

ARIZONA  
SUBDIVISION PUBLIC REPORT  
FOR  
ARIZONA SUN SITES UNIT 6  
REGISTRATION NO. DM98-014865

SUBDIVIDER  
CAMINO REAL LAND CORPORATION  
834 KILANI AVENUE, SUITE 205  
WAHIAWA, HAWAII 96786

March 26, 1998  
Effective Date  
Second Amended February 25, 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. The purchaser should verify all facts before signing any documents. The Department has not passed upon the quality or quantity of any improvement or structure and does not assume responsibility in either event.

Arizona Department of Real Estate  
Estate  
2910 N. 44th Street  
Suite 100  
Phoenix, Arizona 85018  
(602) 468-1414

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

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GENERAL

This report includes: Block 651, Lots 3, 13, 14; Block 652, Lots 1, 3, 5, 23; Block 653, Lots 4, 19; Block 654, Lots 1, 4, 5, 15; Block 656, Lots 24, 30, 31; Block 657, Lot 36; Block 658, Lots 23, 24, 26, 27, 1 and 7; Block 659, Lots 18, 36; Block 660, Lots 17, 18, 31, 32; Block 661, Lot 15; Block 663, Lots 10, 19, 20; Block 664, Lot 11; Block 665, Lots 1, 10, 11; Block 666, Lots 10, 11, 12, 14, 20; Block 667, Lots 10, 11, 16, 17, 18, 20; Block 668, Lot 18; Block 669, Lots 1, 2, 20; Block 670, Lots 14, 15; Block 671, Lots 22, 23; Block 672, Lots 10, 11; Block 673, Lots 2, 4, 8 and 20; Block 674, Lot 10 and 16; Block 676, lot11; Block 677, Lots 3, 5, 9, 10, 11, 14, 15, 26, 27; Block 679, Lots 5, 6, 9; Block 680, Lots 14, 17; Block 681, Lots 15, 17; Block 682, Lot 5; Block 683, Lot 20; Block 684, lots 12, 13 and 14; Block 685, Lots 1, 2, 3, 4, 5, 6, 12 and 17; Block 687, Lots 7, 14, 15, 18, and 19; Block 689, Lots 3, 4, 5; Block 690, Lots 1, 8, 16; Block 692, Lot 14; Block 693, Lots 5, 11; Block 694, Lots 7, 15; Block 695, Lot 5; Block 696, Lot 1 and 16; Block 698, Lots 13, 14, 15 and 18; Block 699, Lot 4; Block 700, Lots 5, 6, 17, 19; Block 701, Lots 4, 10, 20; Block 702, Lots 1, 5, 16; Block 703, Lots 5, 15; Block 704, Lots 10, 19; Block 706, Lots 5; Block 707, Lots 13, 18; Block 708, Lots 3, 6; Block 710, Lots 7, 14, 17; Block 711, Lots 6, 13; Block 712, Lots 11, 20; Block 713, Lots 3, 4, 7; Block 714, Lots 1, 6, 13; Block 715, Lots 5, 13, 14; Block 717, Lot 1; Block 718, Lots 8, 9; Block 719, Lots 7, 35; Block 720, Lots 9, 25, and 33; and Block 721, Lots 1, 2.

NOTE: THE FOLLOWING LOTS MAY BE SOLD ONLY AS PAIRS: BLOCK 658, LOTS 26 AND 27.

The map of this subdivision is recorded in Book 4 of Maps, Page 84, records of Cochise County, State of Arizona.

The subdivision is approximately 1,440 acres in size. It has been divided into 1,354 lots in the entire subdivision. Lot boundaries will be staked at front corners and marked for identification.

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.

DEVELOPER ADVISES THAT THIS SUBDIVISION IS LOCATED IN AN OPEN RANGE OR 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 SUBDIVIDED LANDS.

THE DEVELOPER STATES THAT MINERAL RIGHTS ARE RESERVED AND THIS COULD AFFECT THE USE, ENJOYMENT AND VALUE OF THE PROPERTY.

CERTIFICATES OF PURCHASE HAVE BEEN ISSUED FOR NON-PAYMENT OF PROPERTY TAXES AGAINST THE LOTS SHOWN IN THIS PUBLIC REPORT.

THE REAL ESTATE DEPARTMENT HAS INSTRUCTED THE SUBDIVIDER TO PLACE ALL EARNEST MONEY DEPOSITS AND OTHER ADVANCED FUNDS INTO ESCROW AND NOT TO CLOSE ANY ESCROWS UNTIL THE TAX CP HAS BEEN REDEEMED FOR THE LOT WHICH IS THE SUBJECT OF THAT ESCROW. PROSPECTIVE PURCHASERS ARE ADVISED TO DETERMINE WHAT EFFECT THIS HAS ON THEIR LOT PRIOR TO MAKING ANY COMMITMENT TO PURCHASE.

A LETTER DATED JUNE 19, 1997 FROM THE DEVELOPER TO THE TRUSTEE STATES:

"THIS LETTER SHALL CONSTITUTE IRREVOCABLE INSTRUCTIONS TO FIDELITY ESCROW SERVICES CORPORATION AS TRUSTEE UNDER TRUST NO. 003 THAT ANY DELINQUENT REAL PROPERTY TAXES (OR ANY REAL PROPERTY TAXES WHICH BECOME PAYABLE DURING THE YEAR IN WHICH A SALE IS MADE) ARE TO BE PAID PRIOR TO OR AS A PART OF THE COMPLETION OF ANY SALES TO A THIRD PARTY PURCHASER AS TO THE PROPERTY WHICH IS THE SUBJECT OF SAID SALE."

THE ARIZONA DEPARTMENT OF HEALTH CERTIFICATE OF APPROVAL FOR WELLS AND SEPTIC TANKS ON EACH LOT IS DATED 1962. THE CERTIFICATE DOES NOT EXPIRE. YOU SHOULD SATISFY YOURSELF AS TO THE PRESENT DAY FEASIBILITY OF INSTALLING A WELL AND SEPTIC SYSTEM ON THE LOT OF YOUR CHOICE PRIOR TO ANY COMMITMENT TO PURCHASE.

#### SUBDIVISION LOCATION

Location: Approximately 4 miles to the town of Sunsites.

#### SUBDIVISION CHARACTERISTICS

Topography: Level to rolling terrain with sandy loam soil.

Flooding and Drainage: The developer states that portions of the subject property are within a floodplain. E. H. "Buck" Lewis, P.E., in a letter of March 13, 1998 states, in part:

"There is one undefined A Zone mapped FEMA flood area which covers the entire subdivision. This represents sheet flooding from washes from the Dragoon Mountains to the west. In the area of the subdivision begin to spread out and lose definition. Local sheet flow may also occur during these periods of rain."

"All lot owners are advised to consult the Cochise County Flood Control Department prior to building for any potential hazards which may exist on any particular lot."

Adjacent Lands and Vicinity: Much of surrounding land is used for cattle grazing. Future use of this land is unknown.

#### UTILITIES

Electricity: Supplier is Sulphur Springs Valley Electric Co-op (SSVEC), and facilities are scattered throughout the unit. The farthest lot is approximately 1/2 mile distant. The following information has been provided by SSVEC:

"Before SSVEC can build a line to a property, the owner needs to apply for service at one of our offices. The owner should bring a copy of his deed and a sketch showing the proposed location of his home, well, and any other proposed buildings and facilities when he signs up for power. The water system, septic system, and a residence (or work begun on the residence) also needs to be in place on the property before a line can be built."

For overhead single phase line, 500 feet or two spans, whichever is greater, of primary line and up to 200 feet of secondary line is free. The cost beyond this distance is \$5.22 per foot. There is also an annual increased service availability charge (ISAC) which is 7.44% of the required construction deposit. This ISAC is required to be paid for a period of 25 years and is billed along with your regular electric bill.

For underground single phase line, 500 feet of primary and up to 200 feet of secondary line is free. The customer is required to pay for the conduit (which the co-op provides and installs) and furnish the trench to SSVEC's specifications. The cost beyond free distance of underground single phase primary line is \$11.80 per foot. There is also an ISAC which is described above.

The construction deposit is held for 5 years. If there have been no new connections, the deposit is forfeited to SSVEC. If a new connection is made to the line within 5 years, a refund is possible. The ISAC is also refigured at that time.

Telephone: Supplier is Valley Telephone Cooperative, but facilities are not complete to all lots. Detailed pricing for extension of service, on an individual basis, can be developed at a cost of \$45.00 per hour.

Monthly rates for residential service are \$13.75; for businesses, \$19.75.

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Gas: Natural gas is not available to this subdivision. Bottle gas is available from AmeriGas, Sierra Vista, which has supplied the following information:

AmeriGas offered a \$299 special through August 1997. This includes the first year tank rent on a 250 gallon tank (\$39.95 plus tax). Also included in the tank set: labor, regulators, pigtail, a gas appliance check, pressure test, 30 feet of exterior tubing (Amerigas does not dig the trench), 100 gallons of propane and an additional 100 gallons at \$.99 per gallon. This is free if a 3 year service agreement is signed.

Water: Individual well. The Arizona Department of Water Resources, in a letter of January 12, 1993 states in part:

"Arizona Sunsites Unit 6 is being sold with the domestic water supply to be provided by wells to be drilled by the individual lot owners. Groundwater is available from alluvial deposits. The depth to water ranges from less than 100 to about 200 feet below land surface. Water levels have been declining at a rate of five to six feet per year. The quality of the groundwater in the area is high variable. Concentrations of total dissolved solids and fluoride may exceed maximum recommended limits. Because it has not been demonstrated that a 100-year water supply is available to each lot in the subdivision, the Department of Water Resources must find the water supply to be inadequate."

The Arizona Department of Environmental Quality, in a letter of October 10, 1995, states, in part:

"The following are ways that Clear Springs Utility Company can serve lots in Units 5, 6, 7 and 8 and comply with ADEQ rules and Bulletins:

1. Water can be hauled by the water company and placed in holding tanks provided by the lot owner.
2. Lots within a reasonable proximity of existing wells can be served by extending water lines.
3. New wells can be drilled on lots designated as well sites and water lines extended to lots needing water service.
4. Individual wells can be drilled on the lots. The location of the well will be deed restricted to the front 40 feet of the lot."

Clear Springs Utility Company estimates costs for the various methods of serving water as follows:

1. Hauling - Initial cost for holding tank and booster pump

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(500 gallons) \$1200.  
Individual single load - \$35.00  
Load from route distribution - \$15.00

2. Line extensions (6") - \$10.00 per foot.
3. New water company wells (8" min.) and pumping equipment - \$12,000.
4. Individual wells - \$7,000.

Items 3 and 4, do not include extending electric service, if required. The individual wells will be owned and operated by the lot owner.

In a 1997 update, Gary Ingle Well Drilling/Pump Service estimates the cost of an 8" steel cased well with a 15 gallon per minute pump as follows: a 200 foot well and 1 ½ HP pump, \$8,800 plus tax; a 400 foot well and 3 HP pump, \$10,700 plus tax; a 600 foot well and 5 HP pump, \$17,100 plus tax.

Sewage Disposal: Individual septic systems. Chiricahua Building Supply of Elfrida estimates the approximate cost of a system suitable for a two bedroom house at \$1,700.00, plus \$100.00 for an additional bedroom. Hook-up to the residences costs a minimum of \$35.00. Ditching costs \$50 per hour for backhoe and operator.

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.

PURCHASERS ARE TO MAKE ALL ARRANGEMENTS AND PAY ALL COSTS FOR ESTABLISHING SERVICE.

#### STREETS, ROADS AND DRAINAGE

Access to the Subdivision: Exterior streets are surfaced with dirt, except for U.S. Highway 191, which is paved with asphalt. Highway 191 is publicly maintained, but the remainder of the streets are maintained by property owners.

Access within the Subdivision: Interior streets are dirt. They are maintained by an annual assessment of property owners. All weather access is NOT available to this subdivision.

Flood and Drainage: Culverts, ditches, etc., have been constructed concurrently with roads.

#### LOCAL SERVICES AND FACILITIES

Schools: Pearce Elementary, approximately 8 miles; Valley Union

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High School, approximately 30 miles.

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

Shopping Facilities: Approximately 8 miles in Pearce; full  
facilities in Willcox, approximately 27 miles.

Public Transportation: Roadrunner Bus Service, approximately 6  
miles.

Medical Facilities: Available in Willcox, approximately 27  
miles.

Fire Protection: Pearce/Sun Sites Volunteer Fire Department.

Ambulance Service: Available by calling 911.

Police Protection: Cochise County Sheriff.

Garbage Service: USA Waste, 2183 N. Coyote Place, Huachuca City,  
Arizona 85616, (520) 458-2421. \$13.50 per month, billed  
quarterly—twice a week pick up.

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: Vacant lots for residential use.

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. Restrictions are  
recorded as listed in the title section of this report and per  
the subdivision plat.

#### METHOD OF SALE OR LEASE

Sales: By purchase agreement with the unpaid balance secured by  
a note and deed of trust. Deposit and earnest monies will be  
placed in escrow.

Use and Occupancy: Upon recordation of deed.

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 Fidelity Escrow Services Corporation, a Hawaii corporation, as Trustee under Trust No. 003.

Subdivider's interest in the subdivision is evidenced by a beneficial interest in the above Trust.

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 January 20, 1998 and October 15, 1998 issued by Pioneer Title Agency, Inc. As a prospective purchaser, you should obtain a title report and examine the effect of the listed exceptions.

1. WATER RIGHTS, claims or title to water, and agreements, covenants, conditions or rights incident thereto whether or not shown by the public records. This exception is not limited by reason of the disclosure of any matter relating to Water Rights as may be set forth elsewhere in Schedule B.
2. LIABILITIES AND OBLIGATIONS imposed upon said land by reason of its inclusion with the following named district:  
  
Northern Cochise County Hospital District  
  
Sunsites-Pearce Fire District
3. Property taxes, including any personal property taxes and any assessments collected with taxes, for the year 1998. 1<sup>st</sup> half; payable October 1, delinquent November 2; 2<sup>nd</sup> half; payable October 1, due March 1, delinquent May 2.
4. A sale of the delinquent taxes and certificates of purchase issued by the County Treasurer for the years; 1993 thru 1997.
5. A SALE OF SAID LAND by the County Treasurer, evidenced by Certificate of Purchase issued by reason of the non-payment of taxes for the:

Year: 1993

Certificate of Purchase Nos. Numerous

TAXES for the following year have been added:

Year: 1994, 1995, 1996 and 1997

6. THE RIGHT OF ENTRY to prospect for, mine and remove an undivided 1/2 interest in all oil and mineral rights in said land, as implied by the reservation of same in instrument:

Recorded in Book: 125 Deeds of Real Estate

Page: 94

(Affects portion of Parcel 29)

7. RESTRICTIONS, CONDITIONS AND COVENANTS, omitting, if any, from the above, any restrictions based on race, color, religion or national origin contained in instrument:

Recorded in Docket: 301

Page: 135

(Affects Block 655, Lots 1 through 24; Block 656, Lots 1 through 27, Block 657; Lots 1 through 22, Block 658; Lots 1 through 25, Block 659; Lots 1 through 27, Block 660; Lots 1 through 21, Block 661; Lots 1 through 26, Block 662; Lots 1 through 25, Block 681; Lots 11 through 35, Block 719; Lots 11 through 35, Block 720, all in ARIZONA SUN SITES UNIT NO. 6)

8. RESTRICTIONS, CONDITIONS, COVENANTS, omitting, if any, from the above, any restrictions based on race, color, religion or national origin contained in instrument:

Recorded in Docket: 301

Page: 136

(Affects all lots in ARIZONA SUN SITES UNIT NO. 6 except those as shown in Exception No. 24)

9. RESTRICTIONS, CONDITIONS, COVENANTS, AND EASEMENTS omitting, if any, from the above, any restrictions based on race, color, religion or national origin contained in instrument:

Recorded in Document No. 9212-29196

Ratified by Instrument recorded in Document No. 9212-30537

(Affects all)

10. MATTERS concerning water as set forth in instrument recorded in Instrument No. 9301-01320.

By the use of this exception, the Company does not limit the generalities contained in Part 1 of Schedule B, if applicable.

(Affects Unit No. 6)

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: Estimated annual amount of \$130.00 for an unimproved (vacant) lot, based on a sales price of \$7,000.00 and a 1998 tax rate of \$13.6533 per \$100.00 of assessed valuation.

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

#### PROPERTY OWNERS ASSOCIATION

Name and Assessment: Hawaiian Arizona Corporation Sun Sites Property Owners Association, with annual assessment of \$30.00.

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

Control of Association: Will pass to lot buyers upon sale of all lots; on December 31, 2011; or developers relinquishment of voting rights.

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

Membership: Mandatory for all lot owners.

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DBT:

REGISTRATION NO. DM98-014865

ARIZONA SUN SITES UNIT 6, BLOCKS 651 THRU 722

REQUIRED RECEIPT FOR PUBLIC REPORT

The law and regulations of the Real Estate Commissioner require that the owner, agent or subdivider of this subdivision (or unsubdivided land) 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 an interest in subdivided or unsubdivided land, and before you pay any money or other consideration toward the purchase or lease of an interest in subdivided or unsubdivided land.

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.

DM98-014865

\_\_\_\_\_  
(File No.)

ARIZONA SUN SITES UNIT NO. 6

\_\_\_\_\_  
(Tract No. or Name)

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

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Date)