

STATE OF ARIZONA
DEPARTMENT OF REAL ESTATE
SUBDIVISION PUBLIC REPORT

FOR
Stone Canyon VI
The Stone Canyon Club

Registration No. DM 05-049303

SUBDIVIDER

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

Date

February 23, 2005

Effective Date

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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Tucson, Arizona 85701
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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 CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.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 341 through 354 inclusive.

The map of this subdivision: is recorded in Book 59 of Maps, Pages 23-1 thru 23-11, records of Pima County, State of Arizona.

The entire subdivision is approximately 85.86 acres in size, however, only approximately 21.65 acres are included in this Report . The subdivision has been divided into 41 lots, however, only 14 lots are included in this Report. Lot boundaries will be staked with steel pins at each lot corner. .

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: Tortollita Mountain Circle, Oro Valley, Arizona. From Tucson, take Oracle Road North to Tangerine Road, West to Rancho Vistoso Blvd., North on Vistoso Highland Drive, West on Tortollita Mountain Circle.

SUBDIVISION CHARACTERISTICS

Topography: Gentle rolling desert with rock outcroppings.

Flooding and Drainage: The developer advises the subdivision in not subject to any known flooding or drainage problems. Michael R. Smith, P.E., The WLB Group, in a letter dated January 7, 2004, cites the following , in part:

A hydrology report was reviewed and approved by the Town of Oro Valley, which determined the floodprone limits of the 100-year storm. The subdivision was designed in accordance with applicable Town of Oro Valley Standards. As a result of the design, the improvements were constructed in accordance with approved plans and specifications, and each lot was provided a building site in which there were no drainage hazards from the 100-year storm. The entire subdivision, as indicated by Flood Insurance Rate Map (FIRM) Community Panel No. 04019C1030K dated February 8, 1999 lies within “unshaded” Zone X, areas determined to be outside the 500-year floodplain.

Soils: Developer states the subdivision lots are not subject to subsidence or expansive soils.

Adjacent Lands and Vicinity: 1acre residential and medium density residential, up to 4 units per acre, 1 house per 5 acre suburban ranch. Catalina State Park is east of Oracle Road, approximately 5 miles from the subdivision. The subdivision is adjacent to

residential horse property that includes a small airfield, La Cholla Airpark and a golf course on its East and North boundaries The Tortolita Mountains and undeveloped land is adjacent to the northwest boundaries of the subdivision. There are commercial offices located approximately 2 miles from the subdivision. Information on schools may be found on Page 6 of this Report under the heading LOCAL SERVICES AND FACILITIES

AIRPORTS

Military Airport:The subdivision is not in the vicinity of a military airport.

Public Airport:The subdivision is not in the vicinity of a public airport.

Airport:The subdivision is located approximately 1 mile north of the La Cholla Airport, a private facility.

UTILITIES

Electricity:Supplier is Tucson Electric Power Company, (520) 623-7711. Facilities will be completed to lot lines by June 1, 2005.

Purchasers' Costs: First 500 feet of direct burial line at no charge. Estimated costs to excavate and backfill is \$5.00 per foot, service establishment fee of approximately \$13.50.

Street Lights:Not available.

Telephone: Supplier is Qwest Communications, 1 (800) 244-1111. Facilities will be completed to lot lines by June 1, 2005.

Purchasers' Costs: No charge for cable if there is an open trench for lines. Ordering placement of cable must be 1 month prior to the need of installation. Construction fee of \$53.30 per line. Minimum installation fee \$46.50. \$100.00 deposit required depending on customer's credit rating from prior service.

Natural Gas: Supplier is Southwest Gas Corporation, (520) 889-1888. Facilities will be completed to lot lines by June 1, 2005.

Purchasers' Costs: Hook-up fee \$30.00, meter set up fee \$60.00.Trenching costs from lot line to dwelling is approximately \$6.00 per foot.

Water: Supplier is the Town of Oro Valley, (520) 575-1456. Facilities will be completed to lot lines by June 1, 2005.

Purchasers Costs: Hook up fees: 5/8" meter \$1,774.00, 1" meter \$4,435.00, 1 1/2" meter \$8,870.00, 2" meter \$14,192.00. Alternative water fee: 5/8" meter \$300.00,1" meter \$750.00, 1 1/2" meter 1,500.00, 2" meter \$2,400.00. Meter fee: 5/8" meter \$150.00, 1" meter \$200.00, 1 1/2" meter \$390.00, 2" meter \$560.00. Base rates per 1,000 gallons: 5/8" meter \$12.30, 1" meter \$30.60, 1 1/2" meter \$61.30, 2" meter \$98.00. Establishment fee

\$20.00, security deposit \$40.00, impact fee \$1,774.00. meter installation fee \$158.40, Arizona Dept. of Water Resources review fee \$300.00.

Sewage Disposal: Public sewers will be completed by June 1, 2005.

Purchaser Costs: Building permit fee \$101.72 for each fixture unit in the dwelling, i.e. washing machine, sink, toilet, and tub/shower. Activation fee \$15.00, monthly sewage utility fee \$13.11, based on 7,480 gallons of water usage.

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 are surfaced with asphalt and are maintained by the Town of Oro Valley.

Access within the Subdivision: Interior streets are private and will be surfaced with asphalt by June 1, 2005 and will be maintained by the Homeowner's Association.

Flood and Drainage: Rock rip rap has been installed along washes directing water into box culverts under roadways. It will be completed by June 1, 2005 and maintained by the Homeowner's Association and Pima County Flood Control

COMMON, COMMUNITY AND RECREATIONAL FACILITIES

Within the Subdivision: None available.

Within the Master Planned Community: Parks, common areas, landscaping in street right of ways and street lighting on Rancho Vistoso Blvd. are maintained by the Homeowner's Association.

ASSURANCES FOR COMPLETION

Assurances for Completion of Subdivision Facilities: Evidenced by an Assurance Agreement with the Town of Oro Valley, Docket 12459, Page 2, Pima County Records.

Assurances for Maintenance of Subdivision Facilities: The Master and Sub Associations, utility companies and the Town of Oro Valley are responsible for their respective facilities.

LOCAL SERVICES AND FACILITIES

Schools: Painted Sky Elementary School is approximately 2 miles, Coronado Middle/Jr High School is approximately 5 miles and Ironwood Ridge High School is approximately 7 miles. School bus service is available.

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: Available approximately 3 miles Southeast.

Public Transportation: Sun Tran Bus System at Oracle Road and Hanley Street is approximately 6 ½ miles South

Medical Facilities: Northwest Hospital at Orange Grove and La Cholla is approximately 11 miles. General practice at Catalina Medical Center at 15631 N. Oracle Road is approximately 6 miles and at Rancho Vistoso Blvd & Oracle Road approximately 4 miles. A full service hospital, presently under construction at Tangerine Road and Innovation Drive is approximately 5 miles and is scheduled to open in January 2005.

Fire Protection: Provided by Golden Ranch Fire Department approximately 2 ½ miles from the subdivision. Costs included in real property taxes.

Ambulance Service: Available through 911 service.

Police Services: Provided by the Town of Oro Valley.

Garbage Services: Provided by Waste Management of Tucson with costs of approximately \$10.95 per month.

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 unimproved lots zoned for single family residences.

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.

TITLE

Title to this subdivision is vested in First American Title Insurance Company as Trustee under Trust No. 9074.

Subdivider's interest in this subdivision is evidenced by a recorded Special Warranty Deed from the Trustee.

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 25, 2005. issued by First American Title Insurance Company. **You should obtain a title report and determine the effect of the listed exceptions.**

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. Earnest monies will be deposited and held in an escrow account at the title company.

Release of Liens and Encumbrances: The subdivision is free and clear of any monetary liens or encumbrances.

Use and Occupancy: Available to the purchasers at the close of escrow and recordation of their Deed.

Leasehold Offering: None available.

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 2004 is \$15.7030 per \$100.00 assessed valuation. The estimated property tax for an unimproved lot (lot without a dwelling), based on the above tax rate and average sales price of \$480,000.00, is \$10,250.00

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 \$1,000.00 (\$600.00 transfer fee and \$400.00 reserve) Vistoso Community Association, the master association, fees are \$200.00 per year, payable quarterly.

Control of Association: Turned over to the purchasers when 3 to 1 voting ratio by Declarant is extinguished in approximately 10 to 15 years.

Title to Common Areas: Transferred to the Association at the recordation of the plat.

Membership: All lot owners become members of the Associations

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.