

JANE DEE HULL
GOVERNOR



JERRY A. HOLT
COMMISSIONER

State of Arizona
Department of Real Estate

2910 N. 44TH ST.
SUITE 100
PHOENIX, ARIZONA 85018
(602) 468-1414

400 W CONGRESS
SUITE 523
TUCSON, ARIZONA 85701
(520) 623-6940

September 10, 1997
Amended October 28, 1997
Second Amendment October 19, 1999

Wilmot Farms, Inc.
8598 Ruelle Monte Carlo
La Jolla, California 92037

LICENSE NO. 97-05202 WILMOT FARMS

Gentlemen:

This is to acknowledge issuance of the public report on the above referenced development. This property may now be offered for sale. Enclosed is the public report.

A copy of the Real Estate Commissioner's Public Report must be given to the prospective purchaser, allowing ample time for review, prior to signing the purchase contract and receipt for public report. The subdivider of the development shall obtain the purchaser's signature on a receipt form approved by this Department. Signed receipts shall be maintained at the office of the subdivider for a period of not less than five (5) years. Receipts shall be subject to inspection at any reasonable time by the Real Estate Commissioner or any of his representatives. The receipt form enclosed with this letter is approved by the Department and must be used when the prospective purchaser receives a copy of the Public Report.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerry A. Holt", written over the word "Sincerely,".

Jerry A. Holt, Commissioner

REQUIRED RECEIPT FOR PUBLIC REPORT

The law and regulations of the Real Estate Commissioner require that the owner, agent or subdivider of this development furnish you, as a prospective customer, with a copy of the Public Report. It is recommended that you read the report before you make any written offer to purchase or lease and interest in the development, and before you pay any money or other consideration toward the purchase or lease of an interest in the development.

FOR YOUR PROTECTION, PLEASE DO NOT SIGN THIS RECEIPT
UNTIL YOU HAVE RECEIVED A COPY OF THE REPORT AND HAVE
HAD THE OPPORTUNITY TO READ IT.

(File No.)

(Tract No. or Name)

I understand that the report is not a recommendation or endorsement of the development, but is for information only.

(Name)

(Address)

(Date)

LICENSE NO. 97-05202 WILMOT FARMS

**ARIZONA
SUBDIVISION PUBLIC REPORT
FOR
Wilmot Farms, Inc.**

LICENSE NO. 97-05202

SUBDIVIDER
Wilmot Farms, Inc.
8598 Ruelle Monte Carlo
La Jolla, California 92037

September 10, 1997
Effective Date
(Amended October 28, 1997)
(Second Amended October 19, 1999)

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 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 document 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. The purchaser should independently 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.

Arizona Department of Real Estate
Subdivisions Division
2910 N. 44th Street
Phoenix, Arizona 85018
(602) 468-1414, Ext. 400

OR

Arizona Department of Real Estate
Subdivisions Division (Tucson)
400 W. Congress, Ste 523
Tucson, Arizona 85701
(520) 628-6940

THE COMMISSIONER
OF THE ARIZONA DEPARTMENT OF REAL ESTATE

REQUIRES THAT:

1. The purchaser or lessee 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 PURCHASERS OR LESSEES SHALL RENDER THE SALE OR LEASE RESCINDABLE BY THE PURCHASER OR LESSEE. 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 THE PURCHASER 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 thru 121.

The map of this subdivision is recorded in Book 49 of Maps, Page 74, records of Pima County, State of Arizona.

This subdivision is approximately 155.88 acres in size. It has been divided into 121 lots. Lot boundaries are staked.

General Notes on the Recorded Plat state, in part:

- Sewage Disposal for lots 1 through 121 will be by private individual disposal systems. Conceptual approval by the Pima County Department of Environmental Quality will be required.
- Prior to issuance of Building Permits, each lot owner will be responsible for obtaining permission from Pima County Department of Environmental Quality of disposal systems.
- No land use, fill, structure or fence which will reduce the flow capacity of the channels and regulatory floodplains of a watercourse within this subdivision shall be permitted, except as permitted by the City Engineer and regulations in effect on the date of recording of this subdivision, and as permitted by the recorded CC&R's which govern this subdivision.
- The following lots are affected by the City of Tucson Floodplain Regulations. Lots 4-6, 11-13, 15-24, 35, 49, 50, 56-71, 75-95, 97-101, and 109-115.

YOU ARE ADVISED TO OBTAIN A COPY OF THE RECORDED MAP AND CORRECTION DOCUMENTS, IF ANY, AND NOTE ALL EASEMENTS, RESTRICTIONS AND STATEMENTS CONTAINED THEREON.

SUBDIVISION LOCATION

Location: Corner of Hermans Road and Wilmot Road, I-10 east, then south ½ mile on Wilmot Road, Pima County, Arizona.

SUBDIVISION CHARACTERISTICS

Topography: Level.

Flooding and Drainage: A letter dated August 1, 1997 from CMG Drainage Engineering, Inc. states:

A drainage report for Wilmot Farms, Lots 1 through 121 was prepared by CMG Drainage Engineering, Inc., submitted to and approved by the City of Tucson Development Services Department. Based upon this approved report, the proposed subdivision lots each have a building site which is located outside of the designated flood zone. The building sites will be free from 100-year flood hazards when constructed in accordance with the approved drainage report.

Adjacent Lands and Vicinity: Single family residential in adjacent areas, to the west is the Los Reales Landfill. This subdivision lies near the I-10 expressway and is in the vicinity of a Federal Prison and the State Prison Complex.

UTILITIES

Electricity: Supplier is Tucson Electric Power Company, and facilities will be complete to lot lines by March 9, 1999.

Telephone: Supplier is U.S. West Communications, and facilities will be complete to lot lines by March 9, 1999.

NOTE: IT IS POSSIBLE THAT YOU MAY NOT HAVE PHONE SERVICE AT THE TIME OF CLOSING. PURCHASER IS ADVISED TO CONTACT THEIR SERVICE PROVIDER TO DETERMINE THE STATUS OF PHONE SERVICE. YOU MAY ALSO WANT TO CONSIDER TEMPORARY ALTERNATIVES, I.E., A CELLULAR PHONE.

Gas: Supplier is Southwest Gas Corporation, and facilities will be complete to lot lines by March 9, 1999.

Water: Supplier is City of Tucson, and facilities will be complete to lot lines by March 9, 1999.

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Sewage Disposal: Service is by individual septic systems, and purchasers cost will be approximately \$1,800.00.

The Certificate of Approval of Sanitary Facilities for Subdivisions states:

ADDITIONAL SOIL TESTING SHALL BE REQUIRED IN THE PROPOSED LEACHFIELD AREA PRIOR TO APPLICATION TO PDEQ FOR APPROVAL TO CONSTRUCT.

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 March 9, 1999. and will be maintained by the City of Tucson upon completion and satisfactory inspection.

Access within the Subdivision: Public streets will be surfaced with asphalt by March 9, 1999 and will be maintained by the City of Tucson upon completion and satisfactory inspection.

Flood and Drainage: Flood and drainage devices will not be installed.

ASSURANCES FOR COMPLETION

Assurances for Completion of Subdivision Facilities: An Assurance Agreement with the City of Tucson is recorded in Docket 10603, Page 921 expires May 9, 1999.

Assurances for Maintenance of Subdivision Facilities: The City of Tucson.

LOCAL SERVICES AND FACILITIES

Schools: The elementary schools approximately 4 miles, the middle school 5 miles and the high school 4 miles from the subdivision.

SCHOOL FACILITIES AND BUS SERVICE MAY CHANGE. YOU SHOULD CONTACT THE LOCAL SCHOOL BOARD REGARDING SCHOOLS AND BUS SERVICE.

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Shopping Facilities: Approximately 5 miles at Campbell and Irvington.

Public Transportation: Not available.

Medical Facilities: Kino Community Hospital, approximately 7.5 miles to the northwest.

Fire Protection: City of Tucson.

Ambulance Service: Available by calling 911.

Police Protection: City of Tucson.

Garbage Service: City of Tucson.

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: Single family residential use. Site built homes shall be allowed on any lot within the property. Manufactured or Modular homes shall be restricted to only lots 49 through 104 and on lot 121.

Restrictions and Other Matter 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 City of Tucson Planning and Zoning Department. Restrictions are recorded as listed in the title section of this report and per the subdivision plat.

METHOD OF SALE OR LEASE

Sales: Recorded Deed with earnest money held in a neutral escrow account at the title company.

Use and Occupancy: After close of escrow and completion of construction.

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.

TITLE

Title to this subdivision is vested in Stewart Title and Trust of Tucson, as Trustee under Trust No. 3574.

Subdivider's interest in the subdivision is evidenced by a beneficial interest in Trust NO. 3574.

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 September 2, 1997 issued by Fidelity National Title Agency, Inc. and report dated October 6, 1999 issued by Stewart title and Trust. As a prospective purchaser, you should obtain a title report and examine the effect of the listed exceptions.

EXCEPTIONS, LIENS AND ENCUMBRANCES

- Regulations, conditions and restrictions governing use of ground water pursuant to Arizona Revised Statute 45-101 et. Seq.
- 1997 taxes, a lien not yet due and payable.
- Reservations contained in Patent from the State of Arizona, recorded in Book 190 of Deeds, Page 420.
- Easements, covenants, conditions and restrictions as set forth on recorded plat of said subdivision.
- Water rights, claims or title to water, whether or not shown by the public records.
- An easement for communication facilities and rights incident thereto as set forth in instrument recorded in Book 103 of Miscellaneous Records, Page 488.
- An easement for ingress and egress over the South 30 feet and rights incident thereto as reserved in Deed recorded in Docket 7623, Page 1565.
- An easement for telephone and telegraph lines and rights incident thereto as set forth in instrument recorded in Docket 2816, Page 285.
- Any and all matters as shown on that certain survey recorded in Book 11 of Records of Surveys, Pages 52 and 53; and in Book 7 of Records of Surveys, Page 70.
- Deed of Trust executed by Wilmot Farms, Inc., an Arizona corporation, Trustor, to Fidelity National Title Agency, Inc., an Arizona corporation, Trustee and to Harold Laz, as Trustee of the Harold Laz Living Trust, Beneficiary, in the amount of \$950,000.00, dated February 10, 1997, recorded February 24, 1997, in Docket 10488, Page 209, re-recorded April 10, 1997 in Docket 10521, Page 1718.

- Covenants, conditions, restrictions, easements and assessments (deleting therefrom, if any, restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) in instrument recorded in Docket 10583, Page 554. As Amended October 16, 1999 at Docket 11146 page 1992.
- Any rights and obligations arising by reason of inclusion within any homeowners association or liability respecting maintenance of common areas.
- Assurance Agreement for subdivision improvements, third party trust, between Fidelity National Title Agency, Inc., an Arizona corporation, as Trustee under Trust No. 10,812, and City of Tucson, recorded in Docket 10603, Page 921.

NOTE DEVELOPER IS REQUIRED TO NOTIFY THE DEPARTMENT OF REAL ESTATE OF ANY FUTURE PLACEMENTS OF LIENS OR ENCUMBRANCES TO ENSURE COMPLIANCE WITH A.R.S. 32-2181, ET SEQ.

TAXES AND ASSESSMENTS

Real Property Taxes: \$17.5395 per \$100.00 assessed valuation per 1997 tax rate. The average tax for an improved lot is \$526.19 per year.

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

PROPERTY OWNERS ASSOCIATION

Name and Assessment: Wilmot Farms Homeowner's Association fees are \$10.00 per month.

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 earliest of the following: 120 days after Class A votes outstanding exceed the total number of Class B votes, December 31, 2004, or the date the declarant records a written instrument terminating the period of control.

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PROSPECTIVE PURCHASERS ARE ADVISED TO READ THE RECORDED DECLARATION OF RESTRICTIONS, ASSOCIATION ARTICLES OF INCORPORATION AND ASSOCIATION 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 THE 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.

Title to Common Areas: Will be conveyed to the homeowners association

Membership: All lot owners.

MJY
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WILMOT FARMS