

# **SUBDIVISION DISCLOSURE REPORT**

(Public Report)

FOR

**The Allison,**

**a Luxury Condominium**

Registration No. DM 07-053140

## **SUBDIVIDER**

Desert Shadows Properties, L.L.C.  
14145 N 92<sup>nd</sup> St.  
Scottsdale AZ 85260

Effective Date: MAY 9, 2007

First Amendment Date: September 15, 2009

## **DISCLAIMER**

This report is NOT A RECOMMENDATION NOR AN ENDORSEMENT by the State of Arizona of this land. The Department has not subjected the application and public report to a detailed examination. The subdivider prepared the report and the Department has verified none of the information in this report; the Department has accepted all the information as true and accurate based on attestation of the subdivider/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.

## **ARIZONA DEPARTMENT OF REAL ESTATE**

**PHOENIX OFFICE:**  
2910 N. 44<sup>th</sup> Street  
Suite 100  
Phoenix, Arizona 85018  
(602) 771-7750

**TUCSON OFFICE:**  
400 West Congress  
Suite 523  
Tucson, Arizona 85701  
(520) 628-6940

## **Index**

<b>Location</b>	<b>Page 4</b>
<b>Topography</b>	<b>Page 4</b>
<b>Flooding and Drainage</b>	<b>Page 4</b>
<b>Soils and Geological Hazards</b>	<b>Page 4</b>
<b>Adjacent Lands and Vicinity</b>	<b>Page 6</b>
<b>Proposed Pipelines</b>	<b>N/A</b>
<b>Military Airports/Installations</b>	<b>Page 8</b>
<b>Public Airports</b>	<b>Page 8</b>
<b>Utilities</b>	<b>Page 8</b>
<b>Streets, Roads and Drainage</b>	<b>Page 9</b>
<b>Common, Community and Recreational Facilities</b>	<b>Page 11</b>
<b>Financial Assurances for Completion</b>	<b>Page 11</b>
<b>Local Services and Facilities</b>	<b>Page 11</b>
<b>Subdivision Use and Restrictions</b>	<b>Page 12</b>
<b>Title/Ownership</b>	<b>Page 12</b>
<b>Method of Sale or Lease</b>	<b>Page 12</b>
<b>Taxes and Assessments</b>	<b>Page 13</b>
<b>Property Owners Association</b>	<b>Page 13</b>
<b>Title Report Exceptions</b>	<b>Page 15</b>

**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 1001 through 1166, inclusive; and Units 2001 through 2166, inclusive

**The map of this subdivision:** is recorded in Book 912 of Maps, Page 22, records of Maricopa County, State of Arizona.

The subdivision is approximately 13.5 acres in size. It has been divided into 332 condominium units. Lot boundaries will be indicated on the recorded plat and defined in the recorded Declaration of Condominium.

**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:** Southeast corner of 92nd Street and Redfield Road, City of Scottsdale, County of Maricopa, State of Arizona

**SUBDIVISION CHARACTERISTICS**

**Topography:** Level

**Flooding and Drainage:** David M. Schlieff, R.L.S., of RBF Consulting states in his letter dated October 31, 2006 that:

The site known as The Allison Condominium located at 14145 N. 92nd Street, Scottsdale, Arizona, lies within Flood Zone "X" shaded as shown on the F.E.M.A. Flood Insurance Rate Map. Map Number 04013C1685F with a revision date of September 30, 2005 for the City of Scottsdale.

Flood Zone "X" shaded is described on said F.E.M.A. Flood Insurance Rate Maps as: Areas of 500-year flood; areas of 100-year flood with average depths less than one (1) foot, or with drainage areas less than one square mile; and areas are protected by levees from 100-year floods.

I am not aware of, nor do I have any evidence of, flooding or drainage problems on the The Allison Condominium site and Flood Insurance is not required by F.E.M.A. in Flood Zone "X".

**Soils:** Geotechnical and Environmental Consultants, Inc., states, in part, in letter dated April 26, 2007, that:

Based on the results of our limited sampling and testing at the referenced site, the proposed residential development is not underlain by soils with significant expansive potentials. The existing surface and near surface soils at the site are silty sands containing some gravel. These silty sand soils exhibited slight to low potentials for expansion when compacted at typical construction densities and moisture contents below optimum.

Laboratory tests on samples of the site soils exhibited variable slight to moderate collapse potentials when wetted under foundation loads. The moderate collapse potential exhibited by the soil sample may be attributed to sample disturbance due to the gravel content in the sample and the relatively high blow count required to obtain the sample. In addition, based on conversations with Mr. Andrew Polintan (owner's representative with Desert Shadows Properties, LLC) and Ms. Stephanie Wareham (Property Manager with Carefree Management), we understand the structures at the Site have not experienced settlement problems throughout the roughly 20 year life of the development. Therefore, the site soils are expected to exhibit slight to low collapse potentials if subjected to increased moisture contents.

The foundation and floor slab bearing soils should not be subject to significant moisture content increases. Proper drainage of surface water and roof runoff away from the structures should be maintained. Water should not be allowed to pond near any structures or foundation systems, and the design and placement of landscape vegetation and irrigation systems should be performed such that bearing soils and backfill materials are not subject to moisture infiltration or significant increases in moisture content. Landscaped areas or open areas next to the building should be sloped downward and away from building walls (minimum of 3 percent) to prevent surface water ponding in nearby areas. Special attention should be given to the collection and drainage of roof runoff and to the location and design of planters, drainage paths, and water retention areas. We recommend that any landscaping adjacent to building walls be minimized and utilize vegetation requiring little or no watering. If watering is required, drip irrigation systems should be used. As an exception, areas adjacent to the building walls where vegetation that requires watering is currently present may remain the same provided this vegetation has been present for a significant number of years (over 10 years) and these areas are not subjected to over-watering.

Based on our review of the available geological information with respect to ground subsidence in Maricopa County, the subject site is not located in an area known for historic ground subsidence from groundwater withdrawal, and no significant ground subsidence features or earth fissures have been documented near the Site.

According to the referenced geotechnical report, the residential structures at the Site are supported by conventional shallow spread-type footings. We assume the structures within this residential development were constructed in accordance with local building codes.

As stated previously, this letter was prepared to present site-specific geotechnical information required by the Arizona Department of Real Estate in A.A.C. R4-28-1203. This letter does not provide comprehensive geotechnical recommendations. Please refer to GEC's geotechnical report for this site for more detailed geotechnical information for The Allison Condominiums residential development.

### **Adjacent Lands and Vicinity:**

#### **GOLF CLUBS, GOLF COURSES, COUNTRY CLUBS AND PARKS:**

- Sanctuary Golf Course at West World, 1 miles east
- Ancala Country Club, 4 miles southeast
- The Country Club at DC Ranch, 4  $\frac{3}{4}$  miles north
- Starfire at Scottsdale Country Club, 4  $\frac{1}{4}$  miles southwest
- Gainey Ranch Golf Club, 4  $\frac{1}{4}$  miles southwest
- Kierland Golf Club, 5 miles west
- Aztec Park, 1 miles southeast

- Horizon Park, 1 mile north
- Northsight Park, 1 mile west
- Mountain View Park, 3 ¾ miles southwest
- DC Ranch Park, 4 ¼ miles north
- Thunderbird Park, ¼ mile southwest

#### EDUCATIONAL FACILITIES:

- University of Phoenix, lowest
- add Zuni Elementary
- Scottsdale Community College, 2 ¾ miles west
- Casy Preschool, 1 14 miles south
- Aztec Elementary School, 1 ¼ miles south
- El Dorado Private School, 1 ¼ miles south
- Keller Graduate School of Management, 3 ¼ miles south

#### FREEWAYS, CANALS TRANSMISSION LINES AND SUBSTATIONS:

- Pima Freeway (Loop 101), 1 mile west
- Central Arizona Project/Hayden Rhodes Aqueduct, 1 mile east
- Raintree APS Substation, ¼ mile northwest
- 69KV APS lines, 1 ¼ miles east, 1 mile west
- 230 KV APS, SRP and WAPA Transmission lines, 1 ½ miles east

#### WORSHIP SITES:

- New Covenant Lutheran Church, 1 mile northeast
- Presidential Prayer Team, 1 ¼ miles west
- Desert Streams Chapel, 2 miles south
- Church of Jesus Christ of Ladder Day Saints, 1 ¼ miles south
- Citichurch International, 1 ¾ miles south

#### MISCELLANEOUS:

- Scottsdale Town Center, 1 mile northwest
- Alltel Ice Den, 3 ¼ miles north
- West World of Scottsdale, 2 ¼ miles north
- McDowell Mountains, 2 miles east
- Paradise Memorial Gardens, 2 ¼ miles south
- Salt River Pima-Maricopa Indian Community, 3 ¼ miles south
- Sonoran Village, 1 ½ miles northwest
- The Promenade, 4 miles northwest
- Kierland Commons, 5 miles west
- Scottsdale Fiesta, 3 miles south

Due to the proximity of Pima Freeway (Loop 101) this Subdivision may experience noise, vibrations, fumes, dust, fuel particles, traffic, and other effects that may be of concern to some individuals. Purchaser is advised to independently investigate this matter by contacting the Arizona Department of Transportation ("ADOT") at (602) 712-7524 or visit the ADOT Web site at [www.dot.state.az.us](http://www.dot.state.az.us) Central Arizona Project/Hayden Rhodes Aqueduct is approximately 1 mile north which could create a risk of drowning for unsupervised children and adults.

Native Wildlife: Native wildlife can include, but is not limited to, desert cottontail, desert tortoise, jackrabbits, birds, javelina, coyotes, mule deer, mountain lion, rodents, lizards, scorpions, black widows, cockroaches and snakes. If any of these or other creatures pose a concern, prospective purchasers are encouraged to contact the Maricopa County Extension Service at (602) 470-8086 for more information

Studies have shown that transmission lines may create health risks and may have financial or other adverse impacts on the homes or residents in the area of the transmission lines. Purchaser is advised to independently investigate this matter. note that the size, nature, voltage and location of such power lines are not within the Subdivided control and are subject to change. For further information contact APS at (602) 371-7171 or website: [www.aps.com](http://www.aps.com); SRP at 602-236-8833 or website: [www.srpnet.com/electric/transmission/69kv.aspx](http://www.srpnet.com/electric/transmission/69kv.aspx) WAPA 602-605-2525 or website: [www.wapa.gov/contact.htm](http://www.wapa.gov/contact.htm)

Salt River Pima-Maricopa Indian Community Boundary, approximately 3 ½ miles south.

American Indian Reservation Lands:

Following are existing and proposed land uses adjacent to and in the vicinity that may or are known to be on the Salt River Pima-Maricopa Indian Reservation:

- Salt River Indian Agency
- Two Casino Arizona locations
- Community Administration Complex
- 19,000 acres of natural preserve
- Agriculture land which supports a variety of crops including cotton, melons, potatoes, brown onions and carrots
- Pavilions a commercial corridor which includes movie theaters, restaurants, family entertainment centers and shops
- A Wal-Mart Retail Center is also located within the Community land
- Salt River Community operates a landfill
- Golf Courses

Land use changes within the Salt River Pima-Maricopa Indian Community may not be subject to mandatory public notice and hearing requirements and procedures, which are common in many municipalities.

For detailed information regarding the Salt River Pima-Maricopa Indian Community contact; James Carpentier, Director of Planning and Architectural Services at (480) 850-7202 or Inter Tribal Council of Arizona, Inc. 2214 North Central Avenue, Suite 100; Phoenix, AZ 85004 Phone: 602-258-4822 Fax: 602-258-4825 website: [www.Jtcaonline.com/tribes.html](http://www.Jtcaonline.com/tribes.html) and/or Ivan Makil, President Salt River Pima-Maricopa Indian Comm. Council Route 1, Box 216, Scottsdale, AZ 85256 PH: 602/874-8000, FX: 602/874-8014.

**THIS SUBDIVISION IS LOCATED WITHIN FIVE MILES OF AN AMERICAN INDIAN RESERVATION. ACTIVITIES ON THE RESERVATION INCLUDE OR MAY INCLUDE OPEN RANGE, AGRICULTURAL OPERATIONS, AIRCRAFT OPERATIONS, INDUSTRIAL OPERATIONS AND DAIRY FARMS. A RESERVATION HAS ITS OWN LAWS GOVERNING THE LAND WITHIN ITS BOUNDARIES. THESE MAY INCLUDE TRESPASSING, DUMPING,**

ARCHAEOLOGY, HUNTING, FISHING, ETC. IN ADDITION, CERTAIN AREAS OF THE RESERVATION MAY BE NONPUBLIC-CLOSED AREAS WHICH REQUIRE SPECIAL PERMISSION TO ENTER THOROUGHFARES AND ROADS ON THE RESERVATION MAY NOT BE AVAILABLE FOR PUBLIC USE.

Purchasers are advised that in homes adjacent to or in the vicinity of commercial property, multi-family sites, worship sites, school sites, freeways, golf courses, canals, rivers, washes and other non-residential uses lot owners may possibly experience traffic, noise, dust, odors, and other effects associated with these areas. These areas may also pose as safety hazards to unsupervised children and adults. 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.

Subdivider has researched the surrounding area land uses and has made every attempt to disclose information, allowing Purchaser to make the most informed purchase decision. Prospective purchasers are encouraged to drive the areas surrounding this subdivision (at different times of the day) to determine whether there exists any activities or conditions that may be of concern. It is the responsibility of the purchaser to determine whether or not the activities or conditions disclosed in this report would adversely affect them.

### **AIRPORTS**

**Military Airport:** This development is not in territory in the vicinity of a Military Airport.

**Public Airport:** Scottsdale Municipal Airport, 15000 N. Airport Dr.; Scottsdale, AZ, is located approximately 2 miles west. **SEE FIGURE "1" ATTACHED**

**SUBDIVISION IS LOCATED WITHIN TERRITORY IN THE VICINITY OF SCOTTSDALE MUNICIPAL AIRPORT. FLIGHTS MAY PRODUCE AIRCRAFT NOISE AS A RESULT OF FLIGHT OPERATIONS.**

**Airport:** Sky Harbor International Airport 3200 E. Sky Harbor Blvd.; Phoenix, AZ, is located approximately 15 miles southwest

### **UTILITIES**

**Electricity:** Provided by Arizona Public Service (602) 371-7171, Website: [www.aps.com](http://www.aps.com). Facilities are complete. Cost to purchasers to receive service include a \$25.00 (plus tax) activation fee and a possible \$200.00 deposit.

**Street Lights:** Street/Driveway lighting is provided and complete. Public street lighting maintenance is provided by and electricity cost paid by the City of Scottsdale. Site/Driveway lighting cost is paid by the Association.

**Telephone:** Facilities are complete and provided by Qwest Communications (800) 244-1111, Website: [www.qwest.com](http://www.qwest.com) or Cox Communications (623) 594-1000, Website: [www.cox.net](http://www.cox.net). Service provided by

Qwest Communications, costs to purchasers to receive service include a \$27.50 standard hook-up fee, \$8.50-\$13.19 (plus tax) per month basic service fee and a possible \$110.00 deposit for long distance. Service provided by Cox Communications, costs to purchasers to receive service include a \$24.95 minimum hook-up fee, \$13.00 per month digital telephone fee and a possible minimum deposit of \$150.00.

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.

**Cable:** Facilities are complete and provided by Cox Communications (623) 594-1000, Website: [www.cox.net](http://www.cox.net). Costs to purchasers to receive service include a minimum deposit of \$60.00, if required, \$19.95 minimum installation fee, if required, \$37.95 per month for basic analog cable and \$48.95 for digital cable.

**Natural Gas:** No natural gas is available to the Units.

**Water:** Facilities are complete and provided by City of Scottsdale (480) 312-2461, Website: [www.ci.scottsdale.az.us](http://www.ci.scottsdale.az.us) Costs to purchasers to receive service include a service initiation fee of \$15.00 and a water base rate of \$11.25-\$23.55. Possible waiver of these fee's with title/escrow number.

**Sewage Disposal:** Facilities are complete and provided by City of Scottsdale (480) 312-2461, Website: [www.ci.scottsdale.az.us](http://www.ci.scottsdale.az.us) Cost for sewage disposal setup and service is included in Water fees and monthly bill.

**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:** Asphalt paved exterior public streets are complete and maintained by the City of Scottsdale. Purchaser's cost for continued maintenance is included in property taxes.

**Access within the Subdivision:** Asphalt paved private driveways are complete. Continued maintenance will be the responsibility of the condominium Association. Purchaser's cost for continued maintenance is included in usual periodic 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](http://www.land.state.az.us), or call (602) 542-4631.

**Flood and Drainage:** No flood and drainage facilities are provided for this development. Drainage design provides for usual storm drainage to be discharged into common areas and public streets.

### **COMMON, COMMUNITY AND RECREATIONAL FACILITIES**

**Within the Subdivision:** Facilities are complete and include two pools and clubhouse; charcoal barbeque grills. Continued maintenance will be the responsibility of the Association. Purchaser's cost for continued maintenance is included in Association assessments.

**Within the Master Planned Community:** This development is not part of a master planned community

### **ASSURANCES FOR COMPLETION**

**Assurances for Completion of Subdivision Facilities:** All facilities included in this offering are complete.

**Assurances for Maintenance of Subdivision Facilities:** Utility companies to maintain their respective facilities and the Association is to maintain the common area amenities as stated in the recorded Declaration of Restrictions, Association Articles of Incorporation and Bylaws.

### **LOCAL SERVICES AND FACILITIES**

**Schools:** Zuni Elementary (Grades: K-5) is located at 9181 E. Redfield Rd Scottsdale, AZ (480) 484-4000, approximately 1/2 mile south.

Desert Canyon Middle (Grades: 6-8). is located at 10203 E McDowell Mountain Ranch Rd Scottsdale, AZ (480) 484-4600, approximately 1 1/2 miles northeast.

Desert Mountain High (Grades: 9-12), is located at 12575 E Via Linda Scottsdale, AZ (480) 484-7000, approximately 5 miles southeast.

Bus transportation is provided for elementary school children.

**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:** Walgreen's is located at 11250 N. Frank Lloyd Wright Blvd Scottsdale, AZ, approximately 3 1/2 miles southeast. Safeway is located at 14696 N. Frank Lloyd Wright Blvd Scottsdale, AZ, approximately 1/2 mile east. Wild Oats Natural Marketplace is located at 8688 E. Raintree Drive Scottsdale, AZ, approximately 1 1/2 miles west.

**Public Transportation:** Valley Metro Transit System Park and Ride is located at Costco on the northeast corner of Hayden and 83rd Place, approximately 2 miles northwest.

**Medical Facilities:** Scottsdale Healthcare-Shea is located at 10450 N. 92nd Street Scottsdale, AZ (480) 860-3000, approximately 3 miles south.

**Fire Protection:** Provided by City of Scottsdale with costs included in property taxes.

**Ambulance Service:** Developer advises this subdivision is within a 911 service area.

**Police Services:** Provided by City of Scottsdale with costs included in property taxes.

**Garbage Services:** City of Scottsdale, (480) 312-2461. Costs to purchasers for garbage service are included in the monthly association assessments.

**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

**Zoning:** (R-5) Multiple-family residential district: This district is intended to provide for development of multiple-family residential and allows a high density of population with a proportional increase in amenities as the density rises. The district is basically residential in character and promotes a high quality environment through aesthetically oriented property development standards. (RI-5) Single-Family Residential District: This district is intended to provide an urban single-family residential development. This district is the most intense single-family district and provides a patio home style of development. It should provide a transition between attached and multi-family residential areas and modest density single-family areas. Uses incidental or accessory to dwellings, recreational, religious and educational facilities are included.(PCD) Planned Community Development: Mixed use district. NOTE: The information regarding zoning is current as of the date of this Public Report. For the most up to date information, purchasers are encouraged to contact the Planning and Zoning Department for City of Scottsdale at (480) 312-7800 or visit their website at [www.ci.scottsdale.gov](http://www.ci.scottsdale.gov)

**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 Scottsdale 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 the Subdivider.

**Subdivider's interest in** this subdivision is evidenced by fee title interest by Deed of record in the Office of the Maricopa County Recorder.

**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 Title Report dated September 1, 2009, issued by Fidelity National 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:** Your vested interest/ownership interest in the property will be evidenced by the Subdivider delivering a recorded deed to you and 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.**

**YOU ARE ADVISED THAT EARNEST MONEY DEPOSITS, DOWN PAYMENTS AND OTHER ADVANCED MONEY WILL INITIALLY BE PLACED IN A NEUTRAL ESCROW. SUCH MONEY WILL THEN BE IMMEDIATELY RELEASED 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.**

**Notwithstanding the Subdividers intention to market and sell individual units, the Subdivider or its successors in interest may or may not offer units for lease or rental for occupancy terms of up to one year or possibly longer. Purchasers should be aware that some units in the development may be subject to short term occupancy by temporary tenants.**

**Release of Liens and Encumbrances:** Lot release provisions have been provided by the lender.

**Use and Occupancy:** upon close of escrow and 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.**

**TAXES AND ASSESSMENTS**

**Real Property Taxes:** The estimated property tax for an improved unit in this development, based on an average sales price of \$230,000, is \$1,600.00.

**Special District Tax or Assessments:** None

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

**PROPERTY OWNERS ASSOCIATIONS**

**Name and Assessments of the Association:** Allison Unit Owners Association, Inc. Unit owners will be required to pay assessments in the amount of \$142.00 per month on average, based upon Unit size.

**Control of Association:** Declarant's/Subdivider's control of the Association will be relinquished to the Unit owners upon the sale of 75% of the Units to individual Unit owners.

**Title to Common Areas:** Title to the common area tracts is owned in common by all Unit owners in an undivided interest appurtenant to the Unit as set forth in the recorded Declaration.

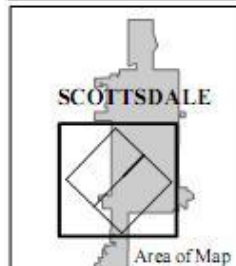
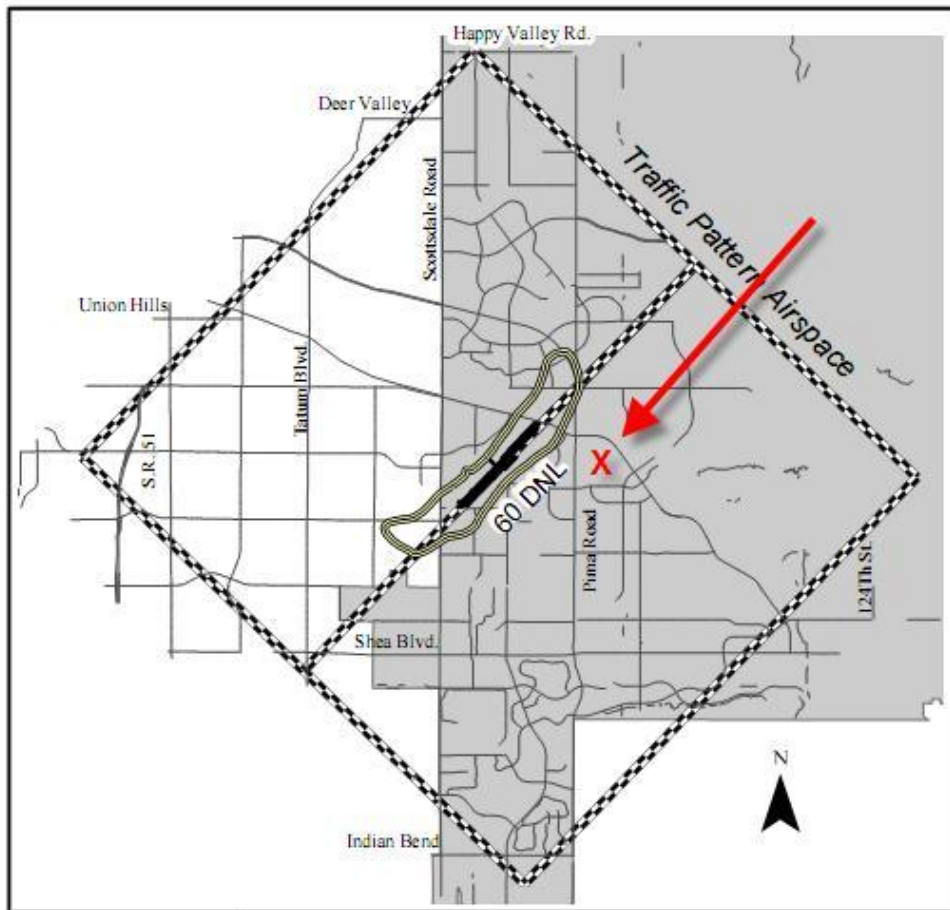
**Membership:** All lot owners will be members of the Association.

**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 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.**

Figure "1"

# Scottsdale Airport Traffic Pattern Airspace



Map Date: October 18, 2001



**TITLE EXCEPTIONS:**

Schedule B of the Policy or Policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Title Company.

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the year 2009.
3. The right of entry to prospect for, mine and remove the minerals excepted from the description of said Land in Schedule A.
4. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
 

Purpose:	Roadway and Public Utilities
Recording Date:	July 20,1954
Recording No:	Docket 1395, Page 473
5. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
 

Purpose:	Roadway and Public Utilities
Recording Date:	May 8,1957
Recording No:	Docket 2173, Page 333
6. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
 

Purpose:	Roadway and Public Utilities
Recording Date:	June 15,1972
Recording No:	Docket 9502, Page 338
7. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
 

Purpose:	Roadway, Drainage and Public Utilities
Recording Date:	February 21,1985
Recording No:	85-0075910 re-recorded in Recording No. 85-0603942 and re-recorded in Recording No. 90-269487
8. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
 

Purpose:	Roadway, Drainage and Public Utilities
Recording Date:	February 21,1985
Recording No:	85-0075911
9. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
 

Purpose:	Roadway, Drainage and Public Utilities
Recording Date:	February 21,1985
Recording No:!	85-0075913

**EXCEPTIONS**

(Continued)

10. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose:	Utility
Recording Date:	January 26, 1988
Recording No:	88-0035967

11. A deed of trust to secure an indebtedness in the amount shown below,

Amount:	\$39,000,000.00
Dated:	July 17, 2006
Trustor/Grantor limited liability company	Desert Shadows Properties LLC, a Delaware
Trustee: Corporation	Fidelity National Title Insurance Company, a California

Beneficiary: Association	Lasalle Bank National Association, a National Banking
-----------------------------	---

Recording Date:	July 17,2006
Recording No:	2006-0952948

An agreement to modify the terms and provisions of said deed of trust as therein provided

Executed by: liability company	Desert Shadows Properties LLC, a Delaware limited
Recording Date:	January 8, 2009
Recording No:	2009-0015765

12. Assignment of Rents and Leases

Assigned to: Association	Lasalle Bank National Association, a National Banking
Assigned by: liability company	Desert Shadows Properties LLC, a Delaware limited
Recording Date:	July 17, 2006
Recording No.:	2006-0952949

13. A financing statement as follows:

Debtor:	Desert Shadows Properties, LLC
Secured Party:	Lasalle Bank National Association
Recording Date:	July 17, 2006
Recording No.:	2006-0952950

14. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose:	Pedestrian Access
Recording Date:	March 26, 2007
Recording No.:	2007-0353370

15. A resolution in favor of City of Scottsdale

For:	Abandoning a portion of the public right-of-way
Recording Date:	March 26, 2007
Recording No.:	2007-0353416

16. Easements, covenants, conditions and restrictions as set forth on the recorded plat of said subdivision.

17. The matters set forth in the document shown below which, among other things, contains or provides for: certain easements; liens and the subordination thereof; provisions relating to partition; restrictions on severability of component parts; and covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including, but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Entitled:	Declaration of Condominium and Covenants, Conditions and Restriction and Grant of Easement for The Allison, A Luxury Condominium
Recording No.:	2007-0409798

Amendment(s) of said covenants, conditions and restrictions

Recording No.:	2009-0713247
----------------	--------------

Liens and charges as set forth in the above mentioned declaration,

Payable to:	The Allison Unit Owners Association, Inc.
-------------	---

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

**END OF EXCEPTIONS**