

SPECIAL DISCLOSURE STATEMENTS FOR PUBLIC REPORTS

Listed below are the more frequently used disclosure statements that are part of public reports. If it is determined that one or more of these are required for the report, please be advised that it may need to be re-worded to meet your particular situation. Also note that each is written for use in a Subdivision public report but is intended for use in other reports such as Unsubdivided, Time Share and Camp Ground public reports. If for Unsubdivided, please replace the words Subdivision and Subdivider with Development and Developer. Likewise, in Time Share and Camp Ground public reports the word project and developer might be more appropriate.

AIRPORT

- 1.** SUBDIVISION IS LOCATED WITHIN TERRITORY IN THE VICINITY OF [NAME OF MILITARY AIRPORT]. MILITARY FLIGHTS MAY PRODUCE AIRCRAFT NOISE AS A RESULT OF MILITARY FLIGHT OPERATIONS.
- 2.** This development is located within territory in the vicinity of a military airport. The Department maintains a registry of information provided by the military airport. The registry includes maps of military flight operations and a map showing the exterior boundaries of each territory and high noise or accident potential zone. This information is available to the public on request.
- 3.** This development is located under a military training route. The State Land Department and the State Real Estate Department maintain military training route maps available to the public. The military training route map is posted on the State Real Estate Department's web site.
- 4.** This development is located within territory in the vicinity of an ancillary military facility. The Department maintains a registry of information provided by the ancillary military facility. The registry includes maps of military flight operations and a map showing the exterior boundaries of each territory and high noise or accident potential zone. This information is available to the public on request.

EARNEST MONEY AND DOWN PAYMENT DEPOSITS

- 5.** 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.

OPTION AGREEMENTS

6. Subdivider's only interest in the development is a right to purchase lots pursuant to the described option agreement. You have no assurance that SUBDIVIDER will purchase or build homes on all development lots.

TELEPHONE SERVICE

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

VA/FHA PRE-SALE REQUIREMENTS

8. PURCHASERS OF CONDOMINIUM UNITS (**TOWNHOUSE LOTS**) IN THIS SUBDIVISION WHO MAY SEEK VETERANS ADMINISTRATION (VA) GUARANTEED OR FEDERAL HOUSING ADMINISTRATION (**FHA**) INSURED LOANS MAY NOT, ALTHOUGH THEY MAY BE OTHERWISE QUALIFIED TO OBTAIN SUCH LOANS, BE ABLE TO OBTAIN FINAL VA OR FHA APPROVAL FOR SUCH LOANS UNTIL THE SUBDIVIDER HAS SATISFIED THE VA/FHA REQUIREMENT IMPOSED UPON THE SUBDIVIDER, THAT 51% OF THE CONDOMINIUM UNITS (**TOWNHOUSE LOTS**) ARE SUBJECT TO BONA FIDE AGREEMENTS OF SALE BEFORE THE VA OR FHA WILL GUARANTEE OR INSURE, AS THE CASE MAY BE, ANY LOAN.

SALES DOCUMENTS

- 9.A. YOUR VESTED INTEREST/OWNERSHIP INTEREST IN THE PROPERTY WILL BE EVIDENCED BY THE SUBDIVIDER DELIVERING A RECORDED DEED TO YOU AND BY YOUR SIGNING A PROMISSORY NOTE AND MORTGAGE OR DEED OF TRUST FOR THE UNPAID BALANCE, IF ANY. YOU SHOULD READ THESE DOCUMENTS BEFORE SIGNING THEM.
- 9.B. YOUR OWNERSHIP INTEREST IN THE PROPERTY WILL BE EVIDENCED BY AN AGREEMENT OF SALE FROM THE SUBDIVIDER. THIS INSTALLMENT CONTRACT WILL BE RECORDED AND DEPOSITED INTO ESCROW TOGETHER WITH OTHER DOCUMENTS WITHIN 60 DAYS FROM THE DATE OF SALE. YOU WILL NOT RECEIVE A DEED TO YOUR LOT UNTIL YOU HAVE PAID THE BALANCE OWED ON THE CONTRACT.
- 9.C. YOUR OWNERSHIP INTEREST IN THE PROPERTY WILL BE EVIDENCED BY AN AGREEMENT OF SALE FROM _____ AS TRUSTEE FOR (SUBDIVIDER) _____. THE INSTALLMENT CONTRACT WILL BE RECORDED AND DEPOSITED INTO ESCROW TOGETHER WITH OTHER DOCUMENTS WITHIN 60 DAYS FROM THE DATE OF SALE. YOU

WILL NOT RECEIVE A DEED TO YOUR LOT UNTIL YOU HAVE PAID THE BALANCE OWED ON THE CONTRACT.

TOPOGRAPHY

10.

YOU ARE CAUTIONED TO ASSURE, YOURSELF BY PERSONAL OBSERVATION OR OTHER METHODS OUTSIDE THIS REPORT, OF THE USABILITY FOR YOUR NEEDS OF THE PARCEL IN WHICH YOU MAY BE INTERESTED. *(Primarily for Unsubdivided Lands)*

CERTIFICATE OF OCCUPANCY

11.

NO ESCROW TO CLOSE UNTIL THE (**CITY-TOWN-COUNTY**) HAS ISSUED A (**CERTIFICATE OF OCCUPANCY/OCCUPANCY CLEARANCE**) AND ALL SUBDIVISION IMPROVEMENTS HAVE BEEN COMPLETED.

MINERAL

12.

“THE (**INDICATE OIL, GAS, OR MINERAL RIGHTS**) TO (**STATE WHICH LOTS**) IN THIS SUBDIVISION WILL NOT BELONG TO THE PURCHASERS OF THESE LOTS. THE EXERCISE OF THE RIGHT TO EXTRACT THESE MINERALS COULD AFFECT THE USE, ENJOYMENT AND VALUE OF YOUR LOT.

SEWER MORATORIUM/TEMPORARY SEPTIC TACK SYSTEMS

13.

YOU ARE ADVISED THAT A MORATORIUM ON NEW SEWER CONNECTIONS HAS BEEN DECLARED BY _____. INDIVIDUAL SEWAGE SYSTEMS WILL BE UTILIZED, SUCH AS SEPTIC TANKS, FOR ALL NEW HOMES CONSTRUCTED DURING THE MORATORIUM. THESE SYSTEMS ARE TO BE TEMPORARY UNTIL _____ CAN ACCEPT ADDITIONAL HOOK-UPS.

YOU ARE ADVISED THAT THEY MAY BE RESPONSIBLE TO PAY THE COSTS INCURRED BY THE BUILDER FOR THE TEMPORARY INDIVIDUAL SEWER SYSTEM; THE COSTS FOR TAKING OUT THE TEMPORARY SYSTEM; AND THE COST OF HOOKING UP TO _____.

(Revise as Necessary)

SEWAGE DISPOSAL

14.A.

(STATE/COUNTY/SUBDIVIDER) ADVISES THAT INDIVIDUAL SEWAGE DISPOSAL SYSTEMS ARE TO BE USED FOR SEWAGE DISPOSAL. THERE IS NO ASSURANCE THAT AN INDIVIDUAL SYSTEM CAN BE INSTALLED. PRIOR TO PURCHASE, YOU SHOULD CONTACT THE STATE AND LOCAL HEALTH DEPARTMENTS FOR SPECIFICATION AND REQUIREMENTS. YOU SHOULD SATISFY YOURSELF AS TO THE COST OF INSTALLING THE SYSTEM.

14.B.

IF AN INDIVIDUAL SEWAGE DISPOSAL SYSTEM CANNOT BE INSTALLED, NO REFUND OF THE PURCHASE PRICE OF THE LOT WILL BE MADE.

PIPELINE EASEMENTS

15.

PIPELINE EASEMENTS GENERALLY INCLUDE THE RIGHT OF VEHICULAR ACCESS ALONG THE EASEMENT FOR MAINTENANCE AND EMERGENCY RESPONSE. FENCES CROSSING THE EASEMENT MUST HAVE GATES TO PERMIT VEHICULAR ACCESS. FOR YOUR SAFETY, IT IS IMPERATIVE THAT YOU CONTACT THE EASEMENT HOLDER PRIOR TO ANY CONSTRUCTION ACTIVITY WITHIN THE EASEMENT INCLUDING ROADS AND FENCES. THE OWNER OF THE FACILITY WITHIN THE EASEMENT SHOULD LOCATE AND MARK HIS FACILITY UPON YOUR REQUEST. (SEE TITLE EXCEPTIONS)

ARCHITECTURAL CONTROL COMMITTEE NOTE

16.

YOU ARE ADVISED THAT THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THIS SUBDIVISION PROVIDES FOR AN ARCHITECTURAL CONTROL COMMITTEE.

OPEN RANGE FOR LIVESTOCK

17.

SUBDIVIDER ADVISES THAT THIS SUBDIVISION IS LOCATED IN AN OPEN RANGE AREA IN WHICH LIVESTOCK MAY ROAM AT LARGE UNDER THE LAWS OF THIS STATE AND THAT NO PROVISIONS HAVE BEEN MADE FOR THE FENCING OF THE SUBDIVISION TO PRECLUDE LIVESTOCK FROM ROAMING WITHIN THE SUBDIVISION.

RELEASE PROVISIONS

18.

DEVELOPER HAS ADVISED THAT ARRANGEMENTS HAVE BEEN MADE WITH THE (LENDER, SELLER, OPTIONER, ETC.) IN THE AFOREMENTIONED (MORTGAGE,

DEED OF TRUST, ETC.) FOR THE RELEASE OF INDIVIDUAL LOTS/UNITS/PARCELS/INTERVALS.

UTILITIES

19.A.

SUBDIVIDER HAS MADE NO PROVISIONS FOR THE INSTALLATION OR EXTENSION OF UTILITIES. YOU WILL BE REQUIRED TO BEAR ALL COSTS FOR INSTALLATION OR EXTENSION OF UTILITIES.

19.B.

CONTACT THE ABOVE UTILITIES REGARDING EXTENSION RULES AND REGULATIONS, SERVICE CONNECTIONS AND COSTS INVOLVED.

WATER

20.A.

THE ARIZONA DEPARTMENT OF WATER RESOURCES IN ITS REPORT OF _____, 19---, STATES "-----".

20.B.

YOU SHOULD CONTACT A LOCAL WELL DRILLER FOR INFORMATION ABOUT DRILLING A PRIVATE WELL. INVESTIGATE ALL COSTS AND REQUIREMENTS INVOLVED.

20.C.

AVAILABILITY OF WATER IS UNKNOWN. THE ARIZONA DEPARTMENT OF WATER RESOURCES HAS NOT PREPARED A WATER AVAILABILITY REPORT.

STREETS

21.

THE (CITY, COUNTY, TOWN) WILL NOT MAINTAIN THE STREETS UNTIL THEY HAVE BEEN CONSTRUCTED TO MINIMUM STANDARDS AND THE (CITY, COUNTY, TOWN) APPROVES AND ACCEPTS THEM FOR MAINTENANCE. IF THE STREETS ARE NOT ACCEPTED FOR MAINTENANCE, THE FUTURE COST OF MAINTENANCE WILL HAVE TO BE PAID BY THE ADJACENT PROPERTY OWNERS. IF THE ADJACENT LOT OWNERS FAIL TO COOPERATE, THEN YOU MAY HAVE TO INDIVIDUALLY BEAR THE ENTIRE COST OF MAINTAINING THE ROAD TO YOUR LOT. *(Primarily for use when streets are incomplete)*

FREEWAYS

22.

YOU ARE ADVISED THAT THE RIGHT OF WAY FOR THE PROPOSED _____ FREEWAY MAY BE LOCATED THROUGH THE ----- PART OF THE SUBDIVISION. YOU ARE ADVISED TO DETERMINE FOR YOURSELF WHAT AFFECT, IF ANY, THE PROPOSED FREEWAY WILL HAVE ON THE USE AND ENJOYMENT OF LOTS, PRIOR TO MAKING A COMMITMENT TO PURCHASE. PURCHASERS WHO BUY HOMES IN THE PATH OF THE PROPOSED FREEWAY MAY EVENTUALLY BE REQUIRED TO SELL THEIR PROPERTY FOR FAIR MARKET VALUE TO THE ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) AND RELOCATE. *(Modify As Required)*

PROPERTY OWNERS ASSOCIATION NOTE

23.

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.

KING LETTER

This letter is not intended to inform the general public of this agency's current approach to, or opinion of, or current practice based upon, the requirements of law or court order. Further, this is not a legal opinion. It is based solely upon the information you provided, and does not preclude appropriate regulatory action based upon actual circumstances as they develop.

24.

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 recreation 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.

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