



**STATE OF ARIZONA
DEPARTMENT OF REAL ESTATE**

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“PROMOTING MUTUAL RESPECT”

**SUBDIVISION DISCLOSURE REPORT
(PUBLIC REPORT)**

FOR

**Terra Vista at Tatum Ranch Condominium
aka Terra Vista**

Registration No. DM06-052105

SUBDIVIDER

**Terra Vista 168, L.P.,
a Delaware limited partnership**

June 8, 2006

Effective Date

First Amendment: December 3, 2007

Second Amendment: August 5, 2008

Third Amendment: SEPTEMBER 29, 2008

DISCLAIMER

This report is NOT A RECOMMENDATION NOR AN ENDORSEMENT by the State of Arizona of this land. The application and public report have not been subjected to a detailed examination by the Department. The report was prepared by the subdivider and none of the information in this report has been verified by the Department. All 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 verify all facts before signing any documents. The Department assumes no responsibility for the quality or quantity of any improvement in this development.

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 CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT* (WITHOUT A BUILDING) MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.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: Units 105 through 124 inclusive; units 127 through 186 inclusive; units 201 through 288 inclusive and garage units G1 through G31 inclusive.

The map of this subdivision: is recorded in Book 827 of Maps, Page 28, records of Maricopa County, State of Arizona.

The subdivision is approximately 10.225 acres in size. It has been divided into 168 Units.

Prospective purchasers are hereby advised that the recorded plat for this subdivision contains the following, in part:

DEDICATION

HEREBY DECLARES THAT SAID MAP SETS FORTH THE LOCATION OF THE BOUNDARY OF THE CONDOMINIUM AND SETS FORTH THE LOCATION AND GIVES THE DIMENSIONS OF THE UNITS CONSTITUTING SAME AND THAT EACH UNIT SHALL BE KNOWN BY THE NUMBER GIVEN EACH RESPECTIVELY ON SAID MAP. OWNER WARRANTS AND REPRESENTS THAT IT'S THE SOLE OWNER OF THE PROPERTY COVERED HEREBY AND THAT ANY HOMEOWNERS' ASSOCIATION, LENDER OR OTHER PERSON OR ENTITY HAVING ANY INTEREST IN SAID PROPERTY HAS CONSENTED TO AND JOINED IN THIS PLAT, AS EVIDENCED BY INSTRUMENTS RECORDED WITH THE MARICOPA COUNTY RECORDER'S OFFICE OR WHICH OWNER WILL RECORD NO LATER THAN THE DATE ON WHICH THIS PLAT IS RECORDED. ALL AREAS OUTSIDE OF THE BOUNDARIES OF THE UNITS ARE COMMON ELEMENTS WHICH SHALL BE MAINTAINED BY TERRA VISTA AT TATUM RANCH CONDOMINIUM ASSOCIATION OR THE UNIT OWNERS IN ACCORDANCE WITH THE CONDOMINIUM DECLARATION FOR TERRA VISTA AT TATUM RANCH CONDOMINIUM.

NOTES

IN INTERPRETING THE MAP, THE EXISTING PHYSICAL BOUNDARIES OF A UNIT OR A RECONSTRUCTED UNIT IN SUBSTANTIAL ACCORDANCE WITH THE ORIGINAL PLANS THEREOF SHALL BE CONCLUSIVELY PRESUMED TO BE ITS ACTUAL BOUNDARIES RATHER THAN THE DESCRIPTION EXPRESSED IN THE MAP REGARDLESS OF SETTLING, SHIFTING, LATERAL OR OTHER MOVEMENTS OF ANY OF THE BUILDINGS AND REGARDLESS OF MINOR VARIANCES BETWEEN THE BOUNDARIES AS SHOWN ON THE MAP AND THOSE OF THE UNITS.

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: 29606 North Tatum Boulevard; City of Phoenix; Maricopa County; State of Arizona. AZ-51 North, thence AZ-101 loop east, thence exit Tatum.

SUBDIVISION CHARACTERISTICS

Topography: Land is generally level. A wash runs along the southern property line.

Flooding and Drainage: Christopher G. Patton, P.E. with Rick Engineering, in his letter dated May 5, 2006 has cited:

“The above referenced site is within zone X (shaded) according to Federal Emergency Management Agency Flood Insurance Rate Map Number 04013C0815J, dated September 30, 2005.

Zone X (shaded) designates “areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood.” Based on the FEMA map, it is my opinion that flood insurance is not required. The lending institution will have final determination on whether flood insurance will be required for the site.

This site’s finished floor elevations are designed to be free of water from a 100-year frequency storm event. Runoff generated onsite are drained via private interior roadways and graded swales to the onsite retention basins located throughout the site.”

Soils: Subdivider advises that the subdivision lots are not subject to subsidence or expansive soils. H. Eugene Hansen, P.E., of Foree and Vann Inc., in his letter dated February 3, 2006, has cited:

“EXECUTIVE SUMMARY (ADRE R4-28-A1203 REQUIREMENT)”

It is understood that the existing development consists of two level residential structures of masonry and/or wood and/or steel frame construction imposing relatively light foundation loads. For purposes of foundation design, maximum column and wall loads have assumed to be as summarized below:

	Maximum Column Load (KIPS)	Maximum Wall Load (KLF)
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Shallow Spread Foundations	98	6.0
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Grading for the development consisted of minor cuts and fills to obtain finish grade elevations. The recommendations for site grading contained in the report have not precluded the site to be free of contaminants.

The site of the existing development was previously undeveloped native desert land. The ground surface consisted of irregular, undulating topography covered with native desert vegetation. At the time of the field investigation, only minor surface disturbance was apparent at the locations of the test borings.

The geotechnical investigation completed for the development was carried out in a manner to cover the entire site, with a total of seven exploratory test boring utilized to investigate the site prior to construction.

No groundwater was encountered on the site above a depth of 15.0 feet at the time of our investigation.

Based on the results of the investigation, it appears that the potential for surface expansion is low at the site. Native soils may be placed above foundation level for support of slabs in the building pads at the site.

The potential for surface soil collapse is low to moderate for the areas investigated by this firm. Where loose surface soils are encountered, site preparation may include some removal and replacement of these loose upper soils in foundation areas only depending upon the foundation bearing pressure utilized.

Native on-site surface soil may be utilized beneath post-tensioned slab foundations which are designed in accordance with the criteria listed in the Geotechnical Investigation Report. Subgrade preparation in post-tensioned slab areas must consist of at least 12.0 inches of processed native soil, prior to the placement of additional fill soil, or resultant in a proposed cut situation. An additional thickness of controlled compacted fill may be necessary below the turn-down foundations for the post-tensioned slab, depending upon the bearing pressure utilized.

Total and differential settlements from assumed loads will be within generally accepted tolerances provided that the building sites were prepared and grading operations were performed as specified in the Geotechnical Investigation Report, no major changes in the moisture content of foundation bearing soils occurs after construction, and that positive drainage away from the residential structures is maintained.

During and after construction of the residential structures, structural foundation/floor slab bearing soils should not be exposed to moisture infiltration or moisture content fluctuations. Prior drainage of surface water and roof runoff water away from the structures should be provided during construction as well as throughout the life of the placement of yard vegetation and irrigation systems should be used so that structural foundation/floor slab bearing soils are not exposed to moisture infiltration or moisture content fluctuations.

The site is not located within any known areas of significant groundwater subsidence due to groundwater withdrawal.

Conventional foundations should be embedded a minimum depth of 1.5 feet.

Perimeter post-tensioned slab foundations must be embedded a minimum of 1.0 foot below finish floor elevation.

In the Geotechnical Investigation Report, recommendations are given for the subsurface soil conditions which were encountered at the site during our investigation. Based on the findings presented in the Geotechnical Investigation Report for the development, the site is considered suitable for single family residences imposing relatively light foundation loads provided that foundation/floor slab systems are properly designed, specified compaction for fill material is used, and foundation bearing soils are not exposed to moisture infiltration or moisture content fluctuation.

Our professional services have been performed using that degree and skill ordinarily exercised, under similar circumstances, by reputable Geotechnical engineers practicing in this or similar localities. No other warranty, expressed or implied, is made.

The Geotechnical Investigation Report is not intended as a bidding document, and any contractor reviewing this report must draw his own conclusions regarding specific construction techniques to be used.

The soil materials and conditions encountered on the subject site and utilized in our laboratory analysis are believed to be representative of the total area; however, soil materials and conditions do vary in character between points of investigation. The recommendations contained in the Geotechnical Investigations Report are based on the assumption that the soil materials and conditions do not deviate appreciably from those disclosed by the investigation. Should unusual soil materials or conditions be encountered during construction, the soil engineer must be notified so that he may make supplemental recommendations if they should be required.

The Geotechnical Investigation Report is issued with the understanding that it is the responsibility of the owner to see that its provisions are carried out or brought to the attention of those concerned. In the event that any changes of the proposed project are planned, the conclusions and recommendations contained in this report shall be reviewed and the report shall be modified or supplemented as necessary.”

Adjacent Lands and Vicinity:

North: R1-10-PCD Residential Planned Community

South: R1-6-PCD Residential Planned Community

East: R1-6-PCD Residential Planned Community

West: RE-35 Residential and C-2 PCD Intermediate Commercial
Planned Community

The Planned Community (PC) District is intended to accomplish the following purposes:

1. To establish planning and development control parameters while allowing sufficient flexibility to permit final detailed planning at the time of development.
2. To permit and encourage the unified planning of large areas in order to achieve the mixture and variety of land uses which such large scale planning makes possible.
3. To permit and encourage planning for the proper relationship between the land uses within the PC districts and the existing of anticipated development in the surrounding area.
4. To assure the City and land developer that the planned community program approved under the PC district amendment may be carried out over a specified number of years.

District restrictions.

1. A PC district may be established on any parcel of land.
2. Development of a PC district shall proceed by increments called "development units."
3. Vesting of the PC District Zoning, or a portion thereof as stipulated during the rezoning approval, may be phased in accordance with the approved infrastructure phasing plan.
4. The PC district is intended to be combined with all or any combination of the various zoning districts included within the Phoenix Zoning Ordinance and shall control the land use regulation otherwise permitted within the districts as set forth herein. The permitted uses allowed, the yard, height, and area requirements, and other requirements within the district shall be those permitted or required in the zoning district with which the PC district is combined.

RE-35 Single-Family Residence District.

Purpose. A basic purpose of these regulations is to foster the creation of living areas which can assist the establishment of stable, functional neighborhoods. An established pattern of living in this metropolitan area reflects a tradition of single-family occupied dwellings which also emphasize outdoor living. Many of these dwellings are thereby located on relatively large urban or suburban lots. These regulations provide standards for dwellings built at low and moderate densities. While the predominant housing type is expected to be single-family dwelling, provisions are made for alternative housing types within the same density limits. Each residence requires 35,000 square foot lot.

R1-10 Single-Family Residence District.

Purpose. A basic purpose of these regulations is to foster the creation of living areas which can assist the establishment of stable, functional neighborhoods. An established pattern of living in this metropolitan area reflects a tradition of single-family occupied dwellings which also emphasize outdoor living. Many of these dwellings are thereby located on relatively large urban or suburban lots. These regulations provide standards for dwellings built at low and moderate densities. While the predominant housing type is expected to be single-family dwelling, provisions are made for alternative housing types within the same density limits. Under strict guidelines, this zoning designation can accommodate up to 4.5 residences per acre.

R1-6 Single-Family Residence District.

Purpose. A basic purpose of these regulations is to foster the creation of living areas which can assist the establishment of stable, functional neighborhoods. An established pattern of living in this metropolitan area reflects a tradition of single-family occupied dwellings which also emphasize outdoor living. Many of these dwellings are thereby located on relatively large urban or suburban lots. These regulations provide standards for dwellings built at low and moderate densities. While the predominant housing type is expected to be single-family dwelling, provisions are made for alternative housing types within the same density limits. Under strict guidelines, this zoning designation can accommodate up to 6.5 residences per acre.

Commercial C-2 District--Intermediate Commercial.

The C-2, Commercial Intermediate District, is a district of commercial uses of medium intensity designed to be compatible with each other and to provide for a wide range of types of commercial activity within the district.

C-2 District Restrictions.

1. Except as otherwise provided, all permitted uses and storing of materials or supplies shall be conducted entirely within a closed building.
2. The Board of Adjustment or Zoning Administrator may issue a use permit for the outdoor display of new merchandise in connection with the following permitted uses as set forth in Section 623.D. Large scale commercial retail uses shall also meet the requirements set forth in Section 623.E.5.f and 623.E.5.g.
3. Any lighting shall be placed so as to reflect the light away from adjacent residential districts. No noise, odor or vibration shall be emitted so that it exceeds the general level of noise, odor or vibration emitted by uses outside the site. Such comparison shall be made at the boundary of the site.
4. Promotional Events: The requirements for promotional events within this zoning district shall be the same as those set forth in the Planned Shopping Center District, Section 637.A.4, of this ordinance.
5. All commercial uses restricted to closed buildings except parking lots and liquid fuel pump services.

This C-2 District is further restricted by inclusion within the Planned Community Development.

There exists a 230KV electric transmission line approximately 1/3 mile north of the property. The lines are supported on lattice towers and run in a direction from the northwest to the southeast. The transmission lines cross Cave Creek Road approximately 2,200 ft north of the intersection of Tatum Blvd. & Cave Creek Rd. The transmission lines continue through the Tatum Ranch Golf Course and then within the electrical easement toward the southeast. The lines are owned by Arizona Public Service, (602) 371-7171, 400 North 5th Street, Phoenix, Arizona, Website: www.aps.com

INFORMATION ON A PROPOSED OR EXISTING TRANSMISSION LINE AND SUBSTATION MAY BE AVAILABLE FROM THE ARIZONA CORPORATION COMMISSION OR FROM THE UTILITY COMPANY. IN ADDITION TO THE ABOVE DISCLOSED INFORMATION, BUYER SHOULD CONTACT THE UTILITY COMPANY FOR FURTHER AVAILABLE INFORMATION WHICH MAY INCLUDE STRUCTURE HEIGHTS, SCHEMATICS OF WHAT THE STRUCTURES WILL LOOK LIKE AND CONSTRUCTION SCHEDULES.

Existing and proposed land uses in vicinity

North

- Tatum Ranch Golf Club approximately ¼ of a mile
- 230 KV electrical transmission lines owned by APS 1/3 of a mile
- County land, approximately 1 ½ miles
- Dove Valley Ranch Golf Club, approximately 2 ½ miles
- Carefree Highway, approximately 3 mile
- CVS Pharmacy approximately 3 miles
- Daisy Mountains, approximately 5 ½ miles
- Galloway Wash approximately 5 miles
- Rowe Wash approximately 5 miles
- Grapevine Wash approximately 5 miles
- Rancho Manana Golf Club approximately 6 miles

Northeast

- Dynamite Montessori approximately 2 ½ miles
- Town of Cave Creek, approximately 3 ½ miles
- Cactus Shadows High School approximately 3 miles
- Desert Arroyo Middle School approximately 3 ¼ miles
- Sonoran Trails Middle School approximately 3 ¾ miles
- City of Carefree approximately 3 miles
- Go John Canyon Preserve, approximately 4 miles
- Fire Station, approximately 5 miles
- Police Station approximately 5 miles
- Public Library approximately 5 ½ miles
- Post Office approximately 5 ½ miles
- Desert Foothills Medical, approximately 5½ miles
- El Pedregal at Boulders, approximately 5 ½ miles
- Club Terravita Golf Course approximately 5 ½ miles
- Whisper Rock Golf Course approximately 5 miles
- The Boulders Golf Course approximately 6 miles
- City of Carefree municipal office approximately 6 miles
- Black Mountain Summit Preserve, approximately 6 miles
- Sky ranch at Carefree airport approximately 7 ½ miles
- Carefree Galloway Wash Preserve, approximately 7 miles

Northwest

- North Phoenix Montessori approximately 2 miles
- Cave Creek landfill approximately 4 miles
- Eckerd Drug Store approximately 3 miles

South

- Dynamite Park approximately 1 ½ miles
- John Teets Park approximately 3 miles
- El Paso gas line, approximately 3 ½ miles
- APS Desert Ridge Substation approximately 5 miles
- Desert Ridge Marketplace approximately 6 miles
- Chevron food and gas station approximately 3 ½ miles
- Home Depot approximately 8 miles
- Fry's food store approximately 3 miles
- Mayo Clinic Hospital 7 miles
- Highway 101, approximately 6 miles

Southeast

- Chevron food and gas station approximately 3 ½ miles
- Fry's food store approximately 3 miles
- Pinnacle Peak Park, approximately 6 miles
- Desert Highlands Golf Club approximately 6 miles
- Troon Golf and Country Club approximately 7 miles
- La Mirada Desert Park approximately 7 miles

Southwest

- Fire Station approximately 1 ½ miles
- Cave Creek approximately 2 miles
- Paradise Peak West Golf Course 2 ½ miles
- National Memorial Cemetery approximately 4 miles
- Paradise Peak West Golf Course approximately 4 miles
- Hayden Rhodes Aqueduct approximately 4 ½ miles
- Desert Butte recreation area 5 miles
- APS Cieto Grande Station approximately 5 ½ miles
- Cave Creek Water Reclamation Plant 5 ½ miles
- Cave Creek Dam approximately 5 miles
- Cave Butte Dam approximately 5 ½ miles
- Deer Valley Airport approximately 8 miles
- 101 Highway approximately 6 miles
- City of Phoenix Water Treatment plant approximately 6 miles
- Paradise Valley Community College 7 ½ miles
- Central Arizona Project approximately 7 miles

East

- City of Scottsdale
- Estancia Golf Club approximately 6 miles
- Pinnacle Peak Park approximately 6 miles
- Troon North Pinnacle Golf Course approximately 7 miles
- Troon North Monument Golf Course approximately 8 miles
- Legends Trail Golf Club approximately 10 miles

West

- Cave Creek approximately 2 miles
- Desert Willow Park approximately ½ mile
- Interstate 17 (Black Canyon Highway), approximately 10 miles

Freeway/Highway The Carefree Highway, Cave Creek Rd. and Tatum Blvd. are within 3 miles radius in North, South and Westerly directions. Interstate 17 (Black Canyon Highway), 101 highway, are within 10 miles. It's possible lot owners may experience traffic, noise, dust, odors, and other nuisances associated with these roadways. These areas may also pose as safety hazards to unsupervised children, pets and adults. Purchasers are encouraged to drive within the vicinity of the subdivision to determine whether there may exist additional items of concern.

Dams, dykes, canals, creeks, rivers, floodways, and washes may be hazardous to unsupervised children and adults. Purchasers are advised to independently investigate this matter. For further information, please contact the Flood Control District of Maricopa County at (602) 506-1501 or visit the web site at www.fcd.maricopa.gov.

Arizona Public Service APS has identified a 230kV transmission line that runs in a general northwest to southeast direction approximately 1/3 mile north of the subject property. For additional information please contact APS at (602) 956-4370, extension 120, or visit the project website at <http://siting.apsc.com>

Non-Owner Occupied Homes: The potential exists that a portion of the units sold within the subdivision may include investor (non-owner occupied) units. An investor may lease the unit for investment income, occupy the unit while trying to resell, or leave the unit vacant until resale.

Views: 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.

County Land: You are advised that this subdivision is located approx. 1 mile northeast and 2 miles west of County land. You are advised to determine for yourself what affect, if any, the uses adjacent to or in the vicinity of the subdivision will have on the use and enjoyment of your lot.

Due to the proximity of golf courses, creeks, washes, roadways, open desert, canals, etc., purchasers may experience traffic, noise, dust, odors, and other nuisances associated with these areas. These areas may also pose as safety hazards to unsupervised children and adults.

Subdivider has used its best efforts in an attempt to disclose all noteworthy activities and conditions surrounding this subdivision using the resources reasonably available to developer at the time this Public Report was prepared. This information may change from time to time. Prospective purchasers are encouraged to (i) drive the areas surrounding the subdivision (at different times of the day) to determine whether there exists any activities or conditions that may be of concern to Purchaser and (ii) determine to Purchaser's own satisfaction whether or not the items mentioned in the Public Report or discovered by Purchaser's own inspections are of concern to Purchaser.

PURCHASER IS ADVISED THAT HOMES SITUATED ADJACENT TO OR IN THE VICINITY OF COMMERCIAL PROPERTY, MULTI-FAMILY SITES, WORSHIP SITES, SCHOOL SITES, STREETS, FREEWAYS, PARKWAYS, ROADWAYS, TRAILS, OPEN SPACE AREAS, CONSTRUCTION-RELATED OPERATIONS, INDUSTRIAL PROPERTIES, PROVING GROUND, MINING OPERATIONS, ENTERTAINMENT VENUES, PARKS, CORRECTIONAL FACILITIES, AGRICULTURAL AREAS, OTHER NON-RESIDENTIAL USES, AND/OR OTHER RECREATION AMENITIES MAY EXPERIENCE AN ADDITIONAL AMOUNT OF NOISE, DUST, LIGHTING, AND SIGNAGE, AS WELL AS PEDESTRIAN AND VEHICULAR TRAFFIC TYPICALLY ASSOCIATED WITH SUCH FACILITIES.

AIRPORTS

Airport: Deer Valley Airport, at 702 W. Deer Valley Road in Phoenix is approximately 9 miles southwest of subdivision, Scottsdale Municipal Airport, at Butherus Dr. and Scottsdale Rd. in Scottsdale is approximately 12 Miles Southeast of the subdivision. Phoenix Sky Harbor International Airport is located at 3400 East Sky Harbor Boulevard, Phoenix, Arizona, (602) 273-3300, approximately 26 miles South of subdivision.

UTILITIES

Electricity: Arizona Public Services, (602) 371-7171, 400 North 5th Street, Phoenix, Arizona, Website: www.aps.com. Subdivider has completed the facilities to the lot lines. Costs to purchasers to receive this service, if required is a deposit that can be 2 times the average bill for a new customer, plus an activation fee of approximately \$25.00. Fees and/or deposits are subject to change; please contact the utility company for further details. Once service is established, direct user charges will apply.

Street Lights: Street lights will be available. Subdivider has completed the street light facilities. Costs to purchasers to receive this service will be collected via property taxes and Condominium Association fees.

Telephone: Qwest Communications, (800) 244-1111, 20 East Thomas Road, Phoenix, Arizona, Website: www.quest.com. Subdivider has completed the facilities to the lot lines. Costs to purchasers to receive this service includes a deposit of \$45.00-\$130.00, if required, and a standard hook-up fee of \$27.50. Fees and/or deposits are subject to change; please contact the utility company for further details. Once service is established, direct user charges will apply.

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

Natural Gas: Southwest Gas Corporation, 2200 N. Central Ave., Phoenix, AZ 85003, 602-861-1999, www.swgas.com. Subdivider has completed the facilities to the lot lines. Costs to purchasers to receive this service include a minimum deposit of \$80.00 and an additional service initiation fee of \$35.00 plus tax. Fees and/or deposits are subject to change; please contact the utility company for further details. Once service is established, direct user charges will apply.

Water: City of Phoenix, (602) 262-6251, 200 West Washington Street, Phoenix, Arizona, Website: <http://phoenix.gov>. Subdivider has completed the facilities to the lot lines. Water is connected through the Condominium Owner's Association so service is immediate and there are no hook up fees however, fees and/or deposits are subject to change; please contact the utility company for further details.

Sewage Disposal: City of Phoenix, (602) 262-6251, 200 West Washington Street, Phoenix, Arizona, Website: <http://phoenix.gov>. Subdivider has completed the facilities to the lot lines. Sewer is connected through the Condominium Owner's Association so service is immediate and there are no hook up fees however, fees and/or deposits are subject to change; please contact the utility company for further details.

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: Subdivider has completed the asphalt paved public streets to the minimum standards of the City of Phoenix, which have been accepted by the City for maintenance. Costs to purchasers for maintenance are included in the property taxes.

Access within the Subdivision: Subdivider has completed the asphalt paved private streets, which will be maintained by the Condominium Owner's Association. Costs to purchasers for maintenance are included in the Condominium Owner's Association fees.

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.state.az.us, or call (602) 542-4631.

Flood and Drainage: Subdivider has completed the typical street drainage and drainage easements, which will be maintained by the Condominium Owner's Association. Costs to purchasers for maintenance are included in Condominium Owner's Association fees.

COMMON, COMMUNITY AND RECREATIONAL FACILITIES

Within the Subdivision: Subdivider has completed the controlled access gates, swimming pool, spa and ramada - complete with pool furniture, barbecue areas, clubhouse and fitness center, which will be maintained by the Condominium Owner's Association. Costs to purchasers for maintenance are included in the Condominium Owner's Association fees.

Within the Master Planned Community (Tatum Ranch Community Association): Tatum Ranch Community Association owns, maintains, and insures the common areas of the community. The purpose is to preserve the community's appearance and theme, and establish a sense of community. All Tatum Ranch homeowners are members of the Association. The association owns no recreational facilities available to the members. Common areas are landscape easements bordering the community rights of way and center landscaped medians within the roadways. Additionally there are monument signs identifying the entrances to the community. The association maintains an office, association manager and staff. Costs to purchasers for maintenance are included in the Master Community Association fees.

ASSURANCES FOR COMPLETION

Assurances for Completion of Subdivision Facilities: Subdivider advises that all facilities are complete.

Assurances for Maintenance of Subdivision Facilities: The Tatum Ranch Community Association which has been established since 1989 and is funded by a homeowner base exceeding 3,300 homes.

LOCAL SERVICES AND FACILITIES

Schools: Desert Willow Elementary (K-5) is located at 4322 East Desert Willow Parkway, Cave Creek, AZ, (480) 575-2800 approximately 1 mile north of subdivision; Sonoran Trail Middle School (6th, 7th, 8th) is located at 33606 North 60th Street, Cave Creek, AZ 85331, (480) 575-2200, approximately 3 ½ miles northeast of the subdivision; Cactus Shadow High School (9-12) is located at 5802 East Dove Valley Cave Creek, AZ (480) 575-2400.

NOTE: School assignments are subject to change. Prospective Purchasers should contact the Cave Creek Unified School District #97 at (480) 575-2000 for verification of schools. Additional information regarding schools and districts can be found at www.greatschools.net, www.sfb.state.az.us and www.dvUSD.org. Bus service is available to designated schools.

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: Safeway, 29834 N Cave Creek, approximately (less than) 1 mile northwest, (480) 563-9335; Walgreens, 29660 N Tatum, approximately (less than) 1 mile northwest, (480) 473-0488 and Fry's, 29455 N. Cave Creek Road, adjacent on the west, (480) 538-7130.

Public Transportation: Bus service is currently not available to this subdivision.

NOTE: Bus routes and schedules are subject to change. For additional information, please contact the Valley Metro Transit System at (602) 253-5000, or visit the website at www.ValleyMetro.org.

Medical Facilities: Next Care Urgent Care Facility is located approximately 4 miles south at 20950 N. Tatum Place; Paradise Valley Hospital is located approximately 8 miles southwest at 3929 E Bell (602) 923-5000; The Mayo Clinic is located approximately 7 miles south at 5777 E. Mayo Blvd., Phoenix, AZ 480-515-6296.

Fire Protection: The City of Phoenix Fire Department; with costs to purchasers included in the property taxes.

Ambulance Service: Ambulance service is available by dialing 911.

Police Services: City of Phoenix Police Department.

Garbage Services: Paradise Waste (602) 237-2078 the cost of which is included in the Condominium Owner's Association fee.

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 improved lot.

“Improved lot or parcel” means a lot or parcel of a subdivision upon which lot or parcel there is a residential, commercial or industrial building or concerning a contract that has been entered into between a subdivider and a purchaser that obligates the subdivider directly or indirectly through a building contractor, to complete construction of a residential, commercial or industrial building on the lot or parcel within two years from the date on which the contract of sale for the lot is entered into.

Zoning: Residential Condominium Units.

This property is a conversion from multifamily rentals to condominium units. Original date of construction – September 1999 through July 2000.

Conditions, Reservations and Restrictions: As stated in the recorded Condominium Declaration and as stated in the Articles of Incorporation and Bylaws of the Condominium Owners' Association.

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 Maricopa County Recorder. Information about zoning may be obtained at the Office of the City of Phoenix 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 Terra Vista 168, LP, a Delaware limited partnership

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 August 25, 2008, issued by FIRST AMERICAN TITLE INSURANCE COMPANY. **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: will be made by High Desert Village Realty, LLC. Purchase agreements shall be completed on Applicant's forms. Fee simple title is to be conveyed at close of escrow by Applicant's form of special Warranty Deed with a standard owner's policy if title insurance.

Cash sales are permitted. Purchaser's deposits and earnest money deposits shall be deposited into a non-interest bearing escrow account with escrow agent. Except as otherwise set forth in the purchase contract, the earnest money deposit shall become fully earned by seller and non-refundable to the buyer upon loan pre-approval.

YOU ARE ADVISED THAT EARNEST MONEY DEPOSITS, DOWN PAYMENTS AND OTHER ADVANCED MONEY WILL NOT BE PLACED IN A NEUTRAL ESCROW. SUCH MONEY WILL BE PAID DIRECTLY TO THE SELLER AND MAY BE USED BY THE SELLER. THIS MEANS THE PURCHASER ASSUMES A RISK OF LOSING SUCH MONEY IF THE SELLER IS UNABLE OR UNWILLING TO PERFORM UNDER THE TERMS OF THE PURCHASE CONTRACT.

Release of Liens and Encumbrances: Subdivider has advised that arrangements have been made with the lender in the aforementioned Deed of Trust for release of individual lots.

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

TAXES AND ASSESSMENTS

Real Property Taxes: The combined primary and secondary property tax rate for this Subdivision for the year 2007 is \$6.6929 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 approximately \$129,900.00 to \$214,900.00, is approximately \$739.00 to \$1,222.56.

Special District Tax or Assessments: As disclosed in the Condominium Owner's Association documents (i.e., CC&Rs, Articles of Incorporation and Bylaws), there may be other special assessments, taxes or fees to be paid by purchaser. Please refer to Homeowners Association documents for additional information.

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

PROPERTY OWNERS ASSOCIATIONS

Name and Assessments: Terra Vista Condominium Association Property Owners will be required to pay assessments listed below:

Chuparosa \$146.24 per month
Desert Lily \$198.53 per month
Primrose \$193.81 per month
Sagebrush \$230.24 per month
Verbena \$163.45 per month

Control of Association: Period of Declarant Control" means the time period commencing on the date this Declaration is Recorded and ending on the earlier of: (a) one hundred twenty (120) days after the date by which seventy-five percent (75%) of the Units have been conveyed to Purchasers; or (b) five (5) years following the first conveyance of a Unit to a Purchaser.

Title to Common Areas: Unit owners own common elements of the Condominium project in undivided interests. Condominium Association does not hold title to the common elements.

Membership: All Unit 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 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"

1. Taxes for the full year of 2008. (The first half is due October 1, 2008 and is delinquent November 1, 2008. The second half is due March 1, 2009 and is delinquent May 1, 2009.)
2. Any charge upon said land by reason of its inclusion in Terra Vista Condominium Association.
3. Any charge upon said land by reason of its inclusion in Tatum Ranch Community Association.
4. Any charge upon said land by reason of its inclusion in Tatum Ranch Community Facilities District.
5. Easements, restrictions, reservations, conditions and set-back lines as set forth on the plat recorded as Book 827 of Maps, Page 28, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).
6. All matters set forth in Condominium Declaration for Terra Vista Condominium recorded as 2006-0458998 of Official Records; First Amendment recorded as 2006-0703382 of Official Records and as 2007-0202547 of Official Records; Second Amendment recorded as 2007-1204933 of Official Records; Third Amendment recorded as 2008-0621113 of Official Records; and Fourth Amendment recorded as 2008-0755751 of Official Records, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes.
7. Easements, restrictions, reservations, conditions and set-back lines as set forth on the plat recorded as Book 441 of Maps, Page 42, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

8. Easements, restrictions, reservations, conditions and set-back lines as set forth on the plat recorded as Book 319 of Maps, Page 45, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

9. Covenants, conditions and restrictions in the document recorded as 88-090390 of Official Records; First Amendment recorded as 88-239882 of Official Records; Designation of Successor Declarant recorded as 88-602338 of Official Records; Second Amended and Restated Declaration recorded as 88-625068 of Official Records; First Amendment recorded as 98-0845209 of Official Records; Second Amendment recorded as 2001-0005626 of Official Records; Third Amendment recorded as 2001-0160158 of Official Records; Fourth Amendment recorded as 2001-1139440 of Official Records; Fifth Amendment recorded as 2002-1240651 of Official Records; and Sixth Amendment recorded as 2003-1192181 of Official Records and as 2003-1424390 of Official Records, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes.

10. The terms, conditions and provisions contained in the document entitled "Tract Declaration-Tatum Ranch Parcel 35" recorded as 98-0789732 of Official Records.

11. An easement for underground electrical purposes and incidental purposes, recorded as 96-0765538 of Official Records.

(Affects Common Areas)

12. An easement for electric lines and appurtenant facilities and incidental purposes, recorded as 99-0649624 of Official Records.

(Affects Common Areas)

13. The terms, conditions and provisions contained in the document entitled "Agreement No. 40414 for Water & Wastewater" recorded May 16, 1986 as 86-242425 of Official Records and "Assignment and Assumption of Water and Wastewater Agreement" recorded June 27, 1986 as 86-328754 of Official Records.

(Affects Common Areas)

14. The terms, conditions and provisions contained in the document entitled "Tatum Ranch Planned Community District Legal Agreement" recorded July 6, 1987 as 87-427464 of Official Records.

(Affects Common Areas)

15. The terms, conditions and provisions contained in the document entitled "Covenant and Waiver of Claims" recorded November 22, 1994 as 94-0829569J of Official Records.

(Affects Common Areas)

16. The terms, conditions and provisions contained in the document entitled "Indemnity Agreement" recorded August 10, 1995 as 95-0477350A of Official Records.

(Affects Common Areas)

17. A Deed of Trust to secure an indebtedness of \$20,700,000.00, and any other amounts or obligations secured thereby, recorded May 10, 2006 as 2006-0635940 of Official Records.

Dated:	May 1, 2006
Trustor:	Terra Vista 168, L.P., a Delaware limited partnership
Trustee:	First American Title Insurance Company
Beneficiary:	California National Bank, a national banking association

NOTE: There are no further matters of record concerning this subdivision through the date of this report.