

ARIZONA
UNSUBDIVIDED
PUBLIC REPORT
FOR

RATTLESNAKE CANYON ESTATES

REFERENCE NO. 96-05177

DEVELOPER

MARTIN STONE
8375 CANYON SIDE ROAD
TUCSON, ARIZONA 85750

SEPTEMBER 16, 1996

Effective Date (1ST AMD JANUARY 22, 1997)

STATE 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.

This 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 document 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. The purchaser should independently 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.

Arizona Department of Real Estate
Subdivisions Division
2910 N. 44th Street
Phoenix, Arizona 85018
(602) 468-1414, Ext. 400

OR

Arizona Department of Real Estate
Subdivisions Division (Tucson)
400 W. Congress, Ste. 523
Tucson, Arizona 85701
(520) 628-6940

THE COMMISSIONER
OF THE ARIZONA DEPARTMENT OF REAL ESTATE
REQUIRES THAT:

1. The purchaser or lessee 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 PURCHASERS OR LESSEES SHALL RENDER THE SALE OR LEASE RESCINDABLE BY THE PURCHASER OR LESSEE. 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 CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* MAY BE RESCINDED BY THE PURCHASER WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.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.

REFERENCE NO. 96-05177 UNSUBDIVIDED RATTLESNAKE CANYON ESTATES

GENERAL

This report includes: Parcels 1 thru 6.

The map of this development is recorded in Book 13 of Surveys at Page 7, records of Pima County, State of Arizona. This map does not indicate the name of the development.

This development is approximately 241.42 acres in size. It has been divided into Parcels 1 thru 6. Lot boundaries will be staked at lot corners and building areas.

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

EACH PROSPECTIVE PURCHASER IS CAUTIONED TO ASSURE HIMSELF, BY PERSONAL OBSERVATION OR OTHER METHODS OUTSIDE THIS REPORT, OF THE USABILITY FOR HIS NEEDS OF THE PARCEL IN WHICH HE MAY BE INTERESTED.

A temporary trail easement affects a portion of this property. See Covenants, Conditions and Restrictions for details.

DEVELOPMENT LOCATION

Location: Canon Del Pajaro, Pima County.

DEVELOPMENT CHARACTERISTICS

Topography: Rattlesnake Canyon is predominately a steep canyon area located in a mapped bedrock zone. Rock outcroppings and steep rolling hills slope to the south from the property's northern border with the Coronado National Forest.

Soils: The Geology and Mineral Technology Office describes the area's rock type as Catalina Gneiss, a metamorphic, layered granite. The soil type is a thin, overburdened loam. Vegetation is consistent with the region.

Hazards or Nuisances: The following data has been collected from the Geology and Mineral Technology Office:

REFERENCE NO. 96-05177 UNSUBDIVIDED RATTLESNAKE CANYON ESTATES

<u>Hazard</u>	<u>Risk</u>
Earthquakes, faults, seismic activity	2A
Earth fissures	none
Radon gas	none
Volcanism	none
Problem soils	none
Landslides, rock falls, mass movement	possible*
Flooding	possible**

* Rattlesnake Canyon may be susceptible to landslides and rock falls.

** Flooding or high runoff is possible in lower canyon areas. A hydrology report was not requested on this property.

UTILITIES

Electricity: Supplier is Tucson Electric Power Company, and facilities are complete to lot lines.

Telephone: Supplier is U S WEST Communications, and facilities are complete to lot lines.

It is possible that you may not have phone service at the time of closing. Purchaser is advised to contact their service provider to determine the status of phone service. You may also want to consider temporary alternatives, i.e. a cellular phone.

Gas: Supplier is Southwest Gas Corporation, and facilities are complete to lot lines.

Water: Supplier is City of Tucson, and facilities are complete to lot lines.

NOTE: The developer estimates costs to extend electric, natural gas and water services from lot lines to dwelling at \$2,000 - \$10,000.

Sewage Disposal: Individual septic systems, which could cost from \$7,500 to \$20,000 per lot. Purchase price of lots will be refunded upon satisfactory showing that a system cannot be installed.

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 Development: Exterior streets are private.

Access within the Development: Interior driveways are bladed in.

NOTE: THE PRIVATE VEHICULAR ACCESS MAY BE IMPASSABLE TO CONVENTIONAL MOTOR VEHICLES AND EMERGENCY VEHICLES IN TIMES OF FLOODING.

Flood and Drainage: Control devices will be installed by the developer.

COMMON, COMMUNITY AND RECREATIONAL FACILITIES

Within the Subdivision: Entry gate is complete. It will not be activated until 60 days after the sale of the first lot.

ASSURANCES FOR COMPLETION

Assurances for Completion of Subdivision Facilities: All are complete except for reconstruction of a portion of the water main. A portion of the proceeds from the sale of the first lot has been escrowed to assure revamping of this main.

LOCAL SERVICES AND FACILITIES

Schools: Canyon View Elementary School is approximately .3 miles; Esperero Middle School is approximately .3 miles; and Catalina Foothills High School is approximately 8 miles from the development.

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

Shopping Facilities: Approximately 7 - 10 miles from the development.

Public Transportation: By Sun Tran Bus, approximately 7 - 10 miles from the development.

Fire Protection: Rural Metro, by subscription.

Ambulance Service: Available by calling 911.

Police Protection: Pima County Sheriff.

Garbage Service: Waste Management or other collection services.

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

DEVELOPMENT USE AND RESTRICTIONS

Use: Residential use.

Conditions, Reservations and Restrictions: A Declaration of Conditions, Covenants and Restrictions recorded in Docket 9097 at Page 467 state, in part:

MARTIN STONE, a married man, as his sole and separate property, referred to in this declaration as "Owner," is the owner of record of the property referred to in this declaration as the "subject property," which is more specifically described on Exhibit A attached to and incorporated in this declaration by this reference. The subject property is subject to a Floodplain Use Permit issued by the Pima County Flood Control District.

Owner acknowledges and intends by this declaration to address the following:

1. All or part of the subject property is located within floodway or regulatory floodplain areas of Pima County and is subject to damage by surface water, floodwater water, and high ground water and erosion.
2. The areas of the subject property within the regulatory floodplain are subject to flooding from a 100-year frequency flood.
3. The above-mentioned Floodplain Use Permit was issued by Pima County Flood Control District in direct reliance upon representations by Owner or its agents that the development addressed by said Floodplain Use Permit is designed in such a manner that it will not create a danger or hazard to life or property on the subject property or any other property.
4. Despite the representations referred to in the preceding paragraph, the issuance of the above-mentioned Floodplain Use Permit could give rise to claims against the Pima County Flood Control District for damage or injuries to land, structures and improvements allegedly caused by drainage, flood, flowage

or erosion conditions resulting from the use of the subject property by Owner, its successors and assigns.

NOW, THEREFORE, based upon the foregoing acknowledgements which are incorporated here as representations of the intent and purpose of Owner, Owner hereby declares that the subject property shall be used, improved, occupied, held, sold and conveyed subject to the following conditions, covenants and restrictions:

- A. Owner, its successors in interest and assigns shall indemnify, defend and hold harmless Pima County and the Pima County Flood Control District, their officers, departments, employees, and agents from and against any and all suits, actions, legal or administrative proceedings, claims, demands or damages of any kind or nature now or in the future by reason of flooding, flowage, erosion or other damage caused by water, whether surface, flood or rainfall, and arising out of or related in any way to the use of the subject property by owner, its successors and assigns.
- B. All portions of the subject property which are located within the regulatory floodplain and/or erosion hazard setback shall be restricted to uses that are compatible with Pima County Floodplain and Erosion Hazard Management Ordinance No. 1988-FC2.
- C. That no solid walls, perforated walls, chain-link fencing or other closed type fencing shall be placed upon the subject property located within the regulatory floodplain without the written authorization of the Pima County Flood Control District.
- D. The natural drainage on and in the vicinity of the regulatory floodplain within the subject property shall not be altered, disturbed, obstructed or restricted without express written approval of the Pima County Flood Control District.
- E. These conditions, covenants and restrictions shall run with the land and shall be binding on and inure to the benefit of all parties having any right, title or interest in the subject property.
- F. These conditions, covenants and restrictions shall remain in force and effect indefinitely and may only be modified by an amended declaration of conditions, covenants and restrictions executed by Owner or Owner's successors or assigns and approved in writing by the Pima County Flood Control District or its successors or assigns.

- G. These conditions, covenants and restrictions shall be enforceable through any legal process or means by Pima County, the Pima County Flood Control District, their officers, agents, successors and assigns.

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.

METHOD OF SALE OR LEASE

Sales: Earnest money will be held in an interest bearing escrow account.

Use and Occupancy: Immediately upon purchase.

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.

TITLE

Title to this development is vested in Chicago Title Insurance Company, as Trustee under Trust No. 12,098.

Subdivider's interest in the subdivision is evidenced by a beneficial interest in the above Trust.

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 Preliminary Title Reports dated July 11, 1996 and December 19, 1996 issued by Chicago Title Insurance Company. As a prospective purchaser, you should obtain a title report and examine the effect of the listed exceptions.

REFERENCE NO. 96-05177 UNSUBDIVIDED RATTLESNAKE CANYON ESTATES

EXCEPTIONS, LIENS AND ENCUMBRANCES
SEE EXHIBIT "A" ATTACHED

NOTE: DEVELOPER IS REQUIRED TO NOTIFY THE DEPARTMENT OF REAL ESTATE OF ANY FUTURE PLACEMENTS OF LIENS OR ENCUMBRANCES TO ENSURE COMPLIANCE WITH A.R.S. 32-2181, ET SEQ.

TAXES AND ASSESSMENTS

Real Property Taxes: The 1995 tax rate per \$100.00 of assessed valuation is \$15.4128.

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

PROPERTY OWNERS ASSOCIATION

Name and Assessment: Rattlesnake Canyon Estates Homeowners Association, with annual dues of \$2,400, payable monthly.

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

Control of Association: Will pass from the developer to lot purchasers following conveyance of all lots.

PROSPECTIVE PURCHASERS ARE ADVISED TO READ THE RECORDED DECLARATION OF RESTRICTIONS, ASSOCIATION ARTICLES OF INCORPORATION AND ASSOCIATION BYLAWS FOR THIS SUBDIVISION TO DETERMINE THE RIGHTS OF LOT OWNERS TO PARTICIPATE IN THE CONTROL OF THE PROPERTY OWNERS' ASSOCIATION AND TO DETERMINE THE RIGHTS, DUTIES AND LIMITATIONS OF OWNERS IN AND TO THE USE OF THEIR LOT. FURTHER, YOU SHOULD DETERMINE FOR YOURSELF IF SUBDIVIDER'S ARRANGEMENTS AND PLANS FOR THE PAYMENT OF ASSESSMENTS ON UNSOLD LOTS WILL BE SUFFICIENT TO FULFILL THE NEEDS, DEMANDS AND FINANCIAL OBLIGATIONS OF THE ASSOCIATION, AS SET FORTH IN THE DECLARATION AND BYLAWS.

REFERENCE NO. 96-05177 UNSUBDIVIDED RATTLESNAKE CANYON ESTATES

PURCHASERS ARE ADVISED THAT THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THIS SUBDIVISION PROVIDE FOR AN ARCHITECTURAL CONTROL COMMITTEE.

DBT:nc
DBT:lp (1ST AMD)
REFERENCE NO. 96-05177
UNSUBDIVIDED RATTLESNAKE CANYON ESTATES

EXHIBIT A
EXCEPTIONS, LIENS AND ENCUMBRANCES

1. Taxes for second half of the year 1996, payable but not delinquent.
2. Reservations and exceptions in the Patent from the United States of America, recorded in Book 175 of Deeds at Page 103 and in Book 214 of Deeds at Page 299.
3. Easements and other matters as shown on the recorded plat;
Recorded in: Book 13 of Surveys at Page 7
4. Agreement upon the terms and conditions contained therein;
For : Easements for roadway and trails
Recorded in: Book 51 of Miscellaneous at Page 199
5. Easement for the purposes stated herein, and rights incident thereto;
Recorded in: Book 73 of Miscellaneous at Page 359
Affects : That portion of Section 5
6. Easement for the purpose stated herein, and rights incident thereto;
In favor of: Mountain States Telephone and Telegraph Company
Purpose : Telephone and telegraph lines
Recorded in: Book 67 of Miscellaneous Records at Page 153
Affects : A portion of Section 5
7. Easement for the purpose stated herein, and rights incident thereto;
In favor of: Stonewall Electric Company
Purpose : Electric Transmission Lines
Recorded in: Book 59 of Miscellaneous Records at Page 560
Affects : An undefined portion of the Southwest quarter of the Southeast quarter of Section 5
8. Easement for the purpose stated herein, and rights incident thereto;
In favor of: Private parties
Purpose : Pipe lines and power lines
Recorded in: Book 57 of Miscellaneous Records at Page 461
Affects : An undefined portion of the Southwest quarter of the Northeast quarter and the West half of the Southeast quarter of Section 5

Exceptions Continued

CONTINUED

- x 9. Easement for the purpose stated herein, and rights incident thereto;
 In favor of: Private parties
 Purpose : Horseback trails, ingress and egress
 Recorded in: Book 174 of Deeds at Page 566
 Affects : The Southeast quarter of Section 5

- 1 10. Easement for the purpose stated herein, and rights incident thereto;
 In favor of: Private parties
 Purpose : Ingress, egress and water lines
 Recorded in: Book 220 of Deeds at Page 501
 Affects : An undefined portion of the Southwest quarter of the Northeast quarter and the Northwest quarter of the Southeast quarter of Section 5

- M 11. A reservation of an easement for ingress, egress and pipe lines as set forth in instrument;
 Recorded in: Book 220 of Deeds at Page 501
 Affects : The West half of Lot 2 in Section 5

- 3 12. Easement for the purpose stated herein, and rights incident thereto;
 In favor of: Private parties
 Purpose : Ingress, egress and utilities
 Recorded in: Book 301 of Deeds at Page 525
 Affects : Portion of the Southeast quarter of the Southwest quarter of the Southeast quarter of Section 5

- 2 13. Covenants, conditions and restrictions, but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, contained in instrument;
 Recorded in: Book 301 of Deeds at Page 525

- 9 14. Easement for the purpose stated herein, and rights incident thereto;
 In favor of: Private parties
 Purpose : Ingress, egress and utilities
 Recorded in: Book 303 of Deeds at Page 103
 Affects : That portion of said land as shown on portion of Section 5 and Section 8 attached to said instrument

CONTINUED

- 15. A building restriction and reservation of perpetual rights for foot and horse trails and rights to maintain, repair and replace pipe lines and utility lines;
 Recorded in: Docket 66 at Page 509
 Affects : The Northeast quarter of the Southwest quarter of the Southeast quarter of Section 5
- 16. Easement for the purpose stated herein, and rights incident thereto;
 In favor of: Tucson Gas, Electric Light and Power Company
 Purpose : Electric Transmission or Distribution Line or System
 Recorded in: Docket 1291 at Page 115
 Affects : The West half of the Southeast quarter of the Southeast quarter of Section 5
- 17. Restrictions and covenants with Pima County;
 Recorded in: Docket 9097 at Page 467 and in Docket 9321 at Page 945
- 18. Covenants, conditions and restrictions, but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, contained in instrument;
 Recorded in: Docket 9365 at Page 1132 and re-recorded in Docket 9437 at Page 126
 Affects the Southwest quarter of the Southeast quarter of Section 5
- 19. Easement for the purpose stated herein, and rights incident thereto;
 In favor of: Tucson Electric Power Company
 Purpose : Electric Transmission or Distribution Line or System
 Recorded in: Docket 9438 at Page 797
 Affects : That portion shown on the sketch attached thereto of the Southwest quarter of the Southeast quarter of Section 5

CONTINUED

- AG 20. Easement for the purpose stated herein, and rights incident thereto;
 In favor of: Tucson Electric Power Company
 Purpose : Electric Transmission or Distribution Line or System
 Recorded in: Docket 9438 at Page 808
 Affects : That portion shown on the sketch attached thereto of the Southwest quarter of the Southeast quarter of Section 5
- AM 21. Temporary easement for the purpose stated herein, and rights incident thereto;
 In favor of: United States of America, c/o USDA Forest Service
 Purpose : Trail No. 25 shown in Book 8 of Surveys at Page 35
 Recorded in: Docket 9380 at Page 1053
- AM 22. Easement for the purpose stated herein, and rights incident thereto;
 In favor of: Tucson Electric Power Company
 Purpose : Electric Transmission or Distribution Line or System
 Recorded in: Docket 9759 at Page 1636
 Affects : As set forth therein of the Southeast quarter of Section 5
- AM 23. Easement for the purpose stated herein, and rights incident thereto;
 In favor of: All utility companies
 Purpose : utilities
 Recorded in: Docket 9924 at Page 461
 Affects : As set forth therein of the Southeast quarter of Section 5
- AM 24. Agreement upon the terms and conditions contained therein;
 For : Temporary remote water meter
 Recorded in: Docket 9648 at Page 1230
- AM 25. Easement for the purpose stated herein, and rights incident thereto;
 In favor of: All utility companies
 Purpose : utilities
 Recorded in: Docket 9486 at Page 1838
 Affects : That portion shown on the sketch attached thereto of the Southwest quarter of the Southeast quarter of Section 5

CONTINUED

- so 26. Esperero Trail Easement Plat;
Recorded in: Book 8 of Surveys at Page 55
Affects : The East Half of the Northeast quarter of Section 5
- sr 27. Planning Staff recommendation, to the Pima County Board of Supervisors, to name a previously unnamed easement/road:
Name : Rattlesnake Canyon Road
Recorded in: Docket 9647 at Page 1022 and re-recorded in Docket 9970 at Page 718
Affects : That portion shown on the sketch attached thereto
- sc 28. Deed of Trust to secure an original principal amount of \$2,400,000.00, made by;
Trustor : Martin Stone, a married man
Trustee : Arizona Trust Deed Corporation, an Arizona corporation
Beneficiary: Bank One, Arizona, NA
Dated : March 29, 1996
Recorded : May 3, 1996 in Docket 10267 at Page 1670
- sr And affected by partial release recorded in Docket 10416 at Page 13 as to Lot 1 of Book 13 of Surveys at Page 7.
- sr 29. Easement for the purpose stated herein, and rights incident thereto, affecting an undisclosed portion of said land;
In favor of: Utility Companies
Purpose : as set forth therein
Recorded in: Docket 10295 at Page 488
- sr 30. Covenants, conditions, restrictions and easements, but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, contained in instrument;
Recorded in: 10335 at Page 1763 and amended and restated in Docket 10417 at Page 245
- sr which, among other things, provides for;
Rattlesnake Canyon Estates Homeowners Association

CONTINUED

31. Deed of Trust to secure an original principal amount of \$400,000.00, made by;
Trustor : Andrew Barrett, a single man
Trustee : Chicago Title Insurance Company, a Missouri corporation
Beneficiary: Martin Stone, a married man, in his sole and separate right
Dated : __, November 1996
Recorded : November 7, 1996 in Docket 10417 at Page 297

End of Schedule B



VACANT LAND/LOT SELLER'S PROPERTY

DISCLOSURE STATEMENT (SPDS)
(TO BE COMPLETED BY SELLER)*The printed portion of this FORM has been approved by the Arizona Association of Realtors. This is NOT intended to be a binding contract.*

PAGE 1

**MESSAGE TO THE SELLER:**

Sellers are obligated by law to disclose all known material (important) facts about the Property to the Buyer. The SPDS is designed to assist you in making these disclosures. If you know something important about the Property that is not addressed on the SPDS, add that information to the form. Prospective Buyers may rely on the information you provide.

INSTRUCTIONS: (1) Complete this form yourself. (2) Answer all questions truthfully and as fully as possible. (3) Attach all available supporting documentation. (4) Use explanation lines as necessary. (5) If you do not have the personal knowledge to answer a question, use the blank lines to explain. By signing below you acknowledge that the failure to disclose known material information about the Property may result in liability.

MESSAGE TO THE BUYER:

Although Sellers are obligated to disclose all known material (important) facts about the Property, there are likely facts about the Property that the Sellers do not know. Therefore, it is important that you take an active role in obtaining information about the Property.

INSTRUCTIONS: (1) Review this form and any attachments carefully. (2) Verify all important information. (3) Ask about any incomplete or inadequate responses. (4) Inquire about any concerns not addressed on the SPDS. (5) Review all other applicable documents, such as CC&R's, association bylaws, rules, and the title report or commitment. (6) Obtain professional inspections of the Property. (7) Investigate the surrounding area.

THE FOLLOWING ARE REPRESENTATIONS OF THE SELLER(S) AND ARE NOT VERIFIED BY THE BROKER(S) OR AGENT(S).

OWNERSHIP AND PROPERTY

1. THIS DISCLOSURE CONCERNS THE FOLLOWING REAL PROPERTY: _____
2. RATTLESNAKE CANYON EST. LOT 5
3. COUNTY: _____ TAX PARCEL NUMBER: _____
4. ZONING: _____ LEGAL OWNER OF PROPERTY: _____
5. DATE PURCHASED OR ACQUIRED: _____
6. How did you acquire the Property? ☒ Purchase ☐ Inheritance ☐ Foreclosure ☐ Gift ☐ Other: _____
7. Is the Property located in an unincorporated area of the county? ☐ Yes ☒ No
8. If yes, and five or fewer parcels of land other than subdivided land are being transferred, the Seller must furnish the Buyer with a written Affidavit of Disclosure in the form required by law.
9. To your knowledge, is the Property within a subdivision approved by the Arizona Department of Real Estate? ☐ Yes ☒ No
11. If yes, attach a copy of the Subdivision Public Report.
12. Is the legal owner(s) of the Property a foreign person or a non-resident alien pursuant to the Foreign Investment in Real Property Tax Act (FIRPTA)? ☐ Yes ☒ No If yes, consult a tax advisor; mandatory withholding may apply.
14. Does the Property include any leased land? ☐ Yes ☒ No
15. If yes, is the land: ☐ State ☐ Federal ☐ Privately owned ☐ Other: _____
16. How many acres are leased? _____
17. Expiration date of current lease? _____ (Attach a copy of the lease.)
18. Is the Property currently leased to a tenant? ☐ Yes ☒ No
19. If yes, expiration date of current lease: _____ (Attach a copy of the lease.)
20. If any refundable deposits or prepaid rents are being held, by whom and how much? Explain: _____
21. _____
22. YES ☐ NO ☒ Have you entered into any agreement to transfer your interest in the Property in any way, including lease renewals or options to purchase? Explain: _____
24. YES ☐ NO ☐ To your knowledge, is the Property subject to Covenants, Conditions and Restrictions or deed restrictions? Explain: _____
25. _____



Form VLSPDS 02/08 C

Initials: _____ / _____
BUYER BUYER

26. YES ☒ NO ☐ Are you aware of any association(s) governing this Property?
 If yes, provide contact(s) information: Name: _____ Phone #: _____
27. If yes, are there any fees? How much? \$ _____ How often? _____
28. ☒ ☐ Are you aware of any assessments affecting this Property? (Check all that apply):
29. ☒ Association assessment ☒ Road maintenance ☐ Sewer ☐ Water ☐ Electric ☐ Other _____
30. If yes, the approximate balance: \$ 4,000 Rattusmink Road, 7300 Canyon Trail
31. ☒ ☐ Are you aware of any proposed assessment(s)?
32. If yes, explain: 5500/lot payable 2011 for brick road entrance
33. ☐ ☒ Are you aware of any pending or anticipated disputes or litigation regarding the Property or the association(s)?
34. Explain: _____
35. ☐ ☒ Are you aware of any of the following recorded against the Property? (Check all that apply):
36. ☐ Judgement liens ☐ Tax liens ☐ Other non-consensual liens
37. Explain: _____
38. ☐ ☒ Are you aware of any title issues affecting this Property? (Check all that apply):
39. ☐ Recorded easements ☐ Use restrictions ☐ Lot line disputes ☐ Encroachments
40. ☐ Unrecorded easements ☐ Use permits ☐ Conservation easement ☐ Other _____
41. Explain: _____
42. ☐ ☒ Are you aware of any pending or anticipated eminent domain or condemnation proceedings regarding the Property?
43. Explain: _____
44. ☐ ☒ Are you aware of any development, impact, or similar fees regarding the Property?
45. Explain: _____
46. Explain: _____

ACCESS

47. YES ☒ NO ☐ To your knowledge, is there legal access to the Property?
48. ☒ ☐ To your knowledge, is there physical access to the Property?
49. ☒ ☐ To your knowledge, is the physical and legal access the same?
50. To your knowledge, is the road/street access to the Property maintained by: ☐ County ☐ City ☐ Homeowners' association
51. ☐ Privately ☐ Not maintained Explain: _____
52. ☐ ☒ Are you aware of any problems with legal or physical access to the Property?
53. Explain: _____
54. ☒ ☐ Are you aware of any public or private use paths or roadways on or across the Property?
55. Explain: Espinoza trail goes through upper portion of Property

USE

56. What is the current use of the Property? _____
57. What prior uses of the Property are you aware of? _____
58. YES ☒ NO ☐ To your knowledge, does the current use conform with current zoning?
59. ☐ ☒ Are you aware of any improvements on the Property?
60. Explain: _____
61. ☐ ☒ Are you aware of any crops being grown on the Property?
62. If yes, are the crops ☐ Owner operated ☐ Tenant operated
63. If yes, who has the right to harvest the crops and for what period of time? Explain: _____
64. _____
65. ☐ ☒ Are you aware of any livestock on the Property?
66. If yes, are the livestock ☐ Owner operated ☐ Tenant operated ☐ Open range

UTILITIES

67. Are the following services available to the Property? PROVIDER
68. YES ☒ NO ☐ Electricity.....
69. ☐ ☐ Fuel ☒ Natural gas ☐ Propane ☐ Oil.....
70. ☒ ☐ Cable.....
71. ☒ ☐ Telephone.....
72. ☐ ☒ Garbage collection.....
73. ☐ ☒ Fire.....
74. ☐ ☒ Are there any alternate power systems installed on the Property? If yes, indicate type (Check all that apply):
75. ☐ Solar ☐ Wind ☐ Generator ☐ Other.....
76. If yes, are you aware of any past or present problems with the alternate power system(s)? Explain:.....
77.

WATER

78. YES ☒ NO ☐ Is there a domestic water source to the Property?
79. If yes, water source is: ☒ Public ☐ Private water company ☒ Private well ☐ Shared well ☐ Hauled water
80. If water source is a private or shared well, or water can be used from springs, streams, lakes, ponds, reservoirs, canyons, or ravines, complete and attach the DOMESTIC WATER WELL/WATER USE ADDENDUM.
81. If water source is public, a private water company, or hauled water, Provider is: One shared well on property
82. Are you aware of any past or present drinking water problems? Explain:.....
83. ☐ ☒ To your knowledge, is the Property in one of the following districts or areas? (Check all that apply):
84. ☐ Central Arizona Project (CAP) District ☐ Irrigation Non-Expansion Area ☐ Active Management Area
85. ☐ Central Arizona Groundwater Replenishment District ☐ Other:.....
86. Are you aware of any grandfathered water rights associated with the Property?
87. If yes, ☐ Type I ☐ Type II ☐ Irrigation
88. Grandfathered Water Rights Certificate #.....
89. What is the allotment?..... acre feet
90. Number of irrigated acres.....
91. To your knowledge, does the Property have surface water rights? If yes, Certificate #.....
92. ☐ ☒ To your knowledge, does the Property have surface water rights? If yes, Certificate #.....
93. ☐ ☒ To your knowledge, does the Property have surface water rights? If yes, Certificate #.....

SEWER/WASTEWATER TREATMENT

94. YES ☐ NO ☐ NOTICE TO BUYER: CONTACT THE APPROPRIATE GOVERNMENTAL OR PRIVATE PROVIDER REGARDING THE AVAILABILITY AND COST OF SEWER CONNECTION.
95. Type of sewer: ☐ Public ☐ Private ☐ Planned and approved sewer system, but not connected ☐ None
96. Name of Provider:.....
97. Is the Property served by an On-Site Wastewater Treatment Facility? (If no, skip to line 110.)
98. ☐ ☒ If yes, the Facility is: ☐ Conventional septic system ☐ Alternative system; type:.....
99. If the Facility is an alternative system, is it currently being serviced under a maintenance contract?
100. If yes, name of contractor:..... Phone #:.....
101. Approximate year Facility installed:..... (Attach copy of permit)
102. Are you aware of any repairs or alterations made to this Facility since original installation?
103. Explain:.....
104. Approximate date of last Facility inspection and/or pumping of septic tank:.....
105.
106.
107.
108.

109. YES ☐ NO ☒ Are you aware of any past or present problems with the Facility? Explain: _____
110. YES ☐ NO ☒ Are you aware of any site/soil evaluation (percolation or other tests) having been performed on the Property?
111. If yes, when and by whom? _____
112. NOTICE TO SELLER AND BUYER: THE ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY REQUIRES A
113. PRE-TRANSFER INSPECTION OF ON-SITE WASTEWATER TREATMENT FACILITIES ON RE-SALE PROPERTIES.

ENVIRONMENTAL INFORMATION

114. YES ☐ NO ☒ Are you aware of the presence of any of the following on the Property, past or present? (Check all that apply):
115. ☐ Asbestos ☐ Radon gas ☐ Mining operations ☐ Pesticides
116. ☐ Underground storage tanks ☐ Fuel/oil/chemical disposal or storage
117. Explain: _____
118. YES ☐ NO ☒ Are you aware of the presence of any of the following in close proximity to Property, past or present? (Check all that apply):
119. ☐ Asbestos ☐ Radon gas ☐ Pesticides ☐ Underground storage tanks
120. ☐ Fuel/oil/chemical disposal or storage ☐ Other: _____
121. Explain: _____
122. YES ☐ NO ☒ Are you aware if the Property is located within any of the following? (Check all that apply):
123. ☐ Superfund ☐ Water Quality Assurance Revolving Fund ("WQARF")
124. ☐ Comprehensive Environmental Response Compensation and Liability Act ("CERCLA")
125. YES ☐ NO ☒ Are you aware of any environmental assessments or studies having been performed on the Property?
126. If yes, was the study a (Check all that apply): ☐ Phase I ☐ Phase II ☐ Phase III ☐ Other _____
127. (Attach copies of the environmental assessment or study.)
128. YES ☐ NO ☒ Are you aware of any past or present issues or problems with any of the following on the Property? (Check all that apply):
129. ☐ Soil settlement/expansion ☐ Drainage/grade ☐ Erosion ☐ Fissures ☐ Other _____
130. Explain: _____
131. NOTICE TO BUYER: THE ARIZONA DEPARTMENT OF REAL ESTATE PROVIDES EARTH FISSURE MAPS TO
132. ANY MEMBER OF THE PUBLIC IN PRINTED OR ELECTRONIC FORMAT UPON REQUEST AND ON ITS WEB SITE
133. AT www.azre.gov.
134. YES ☐ NO ☒ Are you aware of any past or present issues or problems in close proximity to the Property related to any of the following? (Check all that apply):
135. ☐ Soil settlement/expansion ☐ Drainage/grade ☐ Erosion ☐ Other _____
136. Explain: _____
137. YES ☐ NO ☒ Are you aware if the Property is subject to any present or proposed effects of any of the following? (Check all that apply):
138. ☐ Airport noise ☐ Traffic noise ☐ Rail line noise ☐ Neighborhood noise ☐ Toxic waste disposal
139. ☐ Odors ☐ Nuisances ☐ Sand/gravel operations ☐ Other _____
140. Explain: _____
141. YES ☐ NO ☒ Are you aware of any portion of the Property being situated on or in close proximity to a closed landfill?
142. Explain: _____
143. YES ☒ NO ☐ Are you aware of any conditions that make the Property subject to any of the following ordinances or regulations?
144. (Check all that apply):
145. ☒ Hillside ☒ Erosion control ☒ Native plant/animal species preservation ☐ Natural area open space requirements
146. ☐ Wetlands area ☐ Critical habitat
147. YES ☐ NO ☒ Are you aware if the Property is located in the vicinity of an airport (military, public, or private)?
148. Explain: _____
149. NOTICE TO SELLER AND BUYER: PURSUANT TO ARIZONA LAW A SELLER SHALL PROVIDE A WRITTEN
150. DISCLOSURE TO THE BUYER IF THE PROPERTY IS LOCATED IN TERRITORY IN THE VICINITY OF A MILITARY
151. AIRPORT OR ANCILLARY MILITARY FACILITY AS DELINEATED ON A MAP PREPARED BY THE STATE LAND
152. DEPARTMENT. THE DEPARTMENT OF REAL ESTATE ALSO IS OBLIGATED TO RECORD A DOCUMENT AT THE
153. COUNTY RECORDER'S OFFICE DISCLOSING IF THE PROPERTY IS UNDER RESTRICTED AIR SPACE AND TO
154. MAINTAIN THE STATE LAND DEPARTMENT MILITARY AIRPORT MAP ON ITS WEBSITE AT www.azre.gov.
155. YES ☐ NO ☒ Are you aware if any portion of the Property is in a flood way or flood plain?
156. Explain: _____
157. YES ☐ NO ☒ Are you aware of any portion of the Property ever having been flooded?
158. Explain: _____
159. YES ☐ NO ☒ Are you aware of any portion of the Property ever having been flooded?
160. Explain: _____



Form VLSPDS 02/08 C

Initials: _____ / _____
BUYER BUYER

MISCELLANEOUS

- YES NO
160. ☒ ☐ Are you aware of any survey of the Property by a licensed surveyor having been performed? If yes, when and by whom? _____ (Attach surveyor's plat map)
161. ☒ ☐ If yes, is the survey recorded?
162. ☐ ☒ Are you aware of any archeological features or artifacts on the Property? Explain: _____
163. ☐ ☒ Are you aware of any archeological study having been performed on the Property? If yes, when and by whom? _____
164. ☐ ☒ Are you aware of any endangered species on the Property? Explain: _____
165. ☐ ☒ Are you aware of any endangered species studies having been performed on the Property? If yes, when and by whom? _____
166. ☐ ☒ Are you aware of any mineral rights that transfer with the title? If yes, explain: _____
167. ☐ ☒ Are you aware of any open mine shafts/tunnels or abandoned wells on the Property? If yes, describe location: _____ (Illustrate location on plat map, if attached.)
168. _____
169. _____
170. _____
171. _____
172. _____
173. ☐ ☒ Are you aware of any open mine shafts/tunnels or abandoned wells on the Property? If yes, describe location: _____ (Illustrate location on plat map, if attached.)
174. _____
175. _____

ADDITIONAL EXPLANATIONS

- YES NO
176. ☐ ☒ Is there any other information concerning the Property that might affect the decision of a buyer to buy, or affect the value of the Property, or affect the Property's use by a buyer? Explain: _____
177. _____
178. _____
179. _____
180. _____
181. _____
182. _____
183. _____
184. _____
185. _____
186. _____
187. _____
188. _____

189. **SELLER CERTIFICATION:** Seller certifies that the information contained herein is true and complete to the best of Seller's knowledge as of the date signed. Seller agrees that any changes in the information contained herein will be disclosed in writing by Seller to Buyer prior to Close of Escrow, including any information that may be revealed by subsequent inspections.

192. 2/10/2011 6/01/2011 SELLER MO/DAY/YR SELLER MO/DAY/YR

193. Reviewed and updated: Initials: 1 SELLER SELLER MO/DAY/YR

194. **BUYER'S ACKNOWLEDGEMENT:** Buyer acknowledges that the information contained herein is based only on the Seller's actual knowledge and is not a warranty of any kind. Buyer acknowledges Buyer's obligation to investigate any material (important) facts in regard to the Property. Buyer is encouraged to obtain Property inspections by professional independent third parties.

197. **NOTICE:** Buyer acknowledges that by law, Seller, Lessors and Brokers are not obligated to disclose that the Property is or has been: (1) the site of a natural death, suicide, homicide, or any other crime classified as a felony; (2) owned or occupied by a person exposed to HIV, diagnosed as having AIDS or any other disease not known to be transmitted through common occupancy of real estate; or (3) located in the vicinity of a sex offender.

201. By signing below, Buyer acknowledges receipt only of this SPDS. If Buyer reasonably disapproves of any items provided herein, Buyer shall deliver to Seller written notice of the items disapproved as provided in the Contract.

203. _____ MO/DAY/YR BUYER MO/DAY/YR

PAGE 6 ☒**MISCELLANEOUS**

- YES NO
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165. ☐ ☒ If yes, when and by whom? _____
166. ☐ ☒ Are you aware of any endangered species on the Property? Explain: _____
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171. _____
172. _____
173. _____
174. _____
175. _____

ADDITIONAL EXPLANATIONS

- YES NO
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177. _____
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182. _____
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185. _____
186. _____
187. _____
188. _____
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190. _____
191. _____
192. 2/8/2011 6/01/2011 6/01/11
SELLER _____ SELLER _____ MOD/AYR _____
193. Reviewed and updated: Initials: _____ SELLER _____ SELLER _____ MOD/AYR _____

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 200. (3) located in the vicinity of a sex offender.

201. By signing below, Buyer acknowledges receipt only of this SPDS. If Buyer reasonably disapproves of any items provided herein, Buyer shall deliver to Seller written notice of the items disapproved as provided in the Contract.

202. _____ MOD/AYR _____ BUYER _____ MOD/AYR _____

203. _____ MOD/AYR _____ BUYER _____ MOD/AYR _____



Form VLS PDS 02/08 C

PAGE 5 of 5



May 8, 2003

T. Stephen Thompson
150 Fairway Dr. #150
Vernon Hills, IL. 60061

Order No.: 00009486-SL
Escrow No.: 231549PST
Property Address: 6452 N. Rattlesnake Canyon Rd., Tucson, AZ 85750
Buyer/Borrowers: T. Stephen Thompson and Jane J. Thompson

ENCLOSED ARE THE FOLLOWING:

- x COMMITMENT
- x PRIVACY POLICY NOTICE
- x PLAT
- x RESTRICTIONS
- x COPIES OF EXCEPTIONS
- ☐ STATUS OF TITLE
- ☐ EXTRA COPY OF LEGAL DESCRIPTION
- ☐ VESTING DEED AND EXISTING ENCUMBRANCES
- ☐ TAX SHEET

Please look over the enclosed material. If you have any questions or comments, please call your Escrow Officer, Paula Trimmer, at (520) 577-8414.

Long Title Agency, Inc. would like to thank you for the opportunity to meet your title insurance needs.

Sincerely,

Long Title Agency, Inc.

Scott Lumry
Title Department

Enclosures