

**STATE OF ARIZONA
DEPARTMENT OF REAL ESTATE
SUBDIVISION PUBLIC REPORT**

**FOR
VISTA DEL CORAZON**

Registration No. DM98-014759

SUBDIVIDER

SUPERSTITION SHADOWS ESTATES, L.L.C.
2910 East Camelback Road, Suite 180
Phoenix, Arizona 85016

February 27, 1998

Effective Date

FIRST AMENDMENT DATED: February 5, 1999
SECOND AMENDMENT DATED: December 14, 1999
THIRD AMENDMENT DATED: June 17, 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.

PHOENIX OFFICE:
2910 N. 44th Street
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400 West Congress
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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 CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.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 144.

The map of this subdivision: is recorded in Cabinet B, Slide 156, records of Pinal County, State of Arizona.

The subdivision is approximately 157.00 acres in size. It has been divided into 144 lots. Lot boundaries will be staked at corners and radii point.

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: Gold Canyon Ranch, Pinal County, State of Arizona; 7 miles east of Apache Junction.

SUBDIVISION CHARACTERISTICS

Topography: Land is hilly terrain with sloping condition areas.

Flooding and Drainage: William A. Schlimgen, P.E. of Cella Barr Associates, Inc. in a letter dated December 16, 1997, has cited:

“Vista Del Corazon lies outside any known floodplain. If constructed as proposed, the finished floors will be above the 100-year flood elevation.

The subdivision was designed in accordance with the Drainage Report prepared for Vista Del Corazon and approved by Pinal County.”

Soils: Subdivider advises that the subdivision lots are not subject to subsidence or expansive soils.

Hazards or Nuisances: The Developer advises that a golf course surrounds the outer perimeter of this subdivision, but does not pose a safety hazard problem.

Adjacent Lands and Vicinity: A golf course surrounds the outer perimeter of this subdivision, residential to the East and West, residential and commercial to the South and mountain preserves to the North.

UTILITIES

Electricity: Salt River Project, 7050 East University, Mesa, Arizona (602) 236-8888. Cost to lot purchaser's to complete the facilities from the lot line to the dwelling is approximately \$750.00, a turn on fee of \$18.00 plus tax and if required, a Security Deposit of \$200.00.

Street Lights: Not available.

Telephone: US West Communications, P.O. Box 29060, Phoenix, Arizona 85038 (602) 490-2335. Costs to lot purchaser's to complete the facilities from the lot lines to the dwelling is approximately \$750.00, connection fee \$46.50 plus tax and if applicable, a deposit of \$200.00.

IT IS POSSIBLE THAT YOU MAY NOT HAVE TELEPHONE SERVICE AT THE TIME OF CLOSING. YOU ARE ADVISED TO CONTACT YOUR SERVICE PROVIDER TO DETERMINE THE STATUS OF TELEPHONE SERVICE. YOU MAY ALSO WANT TO CONSIDER TEMPORARY ALTERNATIVES, I.E. A CELLULAR TELEPHONE.

Natural Gas: Not available.

Water: Arizona Water Company, 3805 North Black Canyon Highway, Phoenix, Arizona 85015 (602) 240-6860. Costs to lot purchasers to complete the facilities from the lot line to the dwelling is approximately \$750.00 and a Service Establishment fee of \$16.00 plus tax.

Sewage Disposal: Facill Group, 1912 South Alma School Road, Suite 203, Mesa, Arizona (602) 491-4208. Costs to lot purchasers to complete facilities from the lot lines to the dwelling is approximately \$1,000.00 to secure line.

NOTE: Arizona Department of Environmental Quality cites the following:

“The subdivider and each subsequent Owner of the lot which requires a grinder pump for sewer service connection shall inform each buyer that a grinder pump and appurtenances are required in order to connect to the public sanitary sewer collection system. The buyer shall also be made aware about the responsibility and expenses associated with the grinder pump system operation, maintenance and repairs which shall be in accordance with manufacturer recommendations and user instruction manual, including instructions on power failure and pump system failure”.

NOTE: DEVELOPER IS TO COMPLETE THE UTILITIES TO THE LOT LINES BY DECEMBER 31, 2001.

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 are complete and maintained by Pinal County. Lot purchaser's costs to maintain the streets are included in their property taxes.

Access within the Subdivision: Asphalt paved Private streets will be completed by the Developer by December 31, 2001. Maintenance will be provided by the Homeowner's Association. Lot purchaser's costs for maintenance are included in the Association fees. Golden Rim Circle will be a Public street and maintained by Pinal County.

Flood and Drainage: Developer will grade the lots to drain into existing natural drainage areas by December 31, 2001. Maintenance will be provided by the Homeowner's Association. Lot purchaser's costs for maintenance are included in the Association fees.

COMMON, COMMUNITY AND RECREATIONAL FACILITIES

Within the Subdivision: Developer is to complete walking paths, landscaping and a guard gate by December 31, 2001. Maintenance will be provided by the Homeowner's Association. Lot purchaser's costs for maintenance is included in the Association fees.

ASSURANCES FOR COMPLETION

Assurances for Completion of Subdivision Facilities: Funds available to Pinal County by way of an Improvement Agreement.

Assurances for Maintenance of Subdivision Facilities: Recorded Declaration of Covenants, Conditions and Restrictions for this subdivision provides for the Homeowners Association to maintain all common area facilities.

LOCAL SERVICES AND FACILITIES

Schools: Gold Canyon Grammar School (K-5) - 2 miles; Apache Junction Elementary School (K-5) - 9 miles; Thunder Mountain Middle School (6-8) - 5 miles; Apache Junction High School (9-12) - 9 miles

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: Commercial shopping facilities are 1 ½ miles south. Full service shopping facilities are located 8 miles northeast in Apache Junction.

Public Transportation: Not available.

Medical Facilities: General medical offices are located at Idaho & Highway 60, approximately 8 miles. Valley Lutheran Hospital is located at 6644 E. Baywood Avenue, Mesa, Arizona, approximately 20 miles.

Fire Protection: Town of Apache Junction Fire Department. Cost for service is included in property taxes.

Ambulance Service: Available by dialing 911.

Police Services: Pinal County Sheriff's Department.

Garbage Services: Apache Sanitation (602) 983-0602. Lot purchaser's costs are \$10.00 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 Vacant lots.
Zoning: single family residential.

Conditions, Reservations and Restrictions: As stated in the recorded Declaration of Covenants, Conditions and Restrictions.

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 Pinal County Recorder. Information about zoning may be obtained at the Office of the Pinal County Planning and Zoning Department. Restrictions are recorded as cited in the following title exceptions and per the subdivision plat.

YOU ARE ADVISED THAT THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THIS SUBDIVISION PROVIDES FOR A DESIGN REVIEW COMMITTEE.

TITLE

Title to this subdivision is vested in Superstition Shadows Estates, L.L.C., an Arizona limited liability company.

Subdivider's interest in this subdivision is evidenced by fee title.

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 December 7, 1998 issued by Old Republic Title Agency. **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 ownership interest in the property will be evidenced by the Developer 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.

Release of Liens and Encumbrances: Developer has advised that arrangements have been made with the Beneficiaries in the aforementioned Deeds of Trust for the release of individual lots. Release provisions are contained within the Deeds of Trust.

Use and Occupancy: Lot purchaser will be permitted to use and occupy his Lot upon close of escrow and recordation of Deed.

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

Real Property Taxes: The combined primary and secondary property tax rate for this subdivision for the year 1997 is \$18.0174 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 \$175,000.00, is \$2,837.74.

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

PROPERTY OWNERS ASSOCIATIONS

Name and Assessments: Vista Del Corazon Community Association, Inc. annual assessments of \$250.00.

Control of Association: Control of the Association will be released to lot purchasers' on the earlier of the following:

- A. One Hundred Twenty (120) days after the total votes outstanding in the Class A Memberships equal or exceed the total votes outstanding in the Class B Memberships; or
- B. December 31, 2012; or
- C. At any time by Declarant giving written notice to the Association that Declarant wishes to convert it Class B Memberships to Class A Memberships.

Title to Common Areas: When 75% of the existing lots are sold, the common areas will be deeded to the Homeowners Association.

Membership: All lot purchasers will be members of the Association.

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, THE ARTICLES OF INCORPORATION AND 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 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.

EXHIBIT "A"

1. Second installment of 1998 taxes.
2. Reservation contained in Patent from the State of Arizona reading as follows:

“THIS PATENT is issued subject to any and all easements or rights-of-way heretofore legally obtained and now in full force and effect; reserving unto the United States, rights-of-way for ditches and canals constructed by their authority.”
(Affects property lying within Section 4)
3. Reservations contained in Patent from the State of Arizona reading as follows:

“THIS PATENT is issued subject to any and all easements or rights-of-way heretofore legally obtained and now in full for and effect.”
(Affects property lying within Sections 5 and 32)
4. Easement and rights incident thereto for electrical facilities, as set forth in instrument recorded December 22, 1994 in Docket 2065, page 940 and at Fee No. 1995-25814.
5. Fairway easements as disclosed by instrument recorded April 9, 1996 at Fee No. 1996-12294.
6. Reservations contained in Patent from the State of Arizona, reading as follows:

“Pursuant to the provisions of Arizona Revised Statutes 37-231, of the following substances not heretofore retained and reserved by a predecessor in title to the State of Arizona, 1/16th of all oil, gas, other hydrocarbon substances of a gaseous nature, coal, metals, minerals, fossils, fertilizer of every name and description, together with all uranium, thorium and any other material which is or may be determined by the laws of the United States or of this State, or decisions of court, to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, and the exclusive right thereto, on, in or under the above described lands, shall be and remain and are hereby reserved in and retained by the State of Arizona together with the right of the State of Arizona, its lessees or permittees to enter upon those lands for the purpose of exploration, development and removal of the above described substances as provided by the rules and regulations of the State Land Department and the laws of Arizona.”
(Affects property lying within Sections 5 and 32)
7. Agreement with the Bureau of Land Management recorded in Docket 181, page 588.
8. Resolution regarding zoning changes recorded in Docket 2075, page 862.
9. Water rights, claims or title to water, whether or not shown by the public records.
10. Any adverse matters affecting the waterline easement created at Fee No. 1997-6176.

11. Gold Canyon Ranch Resort Golf Course Easement Agreement recorded February 24, 1997 at Fee No. 1997-006174.
12. Easement and rights incident thereto for golf course cart path and tunnel access easement, as set forth in instrument recorded February 24, 1997 at Fee No. 1997-6179.
13. Easement and rights incident thereto for cart path and tunnel access easement for Golden Rim Circle, as set forth in instrument recorded at Fee No. 1997-13669.
14. Planned Area Development Overlay District Resolution recorded January 14, 1997 at Fee No. 1997-1470.
15. Resolution regarding Zoning Changes recorded January 14, 1997 at Fee No. 1997-1471.
16. Any liabilities or obligations imposed on said land by reason of provisions contained in instrument recorded at Fee No. 1997-30864, purporting to impress a lien on said land for collection of assessment for VISTA DEL CORAZON COMMUNITY ASSOCIATION, INC.
17. Easements as shown on the recorded plat of VISTA DEL CORAZON.
18. Building set back lines as shown on the recorded plat of said subdivision.
19. Covenants, conditions and restrictions, easement, liens, charges and other obligations contained in instrument recorded at Fee No. 1997-030864, and thereafter amended at Fee No. 1997-40771, and as shown on the recorded plat of said subdivision, but omitting any covenants or restrictions if any, based upon 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.
20. Option by and between SUPERSTITION SHADOWS ESTATES L.L.C., an Arizona limited liability company and DESTINY DEVELOPMENT, L.L.C., an Arizona limited liability company, recorded at Fee No. 1998-27204.
21. Option by and between SUPERSTITION SHADOWS ESTATES L.L.C., an Arizona limited liability company and JUPITER REALTY ASSOCIATES, recorded June 5, 1998 at Fee No. 1998-22167.
22. A Deed of Trust to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof,

Amount: \$1,200,000.00
Trustor: SUPERSTITION SHADOWS ESTATES, L.L.C., an
Arizona limited liability company
Trustee: OLD REPUBLIC TITLE INSURANCE AGENCY, INC.,
an Arizona corporation
Beneficiary: GRAHAM HOLDINGS, L.L.C., an Arizona limited
liability company
Dated: February 10, 1997

Recorded: February 24, 1997

at Fee No. 1997-006175; and thereafter Amendment to Deed of Trust and Assignment of Rents dated September 4, 1997, recorded September 5, 1997 at Fee No. 1997-030868; and thereafter the lien of said Deed of Trust was Subordinated to the lien of the Deed of Trust recorded September 5, 1997 at Fee No. 1997-030870, by Subordination Agreement dated September 4, 1997 recorded September 5, 1997 at Fee No. 1997-030869.

23. A Deed of Trust to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof,

Amount: \$4,500,000.00

Trustor: SUPERSTITION SHADOWS ESTATES, L.L.C., an Arizona limited liability company

Trustee: SCOTT MARTIN COLES, a Real Estate Broker

Beneficiary: MORTGAGES LTD., an Arizona corporation

Dated: August 18, 1997

Recorded: September 5, 1997

at Fee No. 1997-030870

The recorded beneficial interest under said Deed of Trust as a result of the last recorded assignment thereof is vested in

Assignee: WILLIAM S. LEVIN, Trustee of WILLIAMS MFG. CORPORATION DEFINED BENEFIT PENSION PLAN (levine), as to an undivided 66.667% interest, MP092004 L.L.C., an Arizona limited liability company, as to an undivided 22.222% interest and CHRISTO PANAGIOTAKOPOULOS and CONSTANCE PANAGIOTAKOPOULOS, husband and wife, as joint tenants with right of survivorship, as to an undivided 11.111% interest

Dated: August 12, 1997

Recorded: September 5, 1997

at Fee No. 1997-030871; and thereafter the interest of LEVINE was Assigned to Pacific Coach, Inc., an Arizona corporation by Assignment dated May 14, 1998 recorded May 28, 1998; at Records No. 98-20778; and thereafter the interest of MP092004 L.L.C., an Arizona limited liability company was assigned to Pacific Coach, Inc., an Arizona corporation by assignment recorded July 8, 1998 at Fee No. 1998-27044.

24. Assignment of Rights by and between SUPERSTITION SHADOWS ESTATES, L.L.C., an Arizona limited liability company, Assignor and MORTGAGES LTD., an Arizona corporation, Assignee, dated August 18, 1997, recorded September 5, 1997 at Fee No. 1997-030872; and thereafter assigned to WILLIAM S. LEVINE, Trustee of WILLIAMS MFG. CORPORATION DEFINED BENEFIT PENSION PLAN, as to an undivided 66.667% interest, (LEVINE) MP092004 L.L.C., an Arizona limited liability company, as to an undivided 22.222% interest and CHRISTO PANAGIOTAKOPOULOS and CONSTANCE PANAGIOTAKOPOULOS, husband and wife, as joint tenants with right of survivorship, as to an undivided 11.111%

interest, by Assignment of Assignment of Rights dated August 18, 1997, recorded September 5, 1997 at Fee No. 1997-030873; and thereafter the interest of LEVINE was Assigned to Pacific Coach, Inc., an Arizona corporation by Assignment dated May 14, 1998 recorded May 28, 1998 at Recorders No. 1998-20779; and thereafter the interest of MP092004 L.L.C., an Arizona limited liability company was assigned to Pacific Coach, Inc., an Arizona corporation by assignment recorded July 8, 1998 at Fee No. 1998-27045.

25. Arizona Uniform Commercial Code Financing Statement executed by SUPERSTITION SHADOWS ESTATES, L.L.C., an Arizona limited liability company, Debtor, and MORTGAGES LTD., an Arizona corporation, Secured Party, dated August 18, 1997, recorded September 5, 1997 at Fee No. 1997-030874; and thereafter assigned to WILLIAM S. LEVINE, Trustee of WILLIAMS MFG. CORPORATION DEFINED BENEFIT PENSION PLAN, as to an undivided 66.667% interest, (LEVINE) MP092004 L.L.C., an Arizona limited liability company, as to an undivided 22.222% interest and CHRISTO PANAGIOTAKOPOULOS and CONSTANCE PANAGIOTAKOPOULOS, husband and wife, as joint tenants with right of survivorship, as to an undivided 11.111% interest by Assignment contained within; and thereafter the interest of LEVINE was Assigned to Pacific Coach, Inc., an Arizona corporation by Assignment dated May 14, 1998 recorded May 28, 1998 at Recorder No. 1998-20780; and thereafter the interest of MP092004 L.L.C., an Arizona limited liability company was assigned to Pacific Coach, Inc., an Arizona corporation, by assignment recorded July 8, 1998 at Fee No. 1998-27046.