjacent Lands and Vicinity: Lots 1-44 are zoned CR-2 (single family) & Lots 45-67 are zoned GR-1 (rural residential.) Adjacent property is residential with golf course.

AIRPORTS

Military Airport: There are no military airports in vicinity.

Public Airport: Tucson International is approximately 17 miles from property.

Airport: There are no public airports in the vicinity.

REGISTRATION NO.

UTILITIES

Electricity: Tucson Electric Power 520-623-7711. Hookup fee \$14.45; deposit may be required.

Street Lights:No street lights will be provided.

Telephone: U S West Communications 1-800-244-1111. Minimum hookup fee \$46.50; deposit may be required.

Natural Gas: Southwest Gas Corp. 520-889-1888. Hookup fee \$20.00; deposit of \$50.00

Water: Vail Water Company 520-647-3679. Security Deposit of \$75.00; establishment fee of \$25.00.

Sewage Disposal: Municipality – Pima County.

NOTE: Estimated completion date for facilities is March 31, 2004.

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 roads, maintained by Pima County.

Access within the Subdivision: All streets within subdivision are public; asphalt paved and will be maintained by Pima County. To be completed by March 31, 2004.

Flood and Drainage: No flood control/drainage facilities exist in this subdivision except roadway culverts that will be constructed to convey storm water beneath surface of roads to provide all weather access to each lot.

COMMON, COMMUNITY AND RECREATIONAL FACILITIES

Within the Subdivision: There are hiking trails and ramadas.

Within the Master Planned Community: There is no Master Planned Community.

ASSURANCES FOR COMPLETION

REGISTRATION NO.

Assurances for Completion of Subdivision Facilities: Assurances of record with Pima County in Docket 12038 at Page 4425.

Assurances for Maintenance of Subdivision Facilities: Common Areas will be responsibility of Homeowner's Association. Public Areas are responsibility of Pima County or respective utility companies.

LOCAL SERVICES AND FACILITIES

Schools: Elementary – Acacia Elementary (2 mi.); Middle – Old Vail Middle School (1.3 mi.); High School – Cienega High School (2 mi.)

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: There is a shopping center with grocery and pharmacy facilities located in strip mall at Nexus and Valencia (approx. 15 mi.)

Public Transportation: There is no public transportation at this subdivision.

Medical Facilities: St. Joseph's Hospital @ 350 N. Wilmot (approx. 24 mi.)

Fire Protection: Rincon Valley Fire Dept. – cost is included in property taxes.

Ambulance Service: This is a 911 area.

Police Services: Pima County Sheriff's Dept.

Garbage Services: Waste Management – current monthly fee is \$10.00 1X per wk. Or \$15.00 twice a week.

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 Individual Residential Dwellings.

Zoning: GR-1 zoning provides for rural residential (single family)

Conditions, Reservations and Restrictions: Deed Restrictions are available and are recorded in Docket 11989 at Page 6236. Thereafter, amended and recorded in Docket 12254 and Page 150.

REGISTRATION NO.

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 Stewart Title, Trust #3605.

Subdivider's interest in this subdivision is evidenced by their beneficial interest in Trust #3605 as shown on Stewart Title, Trust Agreement.

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 September 30, 2003 and thereafter dated February 25, 2004 issued by Stewart Title & Trust of Tucson. **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.

YOU ARE ADVISED THAT EARNEST MONEY DEPOSITS, DOWN PAYMENTS AND OTHER ADVANCED MONEY WILL NOT BE PLACED IN A NEUTRAL ESCROW. SUCH MONEY WILL BE PAID DIRECTLY TO THE SELLER AND MAY BE USED BY THE SELLER. THIS MEANS THE PURCHASER ASSUMES A RISK OF LOSING SUCH MONEY IF THE SELLER IS UNABLE OR UNWILLING TO PERFORM UNDER THE TERMS OF THE PURCHASE CONTRACT.

Release of Liens and Encumbrances: All liens of record will be released at time of closure of escrow and Buyers will receive a title policy so indicating property to be free and clear.

REGISTRATION NO.

Use and Occupancy: Upon close of escrow and recordation of Deed

Leasehold Offering: There are no lease offerings regarding this property.

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 2001 is \$17.3881 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 \$235,000.00 is \$2,400.00.

Special District Tax or Assessments: There are no Special District Taxes or Assessments.

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

PROPERTY OWNERS ASSOCIATIONS

Name and Assessments: THE ESTATES AT CIENEGA CREEK PRESERVE COMMUNITY ASSOCIATION. \$600.00 annual fee according to Deed Restrictions is maximum charge that will be assessed until January 1, 2003; thereafter Board may increase maximum of \$600 as set out on Pg. 26 of Restrictions, Item (ii).

Control of Association: Upon earlier of 1) written notice of relinquishment by Declarant or 2) within ten years from recording of Restrictions or 3) when Class A Membership exceeds Class B Membership.

Title to Common Areas: When title to Common Areas is deeded to the Homeowner's Association; all Common Areas will be released from any underlying lien(s).

Membership: Class A Membership are all Owners of lots with exception of Declarant identified as Class B Membership. Class B Membership shall cease on earlier of 1) date on which votes cast by Class A Members equals or exceeds votes entitle to be cast by Class B Members; 2) date which is ten (10) years after recording Declaration of Restrictions; or 3) when Declarant notifies Homeowner's Association in writing that it relinquishes its Class B Membership.

REGISTRATION NO.

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.