

STATE OF ARIZONA
DEPARTMENT OF REAL ESTATE

**UNSUBDIVIDED LANDS
PUBLIC REPORT**

FOR

BRADSHAW MOUNTAIN RANCHES

License No. 97-00035

DEVELOPER

BRADSHAW MOUNTAIN RANCHES, L.L.C
4216 N. Brown Avenue, Suite A
Scottsdale, Arizona 85251

March 18, 1997

Effective Date

FIFTH AMENDMENT DATE: November 13, 2000

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 developer and obtained by the Department in its review process in accordance with the provisions of Title 32, Chapter 20, Article 7, 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 developer and/or the developer's agents. The purchaser 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 North 44th Street
Suite 100, First Floor
Phoenix, Arizona 85018
(602) 468-1414 Ext. 400

TUCSON OFFICE:
400 West Congress
Suite 523
Tucson, Arizona 85701
(520) 628-6940

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 CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.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 that 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: Parcels 1 through 26.

The map of this development: is recorded in Book 36 of Land Surveys, Page 192, 16-18, Official records Yavapai County, Arizona.

This development is approximately 990 acres in size.

Developers advise that parcel boundaries have been staked at all corners.

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.

Developer advises that the Amendment to Declaration deletes and removes from inclusion within said Declaration the following Parcels (Lots): 3, 4, 5, 6, 7, 8, 16, 17,18 and 19.

DEVELOPMENT LOCATION

Location: Approximately 11 miles south of Mayer, Arizona, in Yavapai County. Crown King Road from Interstate 17, approximately one mile north.

DEVELOPMENT CHARACTERISTICS

Topography: Southwestern States Surveying, Inc., Professional Land Surveyor, states in their letter dated November 27,1996 that: **SEE EXHIBIT “A” ATTACHED.**

Adjacent Lands and Vicinity: These parcels are located in an open range area. Buyers may fence their land to preclude livestock from roaming on their land, subject to the various conditions specific to this development.

UTILITIES

Electricity: Arizona Public Service Company supplies electric service to the general area. Developer will not extend electric facilities into the Development. It is the individual buyer’s responsibility to extend facilities to their parcel. It is anticipated that the cost per linear foot will be approximately \$6.25. Deposits may be waived with letter of credit.

Telephone: U.S. West Communications. Developer to complete telephone lines to individual parcel lines: January 1, 2001. Costs which parcel purchasers will have to pay for extension of telephone lines from parcel lines to dwelling is anticipated to be included in the cost as cited above for electricity. Deposits may be waived with letter of credit. Installation fees average approximately \$47.

Propane Gas: Flame, Inc. **SEE EXHIBIT “B” ATTACHED**

Water: Domestic water wells. Developer has **not** drilled domestic water wells on each of the parcels. It will be the parcel purchaser’s responsibility to provide the well. Dan McGee, states in his letter that: **SEE EXHIBIT “C” ATTACHED.**

Sewage Disposal: Developer advises that individual sewage disposal systems are to be used for sewage disposal. There is no assurance that an individual system can be installed. Prior to purchase, you should contact Yavapai County Environmental Health Department for specifications and requirements. You should satisfy yourself as to the cost of installing the system. Painter Excavating states in its letter dated December 2, 1996 that: **SEE EXHIBIT “D” ATTACHED.**

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.

ROADS AND DRAINAGE

Access to the Development: The Developer has advised that the interior roads are for the private use of the parcel purchasers. Exterior access provided by Crown King Road. **SEE EXHIBIT “E” ATTACHED.** Developer advises that the interior roads and the access roads will be bladed dirt roads that may or may not be further improved in the future. Maintenance of the interior roads is the responsibility of the property owners association. Costs for maintenance will be included in the association assessments. Roads **will not be built** according to **minimum County standards.**

Flood and Drainage: Developer advises that such facilities **will not** be installed.

ASSURANCES FOR COMPETION

Assurances for Completion of Development: Developer had obtained a Subdivision Warranty Bond to cover costs of completion of electric and telephone line extensions.

Assurances for Maintenance of Development Facilities: The property owners association will maintain the private roads.

LOCAL SERVICES AND FACILITIES

Schools: The Developer advises that it is approximately 11 miles to the grammar school located in Mayer; the Junior High and High School are located in Spring Valley, approximately 9 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: Nearest community shopping center is located in Mayer approximately 30 miles from the development.

Public Transportation: Commercial airline and bus service are available in Prescott, approximately 30 miles from the development.

Medical Facilities: Medical facilities (Yavapai Regional Medical Center) are available in Prescott, approximately 30 miles from the development.

Fire Protection: None

Ambulance Service: Via 911.

Police Protection: Yavapai County Sheriff.

Garbage Services: No provisions have been made for trash collection.

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 and non-commercial ranch and farm use as permitted in the Declaration of Covenants, Conditions and Restrictions and Yavapai County Zoning Regulations.

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 that are recorded may be inspected at the Office of the Yavapai County Recorder. Information about zoning may be obtained at the Yavapai County Office of Planning and Zoning. Restrictions are recorded in Book 3337 of Official records, page 973, and per the Result of Survey.

TITLE

Title to this subdivision is vested in FIRST AMERICAN TITLE INSURANCE COMPANY, as Trustee, under Trust No. 8265.

Developer's interest in the development is evidenced by First American Title Insurance Company Trust Agreement, Trust No. 8265, as Second Beneficiary.

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 report dated April 28, 1999 issued by First American Title Insurance Company. As a prospective purchaser, you should obtain a title report and examine the effect of the listed exceptions.

EXCEPTIONS: SEE EXHIBIT "F" ATTACHED.

Liens and Encumbrances: Developer is required to notify the Department of Real Estate of any future placement of liens or encumbrances to ensure compliance with A.R.S. 32-2195, et seq.

METHOD OF SALE OR LEASE

Sales: Deed. Your vested interest/ownership in the property will be evidence by Developer delivering a recorded Special Warranty Deed to you, and, if applicable, by your signing a Promissory Note, Mortgage or Deed of Trust for any unpaid balance. You should read these documents before signing them.

Use and Occupancy: Upon close of escrow.

NOTE: THE RECORDED COVENANTS, CONDITIONS AND RESTRICTIONS PROVIDE FOR AN ARCHITECTURAL CONTROL COMMITTEE.

NOTE: PROSPECTIVE PURCHASERS ARE ADVISED THAT ANY SPLITTING, DIVISION, ETC. OF ANY LOT HEREIN MAY COME UNDER JURISDICTION OF YAVAPAI COUNTY AND/OR THE STATE OF ARIZONA. YOU ARE ADVISED TO CONTACT THE ABOVE AND ANY OTHER APPLICABLE AGENCIES PRIOR TO ANY SUCH ACTIVITY TO DETERMINE ANY APPLICABLE JURISDICTION.

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 \$10.2825 per \$100.00 assessed valuation.

NOTE: AMOUNT OF TAXES AND ASSESSMENTS SET FORTH ABOVE IS APPROXIMATE ONLY AND SUBJECT TO CHANGE.

PROPERTY OWNERS ASSOCIATIONS

Name and Assessments: Bradshaw Mountain Ranches Owners Association, Inc. The initial annual assessment shall be \$15 per acre for an improved parcel (parcel with dwelling), \$10 per acre per year for an improved parcel.

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

Control of Association: The Association shall have two classes of voting rights with the Developer, Bradshaw Mountain Ranches, L.L.C., its successors and assigns, being the Class B member being entitled to 10 votes for each acre it owns, and each other member being Class A member having one vote for each acre owned.

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

Membership: All parcel owners shall be members of the Association. Each and every parcel owner, in accepting a deed or a contract for any parcel, whether or not it shall be so expressed in such deed or contract, automatically becomes a member of the Association, and agrees to be bound by such reasonable rules and regulations, as may, from time to time, be established by the Association. Membership shall be appurtenant

and may not be separated from ownership of the parcel. The rights and obligations of a Owner and membership in the Association shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon transfer of ownership of such parcel, whether by interstate succession, testamentary, foreclosure of a mortgage, or other such legal process as now in effect or as may hereafter be established pursuant to the laws of the State of Arizona. The Association shall be operated and conducted on a strictly cooperative and non-profit basis. Each parcel owner, as a member shall have such voting rights as set forth in the recorded Declaration.

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