

Arizona Department of Real Estate (ADRE) Development Services Division

WWW.azre.gov PHOENIX OFFICE 100 N 15TH AVE, SUITE 201 PHOENIX, AZ 85007 DOUGLAS A. DUCEY GOVERNOR

JUDY LOWE COMMISSIONER

SUBDIVISION DISCLOSURE REPORT

(PUBLIC REPORT)

FOR RED HAWK II SUBDIVISION, UNITS 2 AND 3 aka RED HAWK AT J-6 RANCH

Registration No. DM18-059163

SUBDIVIDER

RED HAWK RANCH PROPERTIES, LLC 1650 N. KOLB Rd., Suite 132 Tucson, Arizona 85715

Effective Date: October 31, 2018

PROPERTY REPORT DISCLAIMER

This report is NOT A RECOMMENDATION OR 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 CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.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 97 – 138 - 141 – 177 180,183,186,191,192,195 - 200, 202 - 244, - 249,254, 255, 256, 259, 260, 261, and 263 – 288

The map of this subdivision is recorded in Book 15 Plats pages 92-92M, records of Cochise County, Arizona and thereafter corrected by Declaration of Scrivener's Letter recorded on January 25, 2008, in Document No. 0801-02412.

The subdivision is approximately 672 acres in size. It has been divided into 192. Lot boundaries will be permanently staked with rebar.

General Notes:

This Subdivision has Public streets that are maintained by Cochise County. All Public streets within the Subdivision are to be paved by subdivider.

The minimum floor elevations including basements shall be 12" above the highest natural ground elevation at the building pad. No building shall be oriented in such a way as to block the natural storm runoff. All lots are subject to the requirements of the Hydrology and Hydraulic study prepared for this subdivision and on file with the Cochise County Highway and Floodplain Department

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: Benson, Cochise County, Arizona. Traveling East on the I-10 from Phoenix past Vail, take a right on exit 297 South and travel approximately 1 mile to the Subdivision.

UTILITIES

Electricity: Sulphur Springs Electric Cooperative, Inc. (520) 586-2238 www.ssvec.org .

The Developer is responsible for bringing the facilities to the lot lines. The average cost to bring electricity to the home from the lot line is \$3,500, which may vary depending on the distance from the home to the lot line. Currently the facilities are located ½ mile from the furthest Lot. Cost for the installation to the lot line is included in the sales price. A deposit of \$240.00 may be required. In addition to the above fee each lot owner must pay a design fee in the amount of \$100.00 plus a fee of approximately \$7.00 per foot for trenching and line instillation to the dwelling (minimum of 75 feet). This applies to both "Improved and Unimproved Lots". Facilities will be completed to the lot lines by December 30, 2022.

Telephone:

Century Link 800-366-8201 www.centurylink.com It is the responsibility of the developer to extend the facilities to the lot lines. Currently the facilities are located ½ mile from the furthest Lot. Purchaser will be responsible for a deposit of \$240.00 which may be required depending on credit history. Establishment fee is approximately \$27.50 plus tax. All costs associated with telephone service to the lot line will be included in the sales price for both "Improved and Unimproved Lots". Homeowner will be responsible installation fees from the lot line to the dwelling. The estimated cost lot purchaser will have to pay for completion of facilities from lot line to the dwelling is approximately \$200.00. Contact phone provider for additional information. Facilities will be completed to the lot lines by December 30, 2022.

Cable:

Provider is Cox Cable TV (520) 458-4705 email www.connectmycablke.com. Purchaser is responsible for cost to lot line. Cost from lot line to dwelling is approximately \$6.00 per foot. Purchasers fees in order to receive service \$34.95 Base Hook-up Rate. Monthly rate would depend on the type of service purchaser would like Cox to provide. Facilities will be maintained to the lot lines by the provider and from lot line to dwelling by purchaser. Developer has no responsibility for any cost towards the purchasers acquisition of the facilities.

Internet or Fiber Optic:

Provider is Cox High Speed Internet (877) 892-5238 email www.buycox.com Purchaser is responsible for cost to lot line. Cost from lot line to dwelling is approximately \$6.00 per foot. Purchasers fees in order to receive service is based on services requested but basic hookup fees start at \$19.95. Monthly rate would depend on the type of service purchaser would like Cox to provide. Facilities will be maintained to the lot lines by the provider and from lot line to dwelling by purchaser. Developer has no responsibility for any cost towards the purchasers acquisition of the facilities.

Natural Gas: Developer advises that Natural Gas is not available but propane is allowed. Provider is Barnett's Propane LLC, https://barnettspropane.com, 520-628-8525. It is the sole responsibility for the purchaser to pay for the propane services, not the Developer. Cost are as follows:

250 Gallon Tank

200 Gallons of propane @ 2.10/ gallon \$420.00 First year tank lease is Free (after the 1st year it is \$50.00 plus tax a year) Two Stage Regulator-\$75.00 Tank Delivery Fee- \$15.00 Tax-\$39.85 **Total Cost \$549.85**

500 Gallon Tank

400 Gallons of propane @ 2.10/ gallon \$840.00 First year tank lease is Free (after the 1st year it is \$60.00 plus tax a year) Two Stage Regulator-\$75.00 Tank Delivery Fee- \$15.00 Tax- \$73.66 FORM O2 – Regular Template 3/18/2015

Total Cost \$1,003.66

Cash price for Propane as of July 17th, 2018 is \$2.10 plus tax per gallon to fill the tank. Minimum delivery for a \$250 gallon tank is 100 gallons and 200 gallons for a 500 gallon tank. Price for minimum delivery is \$2.10 plus tax per gallon. Prices are subject to change without notice so Developer urges purchasers to call provider prior to purchase.

Water: Empirita Water Company, L.L.C. (520) 544-5610. Estimated costs lot purchaser will have to pay for completion of facilities from lot line to dwelling is currently approximately \$12.00 per foot (minimum of 75 feet). Establishment fee is currently approximately \$30.00 and meter fee of approximately \$510.00. All costs the above cost associated with water lines will be the same for both "Improved and Unimproved Lots"

Sewage Disposal: SEPTIC LEACH SYSTEM OR ALTERNATIVE ON-SITE WASTEWATER TREATMENT FACILITY

CONVENTIONAL SEPTIC AND LEACH LINE SYSTEM ACCEPTABLE TO ADEQ OR LOCAL AGENCY AUTHORIZED BY ADEQ TO ISSUE.

THE OWNER OF THE APPROVED LOT SHALL OBTAIN SITE-SPECIFIC PERMITS FOR CONSTRUCTION AND OPERATION FROM COCHISE COUNTY HEALTH DEPARTMENT BEFORE CONSTRUCTING ANY ON-SITE WASTEWATER TREATMENT FACILITY OR ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY, IF THE COUNTY OR CITY IS NOT DELEGATED AUTHORITY TO APPROVE THE ON-SITE WASTEWATER TREATMENT SYSTEM.

IF ANY APPROVED LOT IS DETERMINED TO BE NOT SUITABLE FOR CONSTRUCTION AND OPERATION OF A CONVENTIONAL SEPTIC DISPOSAL SYSTEM, THE LOT OWNER SHALL OBTAIN SITE-SPECIFIC CONSTRUCTION AND OPERATING PERMITS FOR AN ALTERNATIVE ON-SITE WASTEWATER TREATMENT FACILITY FROM ADEQ OR FROM THE LOCAL AGENCY AUTHORIZED BY ADEQ TO ISSUE SUCH PERMITS. THE COST OF AN ALTERNATIVE ON-SITE WASTEWATER TREATMENT FACILITY MAY BE IN EXCESS OF \$15,000.00

CONVENTIONAL SEPTIC SYSTEM COST IS APPROXIMATELY \$5,500.00

BASED ON THE RESULTS OF PERCOLATION TESTS, SOIL BORINGS, AND THE COMMENTS/CONCLUSIONS CONTAINED IN THE GEOLOGICAL REPORT, IT IS PROBABLY THAT CONVENTIONAL SEPTIC SYSTEMS WILL NOT BE AN ACCEPTABLE MEANS OF SEWAGE DISPOSAL FOR THE SOME OF LOTS WITHIN RED HAWK II SUBDIVISION UNITS 2 AND 3 SUBDIVISION.

AT THE TIME OF THE ADEQ APPROVAL FOR RED HAWK II SUBDIVISION UNITS 2 AND 3 SUBDIVISION LOTS 97-288, THE FOLLOWING LOTS SHARE A BOUNDARY WITH UNSUBDIVIDED LAND: LOTS 103-107, 111, 112, 127-129, 142-147, 149-151, 165, 166, 184, 186-191, 193, 194, 198-221, 239-243, 252, 256, 257, 266, 267, 274-281.

THE REQUIRED SETBACK FOR ON-SITE SEWAGE SYSTEMS (INCLUDING THE RESERVED DISPOSAL AREA) FROM UNSUBDIVIDED LAND IS 50 FEET MINIMUM FORM O2 – Regular Template 3/18/2015 6

UNLESS THE DWELLINGS AND OTHER FUTURE IMPROVEMENTS ON THE UNSUBDIVIDED LAND WILL BE SERVED BY A COMMUNITY WATER SYSTEM, OR AN APPROPRIATE WAIVER HAS BEEN OBTAINED FROM THE ADJACENT PROPERTY OWNER(S).

SUBSTANTIAL PORTIONS OF THE RED HAWK II, SUBDIVISION UNITS 2 AND 3 CONTAIN WATERCOURSES OR OTHER TOPOGRAPHIC FEATURES EASEMENTS WHICH RESTRICT THE SPACE AVAILABLE FOR PLACEMENT OF THE ON-SITE SEWAGE SYSTEM (INCLUDING THE RESERVE DISPOSAL AREA) AND CONSEQUENTLY MAY RESTRICT THE LOCATION AND/OR SIZE OF THE HOME TO BE CONSTRUCTED.

THIS APPROVAL IS BASED UPON ADEQ EVALUATION OF SANITARY FACILITIES FOR A SINGLE FAMILY DWELLING WITH FOUR BEDROOMS ON EACH LOT. SOME LOTS MAY ACCOMMODATE LARGER SEWAGE DISPOSAL CAPACITIES, SUBJECT TO LOCAL APPROVALS.

THE ADEQUACY OF THE 100-YEAR WATER SUPPLY WAS REVIEWED BY THE ARIZONA DEPARTMENT OF WATER RESOURCES WITH REGARD TO PHYSICAL, LEGAL AND CONTINUOUS AVAILABILITY TO DETERMINE IF THE WATER SUPPLY IS OF ADEQUATE QUANTITY AS SET FORTH IN A.A.C. R12-15-701 et seq, AND THEREFORE THE DEPARTMENT FINDS THE WATER SUPPLY TO BE <u>ADEQUATE</u> TO MEET THE SUBDIVISION'S PROJECTED NEEDS.

All costs associated with Septic will be the same for both "Improved and Unimproved Lots"

IF SEPTIC/ALTERNATIVE ON-SITE SYSTEM CANNOT BE INSTALLED, PURCHASER WILL RECEIVE PURCHASE PRICE BACK, UPON REQUEST TO THE SELLER IN WRITING. THE MONEY WILL BE REFUNDED IN A CASHIERS CHECK.

Garbage Services:

Canyon State Disposal -Cost Is Approximately \$25.00 Monthly, Collection Weekly.

Developer will or has completed the extension of the utilities to the lot line by December 30, 2022.

PURCHASERS ARE ADVISED TO CONTACT THE ABOVE LISTED PROVIDERS REGARDING EXTENSION RULES, REGULATIONS, SERVICE CONNECTIONS, INSTALLATION CHARGES, ACCOUNT SET-UP FEES AND THE COSTS INVOLVED. COSTS ARE SUBJECT TO CHANGE BY THE SERVICE PROVIDERS.

STREETS, ROADS AND DRAINAGE

Access to the Subdivision: Asphalt paved public streets have been completed by the developer and have been accepted by and are maintained by Cochise County. Maintenance fees are included in real property taxes. Roadways are accessible by 2 and 4 wheeled emergency vehicles.

Access within the Subdivision: Asphalt paved public streets have been completed and have access to lots 139-142, 178-201 and 244-262, the remainder roads will be completed by the developer by April 11, 2022. No lots will be sold until access is completed and the County has approved infrastructure. All installation cost are included in the sales price of the property. All Streets within the Subdivision are maintained by Cochise County.

Street Lights: Developer advises that street lights are not available to this subdivision.

Flood and Drainage:

Culverts crossing the streets and bank protection have been completed by the developer on lots 139-142, 178-201 and 244-262. The remainder of the lots will be completed by the developer by December 30, 2022. All costs associated with installation will be included in the sales price for both "Improved and Unimproved Lots". Cochise County had accepted lots 139-142, 178-201 and 244-262, for maintenance. Maintenance fees are included in real property taxes

Arizona State Trust Land: The Arizona State Land Department administers over 9.3 million acres of State Trust Land. This is not public land. Trust land may be subject to future development and may not be preserved or saved for open space without compensation.

A person must have prior approval to use State Trust Land. Temporary recreational use is allowed with certain restrictions and conditions through purchase of a recreational permit. Use of State Trust Land without proper approval is a trespass.

MANY ROADS ON RURAL TRUST LANDS ARE NOT LEGAL TRAVEL ROUTES, EXCEPT FOR STATE LESSEES AND HUNTERS, AND DO NOT PROVIDE LEGAL ACCESS TO PRIVATE LAND. STATE TRUST LAND MAY BE SOLD OR LEASED FOR USES WHICH MAY EXCLUDE RECREATION. RECREATION IS A TEMPORARY USE THAT MAY BE TERMINATED AT ANY TIME.

For additional information, visit the State Land Department web page at www.land.az.gov, or call (602) 542-4631.

LOCAL SERVICES AND FACILITIES

Schools:

Benson Primary School, 360 South Patagonia St. Benson, AZ 85602-Approximately 8.5 Miles East of Subdivision

Benson Middle School, 360 South Patagonia St. Benson, AZ 85602 -Approximately 8.5 Miles East of Subdivision

Benson High School, 360 South Patagonia St. Benson, AZ 85602-Approximately 8.5 Miles East of Subdivision

SCHOOL BUS TRANSPORTATION WILL ONLY BE PROVIDED TO STUDENTS RESIDING OUTSIDE THE SCHOOLS DESIGNATED WALKING DISTANCE. PURCHASERS SHOULD CONTACT THE SCHOOLS TO DETERMINE THE AVAILABILITY OF SCHOOL BUS TRANSPORTATION.

PURCHASERS ARE ADVISED THAT SCHOOL BOUNDARIES AND SCHOOL BUS TRANSPORTATION MAY CHANGE. YOU SHOULD CONTACT THE BENSON SCHOOL DISTRICT at 520-720-6700 REGARDING THE CURRENT LOCATION OF SCHOOLS AND BUS SERVICE.

Shopping Facilities:

Wal-Mart Shopping Center Is Located Approximately 8 Miles from Subdivision

Public Transportation:

None

Medical Facilities:

Benson Hospital, 450 S. Ocotillo Avenue, Benson, Arizona, Approximately 8 Miles East of Subdivision

Fire Protection:

Mescal Valley Volunteer Fire Department-Cost Included In Real Property Taxes

Ambulance Service:

Mescal Valley Volunteer Fire Department-388 A J-Six Ranch Road, Benson, Arizona, 85602-(520) 586-7007

Police Services:

Cochise County Sheriff's Department

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

COMMON, COMMUNITY AND RECREATIONAL FACILITIES

Within the Subdivision:

The Developer advises that there has been an RV storage area built and is maintained by Developer.

THE DEVELOPER SHALL RESERVE THE RIGHT, IN ITS SOLE DISCRETION, TO CONVEY OF THE FACILITY TO THE ASSOCIATION AND THE ASSOCIATION SHALL ACCEPT SUCH PROPERTY AS COMMON AREA AND AT SUCH TIME WILL BE RESPONSIBLE FOR IT'S MAINTENANCE.

Within the Master Planned Community:

Developer advises that this is not in a master planned community.

ASSURANCES FOR COMPLETION OF IMPROVMENTS

Assurances for Completion of Subdivision Facilities:

Assurance agreement with Cochise County, the developer and Pioneer Title Agency, Inc., an Arizona corporation recorded at Fee No. 2018-09518 and also shown as Item T of index for Public Report. Infrastructure will be completed by the developer no later than April 11, 2022.

Assurances for Maintenance of Subdivision Facilities:

All Utility Companies own equipment. Maintenance of Roads will be Cochise County's by acceptance and Public Dedication one year after completion. Common Areas will be maintained by The Homeowner's Association.

PROPERTY OWNERS ASSOCIATIONS

Name and Assessments:

Red Hawk at J-6 Ranch Property Owners Association, Inc.-\$150.00 per year.

Control of Association:

The "Turnover Date" Shall Be The First To Occur Of (I) The Day On Which Title To Greater Than Ninety Percent (90%) Lots In The Properties (Including Lots Then Annexed To The Original Properties) Is Conveyed To Third Party Purchasers (Other Than Declarant) For The Value Other Than As Security For Performance Of An Obligation (And Other Than An Assignee Of Declarant So Designated In Writing, Or An Affiliate Or Partner Of Declarant Or An Entity In Which Declarant Or Its Members Or Partners Are Affiliated As Partners, Shareholders Or Members) Or (Ii) Such Date As Declarant By Written Instrument Allows The Class A Members To Succeed To Voting Rights. Declarant Shall Have The Right, However, To Allow The Class A Members To Cast Votes, While At The Same Time Reserving Unto The Declarant, So Long As It Owns More Than Ten Percent (10%) Of The Lots, The Exclusive Right To Appoint Or Remove The Board Of The Association And The Design Review Committee, And May Further Reserve The Right To Amend This Declaration, And Before And After "Turnover Date", Declarant Shall Retain 7 Votes Per Lot Owned By Declarant.

Title to Common Areas:

There are no common areas on the plat.

Membership:

All Lot owners will be members

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

SUBDIVISION CHARACTERISTICS

Topography:

Land has rolling grasslands, loose soil and an occasional wash (arroyo), with mesquite trees.

Flooding and Drainage:

In a letter dated November 6, 2007 by Jason C. Mercer, P.E., of Morrison Maierle, Inc., cited in part that the subdivision known as Red Hawk II Subdivision Units 2 and 3, is outside of any FEMA regulatory flood pain and has been so designed by Morrison Maierle, Inc. The plans have been approved by the appropriate agencies and if constructed to these approved plans all finished floors will be above the 100-year flood elevation. Flood Insurance will not be required for any lot within the referenced subdivision.

Soils:

In A letter from Mr. Lyle M. Tweet, P.E. of LMT Engineering, Inc., dated January 30, 2006 states in part:

Samples retrieved during the field exploration were transported to the laboratory for further evaluation. As presented on the Logs of Borings, Silty sand (SM) with varying amounts of gravel was encountered. The soils in all the Test borings had non-plastic to low plasticity fines. The soils were dry to slightly damp throughout the borings. Groundwater was not encountered in any of the borings.

A shrinkage factor of 15 percent and ground compaction factor of 0.1 feet are recommended for use to compensate for densification of the existing subgrade soils when compacted. These factors do not include encountered materials that are unsuitable for use or materials lost in transit. The factors are based on materials being compacted to minimums of 95% of the densities as determined by ASTM D-698. Higher compaction would result in higher shrinkages and ground compaction factors.

Adjacent Lands and Vicinity:

North And East Ru-4 (Rural) South Sr-87 (Single Household Residential) West RH (Pima County, Rural Homestead Zone)

Union Pacific Railroad Tracks Runs Approximately 3 Miles To The North Of Subdivision.

I-10 Is Located 2 Miles To The North Of Subdivision

: State if there are any natural gas pipelines within 500 feet of the subdivision boundaries. None

High Voltage Lines:

None

SUBDIVISION USE AND RESTRICTIONS

Use: This offering is for Vacant Lots and Improved Lots

Zoning: Single Family Residence

Conditions, Reservations and Restrictions:

Note: Subdivider advises that views and/or scenes that may be visible from particular portions of the community or any of its lots will change over time and may be wholly or partially obstructed as development activity continues and landscape matures. SUBDIVIDER MAKES NO REPRESENTATION OR WARRANTY REGARDING THE FUTURE PROTECTION OF VIEWS, WHICH MAY BE A FACTOR IN THE BUYERS DECISION TO PURCHASE IN THIS COMMUNITY.

Coronado National Forest Is Located Approximately 2 Miles South Of Subdivision.

There Are Wild Animals Known To Inhabit The Area Such As Coyotes, Bobcat, Deer, Mountain Lions And Javalinas. Cockroaches, Rattlesnakes, Black Widow Spiders, Scorpions And Other Pests And Animals Are Common In Arizona. Fortunately, Most Pests Can Be Controlled With Pesticides. Scorpions, On The Other Hand, May Be Difficult To Eliminate. Purchasers With Concerns Should Seek The Advice Of A Pest Control Company.

For The Period Of Time That Subdivider is Building in this Community, There Will Be Construction Traffic And Other Development-Related Activities, Which May Result In Additional Traffic, Noise Or Dust For The Period Of Development.

Subdivider Recommends That You Visit The Community And Drive Around The General Vicinity Surrounding The Community On At Least Several Occasions On Different Days And At Different Times To Familiarize Yourself With Physical And Other Conditions To Determine Whether There Are Additional Material Factors That Might Affect Your Decision To Purchase A Home In This Subdivision. Since Subdivider Cannot Predict Every Circumstance That May Be Material To You As A Purchaser, It Is Imperative That You Satisfy Yourself About The Decision To Purchase By Investigating Matters Of Concern To You.

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 Cochise County Recorder. Information about zoning may be obtained at the Office of the Cochise County Planning and Zoning Department at 520-432-9300. Restrictions are recorded as cited in the following title exceptions and per the subdivision plat.

Central Arizona Groundwater Replenishment District ("CAGRD"): The subdivision is enrolled as a Member Land of the Central Arizona Groundwater Replenishment District ("CAGRD") pursuant to A.R.S. §48-3772 and 48-3774. The CAGRD is managed and operated by the Central Arizona Water Conservation District ("CAWCD"), which manages and operates the Central Arizona Project. The CAGRD is obligated by statute to replenish the excess groundwater delivered to its members' by the municipal water provider. CAGRD is required to levy an annual replenishment assessment against each parcel of Member Land to pay its replenishment costs and expenses, pursuant to A.R.S. §48-3778. The replenishment assessment is not included in the tax estimates given above. A parcel's replenishment assessment is based on an assessment rate established annually by the CAWCD Board of Directors, multiplied by the actual volume of excess groundwater reported to be delivered to the parcel in the previous year. Therefore, a parcel's replenishment assessment will vary from year to year and will likely increase over time. The assessment is included in each parcel owner's annual property tax statement and is collected by the County Treasurers Office. For further information, you may contact CAGRD at (623) 869-2243 or visit their website at www.cagrd.com.

CAGRD FPN Number: DNA

AIRPORTS

Military Airport:

None

Public Airport:

Tucson International Airport, 6627 South Tucson Blvd., Tucson, Arizona 85706 Located Approximately 32 Miles From Subdivision

Airport:

Benson Airport, Phone (520) 586-3262, Fax (520) 586-4409, Located approximately 8 miles East of Subdivision.

TITLE

Title to this subdivision is vested in (name of fee title owner)

Pioneer Title Agency, Inc., an Arizona corporation, as Trustee under the Trust No. TR140133

Subdivider's interest in this subdivision is evidenced by Warranty Deed recorded at fee no. 2018-10173 on 6-4-2018 records of Cochise County Arizona

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 August 2, 2018 issued by Pioneer Title Agency, Inc.. 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:

Sales will be made through an open Escrow and the recordation of a deed of conveyance upon close of Escrow.

Release of Liens and Encumbrances: State all liens and encumbrances recorded against the property and if there are any un-recorded liens.

Trust will release lots from collateral as they are sold. Any sales, leases, or other disposition of the property, or any part thereof, shall be consummated through an escrow established with Pioneer Title Agency, Inc., as escrow agent. An Owner's Policy, and/or Mortgagee's Policy of title insurance in the regular form shall be issued in connection with each conveyance and/or mortgage.

Use and Occupancy: Purchaser will be able to use and occupy said premises upon close of Escrow and recordation of Deed of Conveyance.

Leasehold Offering: Will any of the property be leased? \square Yes \boxtimes 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 2018 is 16.21 per \$100.00 assessed valuation. The estimated property tax for an improved lot (lot with dwelling), based on the above tax rate and average sales price of \$500,000.00, is \$5,673.50. The estimated property tax for an unimproved lot (vacant), based on the above tax rate and average sales price of \$100,000.00, is \$1,815.52.

Special District Tax or Assessments: None

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

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.

Exhibit A

At the date hereof exceptions to title are:

1. TAXES AND ASSESSMENTS collectible by the County Treasurer, a lien not yet due and payable for the following year:

2018

- 2. Right of entry to prospect for, mine and remove the minerals in said land as reserved in Patent in said land. (Affects the West half of the Northeast quarter of Section 29 and the West half of the East half and the East half of the Southwest quarter of Section 20)
- 3. The right of entry to prospect for, mine and remove all oil, gas and minerals in said land, as implied by the reservation of same in instrument:

Recorded in Book 105 of Deeds of Real Estate

Page 492

(Affects the North half of the Northwest quarter of Section 29 and the West half of the Southwest quarter and the Northwest quarter of Section 20 and the South half of Section 19)

4. Easements and rights incident thereto, as set forth in instrument:

Recorded in Book 50, Miscellaneous Records

Page 602

Purpose Telephone and telegraph lines

(Affects Section 20 and 29)

5. Easements and rights incident thereto, as set forth in instrument:

Recorded in Docket 1548 Page 41

Purpose Right-of-way for existing roadway

6. Restrictions, Conditions, Covenants, Reservations, including but not limited to any recitals creating easements, liabilities, obligations or party walls, omitting, if any, from the above, any restrictions based on race, color, religion, sex, handicap, familial status or national origin contained in instrument:

Recorded in Document No.	0008-21876
Recorded in Document No.	0501-03037
Recorded in Document No.	0507-24802
Rerecorded in Document No.	0606-23675

7. Easements and rights incident thereto, as set forth in instrument:

Recorded in Document No. 0008-21878

Purpose Non-exclusive private equestrian and pedestrian easements and

maintenance thereof

8. Easements and rights incident thereto, as set forth in instrument:

Recorded in Document No. 0008-21880

Purpose Non-exclusive perpetual private easement for ingress, egress and

utilities

(Affects the West 50 feet of the North half of Section 20)

9. Restrictions, Conditions, Covenants, Reservations, including but not limited to any recitals creating easements, liabilities, obligations or party walls, omitting, if any, from the above, any restrictions based on race, color, religion, sex, handicap, familial status or national origin contained in instrument:

Recorded in Document No.	0103-06235
Recorded in Document No.	0309-33571
Recorded in Document No.	0501-03034
Recorded in Document No.	0501-03036
Recorded in Document No.	0703-10480
Recorded in Document No.	2010-20938

- 10. The effect of that certain District Impact Statement of the proposed Mescal Fire District recorded in Document No. 0309-32443.
- 11. Easements and rights incident thereto, as set forth in instrument:

Recorded in Document No. 0501-03032 Recorded in Document No. 0501-03033 Recorded in Document No. 2008-14137

Purpose ingress, egress and utilities

- 12. Terms, Conditions and Provisions as set forth in Memorandum of December 2004 Amendment recorded July 08, 2005 in Document No. 0507-24800.
- 13. Deed of Trust given to secure the original amount shown below, and any other amount payable under the terms thereof:

Amount \$1,500,000.00
Dated June 23, 2006
Recorded June 29, 2006
Document No. 0606-24948

Trustor Thunder Ranch Estates Unit III, L.L.C., an Arizona Limited Liability

Company

Trustee Commerce Bank of Arizona Beneficiary Commerce Bank of Arizona

AND THEREAFTER Modification Agreement recorded in Document No. 2013-24618. AND THEREAFTER Modification Agreement recorded in Document No. 2013-24620.

SUBSTITUTION OF TRUSTEE under said Deed of Trust:

 Recorded
 March 17, 2017

 Document No.
 2017-05462

New Trustee Steven J. Itkin, a member of the State Bar of Arizona

NOTE: Notice of Substitution includes more than just the property encumbered by this Deed of Trust.

AND THEREAFTER Modification Agreement recorded in Document No. 2018-07760.

14. Restrictions, Conditions, Covenants, Reservations, including but not limited to any recitals creating easements, liabilities, obligations or party walls, omitting, if any, from the above, any restrictions based on race, color, religion, sex, handicap, familial status or national origin contained in instrument:

Recorded in Document No. 0611-41671

15. Assurance Agreement according to the terms and conditions contained therein:

Parties Title Security Agency of Arizona, an Arizona corporation, as Trustee under Trust No. 963; (Trustee) Thunder Ranch Estates, Unit II, L.L.C., an Arizona limited liability company and Thunder Ranch Estates, Unit III, L.L.C., an Arizona limited liability company, (Beneficiaries of Trust 963 and Cochise

County, Arizona)
Dated July 11, 2007
Recorded August 09, 2007
Document No. 0708-26242

And thereafter Partial Release recorded in Document Nos. 2008-32384 and 2008-17706.

And thereafter Extension of Assurance Agreement recorded in Document No. 2011-00429 and in Document No. 2012-18183 and Document No. 2012-18210.

16. Easements as shown on the recorded plat of said subdivision.

16. Easements as snown on the recorded plat of said subdivision.

17. Non-access easement which restricts direct access to the street named below as shown on recorded plat of said subdivision:

Street South J. Six Ranch Road (Affects Lots 183, 226 through 232, 234, 235, 248, 249, and 254 and covers more property)

18. Non-access easement which restricts direct access to the street named below as shown on recorded plat of said subdivision:

Street W. Oxbow Drive (Affects Lots 133, 134, 136, 180, 183, 202, 235 through 237, 244, 263, and 269 through 271 and covers more property)

- 19. RESTRICTIONS, CONDITIONS, AND COVENANTS as shown on the recorded plat of said subdivision, omitting, if any, from the above, any restrictions based on race, color, religion, sex, handicap, familial status or national origin.
- 20. Easements and rights incident thereto, as set forth in instrument:

Recorded in Document No. 0801-01437

Purpose underground electric distribution facilities

(Affects Lot 256 and covers more property)

21. Deed of Trust given to secure the original amount shown below, and any other amount payable under the terms thereof:

Amount: \$800,000.00

Dated: May 30, 2008

Recorded: June 09, 2008

Document No. 2008-15992

Trustor Thunder Ranch Estates Unit II, L.L.C., an Arizona Limited Liability

Company

Trustee Commerce Bank of Arizona Beneficiary Commerce Bank of Arizona

AND THEREAFTER Modification Agreement recorded in Document No. 2013-24619. AND THEREAFTER Modification Agreement recorded in Document No. 2018-07760.

22. Deed of Trust given to secure the original amount shown below, and any other amount payable under the terms thereof:

Amount: \$295,000.00

Dated: November 07, 2008

Recorded: November 18, 2008

Document No. 2008-30179

Trustor Thunder Ranch Estates, Unit II, L.L.C., an Arizona limited liability

company

Trustee Commerce Bank of Arizona Beneficiary Commerce Bank of Arizona

AND THEREAFTER Modification Agreement recorded in Document No. 2013-24621. AND THEREAFTER Modification Agreement recorded in Document No. 2018-07760.

23. Deed of Trust given to secure the original amount shown below, and any other amount payable under the terms thereof:

Amount: \$388,655.43

Dated: June 23, 2009

Recorded: July 01, 2009

Document No. 2009-15903

Trustor Thunder Ranch Estates, Unit III, L.L.C.

Trustee Commerce Bank of Arizona
Beneficiary Commerce Bank of Arizona

- 24. The effect on instrument recorded in Document No. 2018-07757.
- 25. AGREEMENT according to the terms and conditions contained therein:

Purpose Assurance Agreement for Completion of Subdivision Improvements

 Dated
 April 10, 2018

 Recorded
 May 23, 2018

 Document No.
 2018-09518

Note: There is no further documentation as of the date of this report:

TAX NOTE: Please see attached tax sheets.