

STATE OF ARIZONA
DEPARTMENT OF REAL ESTATE

SUBDIVISION PUBLIC REPORT

FOR

STONE CANYON I - NORTH

RANCHO VITOSO NEIGHBORHOOD 11, PARCELS C, D, E & AD

aka THE STONE CANYON CLUB

Registration No. DM 98-016272

SUBDIVIDER

Stone Canyon L.L.C.
1121 West Warner Road, Suite 109
Tempe, Arizona 85284

May 26, 1999

Effective Date

Amended October 3, 2000

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 CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.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

GENERAL

This report includes: Lots 1 through 57.

The map of this subdivision: is recorded in Book 52 of Maps, Page 27, records of Pima County, State of Arizona.

The subdivision is approximately 72.35 acres in size. It has been divided into 57 lots and Parcels C, D, E & AD in the entire subdivision. Lot boundaries will have steel pins at each lot corner.

General Notes on the recorded plat state, in part:

- All perspective buyers of lots with Stone Canyon I shall be informed of the presence and activity of the La Cholla Airpark, a private airport located west of the project.
- Lots 3-8, 11, 13-21 and Common Area "A" are affected by a 100-year floodplain and will need a flood plain use permit. The flood plain use permit will be required prior to issuance of a building permit.

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: Oracle Road North from Tucson to Tangerine Road west to Rancho Vistoso Boulevard north to Vistoso Highlands Drive. Vistoso Highlands Drive and Tortollita Mountain Drive, Oro Valley, Arizona, Pima County.

SUBDIVISION CHARACTERISTICS

Topography: Gently rolling desert with rock outcroppings.

Flooding and Drainage: A letter dated April 8, 1999 from The WLB Group, Inc. states:

This subdivision has been designed accordance with applicable Town of Oro Valley standards. It was recorded in Book 52 at Page 27 of Maps and Plats, on file in the office of the County Recorder, Pima County, Arizona. The design and grading of this development will provide each housing unit with a finish floor elevation of at least one foot above the 100-year storm water surface elevation and all building pads will be outside delineated floodplains. The street and drainage improvements within this subdivision are to be constructed in substantial conformance with Town of Oro Valley approved plans. Those improvements within the Common areas are to be owned and maintained by the Homeowner's Association.

Soils: Developer states there are no lots subject to subsidence or expansive soils.

Adjacent Lands and Vicinity: One acre residential and medium density residential - up to 4 units per acre. There is a private airport and golf course on the east and north boundaries and property within 1 mile is used for grazing.

UTILITIES

Electricity: Supplier is Tucson Electric Power Company and facilities will be complete to Lots 1 through 18 by February 28, 2001 and are complete to the remainder.

Purchaser is responsible for trench from the street to the dwelling. Tucson Electric will install first 500 ft. of direct burial line free. Estimated cost to excavate and backfill is \$5.00 per foot and a service establishment fee of approximately \$13.50.

Street Lights: Streetlights will not be installed.

Telephone: Supplier is U.S. West Communications and will be complete to lots 1 through 18 by February 28, 2001 and are complete to the remainder. Ordering the placement of the cable needs to take place at least one month prior to the need for installation.

There is a construction charge of \$53.30 per line. \$46.50 minimum installation fee will also be charged for the central office work at U.S West. The \$46.50 fee increases as additional features are added to the service, i.e.: call waiting. A \$120.00 deposit is required depending on buyers credit rating from prior service.

Natural Gas: Supplier is Southwest Gas Corporation and will be complete to lots by February 28, 2001 and is complete to the remainder.

Purchaser's cost is \$30.00 fee for next available day hook-up. The purchaser will have to install a meter and open a trench for the Gas Company to install lines from lot line to dwelling. If the extension is not longer than customary 200 feet, there will be no charge to set the line. These are allowances given to the lot purchaser by Southwest Gas for all installations, i.e.: heater, water heater, range, etc. These allowances generally forego any cost of installation of facilities from lot line to dwelling, including the meter charges.

Water: Supplier is the Town of Oro Valley and will be complete to lot lines by February 28, 2001 and are complete to the remainder.

Purchasers cost will be \$550.00 off site fee, effective July 5, 2000, the offsite fees will increase as follows: \$1,774.00 offsite fee for 5/8" pipe, \$4,435.00 offsite fee for 1" pipe, \$300.00 alternative water fee, \$105.00 meter fee, \$9.75 minimum for 2,000 gallons, \$1.71 per 1,000 gallons thereafter, \$15.00 establishment fee, \$40.00 security deposit credited back after one year in good standing at 5% interest.

Sewage Disposal: Public sewers will be installed by February 28, 2001 for lots 1 through 18 and are complete to the remainder.

Purchaser's cost is approximately \$15.00 per foot for trench and pipe installation. Building permit fee of \$52.44 for each fixture unit in the dwelling to Pima County Wastewater Management.

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: Public streets will be surfaced with asphalt by February 28, 2001, and will be maintained by the Town of Oro Valley.

Access within the Subdivision: Private streets will be surfaced with asphalt by February 28, 2001 for lots 1 through 18, are complete to the remainder, and will be maintained by the Homeowners Association.

Flood and Drainage: Rock rip rap will be constructed along two washes directing water into box culverts on main roadway and will be completed by February 28, 2001 and maintained by Pima County Flood Control.

COMMON, COMMUNITY AND RECREATIONAL FACILITIES

Within the Subdivision: Hiking and bicycle trail will be completed by February 28, 2001 and will be maintained by the Homeowners Association.

Within the Master Planned Community: Parks, entry features, landscaping of road right of ways, and street lights are complete and maintained by the Vistoso Community Association.

ASSURANCES FOR COMPLETION

Assurances for Completion of Subdivision Facilities: Assurances in the form of a Bond. Bond No. 8155-28-70 GCC 217265

Assurances for Maintenance of Subdivision Facilities: Pima County, the Town of Oro Valley and the Homeowners' Association.

LOCAL SERVICES AND FACILITIES

Schools: The elementary and Jr. High are approximately 4 ½ miles and the high school is approximately 8 ½ miles from the subdivision.

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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: Approximately 2 ½ miles southeast of the subdivision.

Public Transportation: Sun Tran Bus at Oracle and Hanley Street, approximately 6 miles south.

Medical Facilities: Northwest Hospital at Orange Grove and La Cholla is approximately 10 ½ miles. General practice-Catalina Family Medical Center is approximately 5 ½ miles.

Fire Protection: Golder Ranch Fire Department is located approximately 1 mile from the subdivision.

Ambulance Service: Available through 911 service.

Police Services: Town of Oro Valley.

Garbage Services: Waste Management of Tucson. Private contractors available.

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 lots for single-family residential use.

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 Town of Oro Valley Planning and Zoning Department. Restrictions are recorded as cited in the following title exceptions and per the subdivision plat.

NOTE: The Declaration of Covenants, Conditions and Restrictions state, in part:

This Village Declaration provides for an extensive degree of control by “Developer” including, but not limited to, (i) control of the “Village Association” the type and design of improvements which may be built upon “Lots” with fines for non-compliance, and the use, and limitations upon use, of the “Common Areas”, (ii) the right to amend this

Village Declaration; and (iii) substantial flexibility in developing the "Property." Developer's control is an integral part of this Village Declaration and the general scheme of development and operation of the Property. Section 16.6 contains a limitation on the liability of Developer and its members and principals. Each "Owner" by accepting title to a Lot, an all other "Persons" hereafter acquiring any other interest in any of the Property, acknowledge, agree to and accept Developer's control of the Property and the limited liability of developer, and its members and principals, as provided in this Village Declaration.

TITLE

Title to this subdivision is vested in Stone Canyon, LLC, an Arizona limited liability company.

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 April 1, 1999 issued by First American Title Insurance Company. **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: All purchasers will enter into a sales agreement and receipt for deposit. Purchasers vested interest/ownership will be evidenced by delivery of a recorded Deed to purchaser...Earnest monies will be deposited and held in a neutral escrow account at the title company.

Release of Liens and Encumbrances: Purchaser will receive title free and clear of all liens.

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

Leasehold Offering: No.

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 1998 is \$16.4411 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 \$300,000.00, is \$6,200.00

Special District Tax or Assessments: None.

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

PROPERTY OWNERS ASSOCIATIONS

Name and Assessments: Stone Canyon Homeowners' Association fees are \$75.00 per month with a one-time fee of \$355.00 up front. Vistoso Community Association fees are \$150.00 per year, payable quarterly.

Control of Association: Upon 3 to 1 voting ration by Declarant is distinguished in approximately 10 to 15 years from 1998.

Title to Common Areas: Upon recordation of plat

Membership: All lot owners.

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

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 OWNERS TO

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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. 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.

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