

SUBDIVISION PUBLIC REPORT

**FOR
VILLAS AT SUNLAND CONDOMINIUM**

Registration No. DM 06-051695

SUBDIVIDER

SUNLAND CONDOMINIUMS, LLC.,
An Arizona limited liability company
5949 Sherry Lane Suite 1225
Dallas, Texas 75225

MAY 5, 2006

Effective Date

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 the information has been accepted by the Department 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. 44th Street
First Floor
Phoenix, Arizona 85018
(602) 468-1414 ext. 400

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400 West Congress
Suite 523
Tucson, Arizona 85701
(520) 628-6940

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 CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.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 you 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: Condominium Units 1-72, inclusive, Buildings A-M

The map of this subdivision: is recorded in Book 821, Page 49, records Maricopa County, State of Arizona.

Declaration of Condominium /Horizontal Property Regime: recorded at instrument no. 2006-0363377, records Maricopa County, State of Arizona.

The subdivision is approximately 6.45 acres in size. It has been divided into 72 Units.

PROSPECTIVE PURCHASERS ARE ADVISED THAT THE FOLLOWING
“GENERAL NOTES” ARE CONTAINED IN THE RECORDED PLAT:

1. THE PHYSICAL BOUNDARIES OF, AND THE ITEMS COMPRISING THE UNITS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS ARE MORE FULLY DESCRIBED IN THE CONDOMINIUM DECLARATION FOR “VILLAS AT SUNLAND CONDOMINIUM” (THE “DECLARATION”).
2. IN INTERPRETING THIS PLAT, THE EXISTING PHYSICAL BOUNDARIES OF A UNIT, OR A UNIT RECONSTRUCTED IN SUBSTANTIAL ACCORDANCE WITH ITS ORIGINAL PLANS, SHALL BE CONCLUSIVELY PRESUMED TO BE ITS ACTUAL BOUNDARIES RATHER THAN THE DESCRIPTION EXPRESSED IN THE PLAT, 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 PLAT AND THOSE OF THE UNIT.
3. THE BUILDING TIES ARE PERPENDICULAR TO THE ADJOINING PROPERTY LINES.
4. DECLARANT HAS NOT RESERVED ANY WITHDRAWAL RIGHTS.
5. ALL DRIVEWAYS, ACCESS WAYS, AND THE LIKE LOCATED WITHIN THE BOUNDARIES OF THE PLATTED PROPERTY ARE PRIVATE AND RESERVED FOR USE BY THE UNIT OWNERS AND THEIR PERMITTEES AS FURTHER DESCRIBED IN THE DECLARATION, TO BE MAINTAINED BY THE UNIT OWNERS ASSOCIATION.

6. NO PORTION OF THIS CONDOMINIUM IS A LEASEHOLD CONDOMINIUM.
7. NO IMPROVEMENTS ENCROACH ON TO THIS CONDOMINIUM AND NO PART OF THIS CONDOMINIUM ENCROACH ON AN ADJOINING PROPERTY.
8. ALL PARCELS COMPRISING THIS CONDOMINIUM ARE CONTIGUOUS.
9. DECLARANT HAS NOT RESERVED THE RIGHT TO CREATE ADDITIONAL UNITS OR COMMON ELEMENTS WITH RESPECT TO ANY UNITS.
10. THE DEPICTION OF PARKING SPACES AS COVERED OR NOT COVERED IS FOR DECLARATION, ALL PARKING SPACES WILL BE SUBJECTED TO A PARKING PLAN AND, SUBJECT TO CERTAIN LIMITATION AS ESTABLISHED IN THE DECLARATION, MAY BE RELOCATED, MODIFIED, COVERED, UNCOVERED OR RECONFIGURED.
11. SETBACKS SHOWN ON SITE PLAN REFLECT CURRENT CITY OF MESA SETBACK REQUIREMENTS.
12. THE CITY OF MESA IS NOT RESPONSIBLE FOR AND WILL NOT ACCEPT MAINTENANCE OF ANY PRIVATE DRAINAGE FACILITIES OR LANDSCAPED AREAS WITHIN THIS PROJECT AND LANDSCAPING WITHIN THE RIGHT OF WAY ALONG STAPLEY DRIVE.
13. A PROPERTY OWNERS ASSOCIATION SHALL BE ESTABLISHED WITH ALL UNIT OWNERS BEING MEMBERS OF THAT ASSOCIATION. THE PROPERTY OWNERS ASSOCIATION WILL HAVE THE RESPONSIBILITY OF OWNING AND MAINTAINING ALL COMMON AREAS, NOTED AS TRACT "A".
14. CONSTRUCTION WITHIN PUBLIC UTILITIES EASEMENTS SHALL BE LIMITED TO UTILITIES AND WOOD, WIRE, OR REMOVABLE SECTION TYPE FENCING.

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, City, County, State and directions from the nearest city or town: 1050 South Stapley Drive, Mesa, Arizona 85204 Directions: Go East onto AZ-202-Loop East for approximately 7.6 miles. Take exit #9 onto AZ-101-Loop South for approximately 3.1 miles. Take exit #55 onto US-60 East towards Globe for approximately 5.2 miles. Take exit #181 Stapley Drive for approximately .3 mile. Turn left on Stapley Drive for approximately .7 mile to arrive at subdivision located at 1050 South Stapley Drive, Mesa, Arizona 85204.

SUBDIVISION CHARACTERISTICS

Topography: Subdivider advises that the terrain is level

Adjacent Lands and Vicinity: West: C-2 (Limited Commercial); East: C-1 (Neighborhood Commercial); North: PAD (Planned Area Development); South: O-S (Office Service)

Soils: Subdivider advises that, to the best of their knowledge, the soils are neither subsidence or expansive.

Flooding and Drainage: As stated in the letter dated January 9, 2006 from David M. Schlieff R.L.S. with RBF Consulting:
“The site known as Villas at Sunland Condominiums located at 1050 South Stapley Drive Mesa, Arizona 85204, lies with Flood Zone “X” shaded as shown on the F.E.M.A. Flood Insurance Rate Map. Map Number 04013C2195F with a revision date of July 19, 2001 for the City of Mesa.

Flood Zone “X” shaded is described on said F.E.M.A. Flood Insurance Rate Maps as: An area between the limits of 100-year flood and 500-year flood, or area subject to a 100-year flood with average depths less than one (1) foot, or where the contributing drainage is one square mile, or the areas are protected by levees from the base flood.

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

***Please note: All distances referenced above are approximate driving distances.**

NOTE:

OWNERS OF THE ADJACENT LANDS DESCRIBED ABOVE MAY SEEK TO REZONE THEIR PROPERTY, MAY SEEK ZONING VARIANCES FOR THEIR

PROPERTY OR MAY MODIFY THEIR SITE PLAN WITHIN EXISTING ZONING. CONSEQUENTLY, NO ASSURANCE CAN BE GIVEN THAT THE ZONING OR USES FOR THE ADJACENT LANDS WILL NOT CHANGE FROM THAT DESCRIBED ABOVE. PURCHASERS SHOULD CONTACT THE TOWN,CITY, COUNTY FOR ZONING INFORMATION

You are advised that homes situation adjacent to or in the vicinity of canals, rivers, freeways, commercial property, multi-family sites, school sites, libraries, fire stations, parks, trail, open space areas, golf courses, or other non-residential uses and/or other recreation amenities are likely to experience an additional amount of noise, odors, fumes, irrigation and drainage, pests such as flies and mosquitoes, lighting, vehicular and pedestrian traffic associated with the described uses and/or operations for an indefinite period of time. 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.

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 maybe 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 property approval is a trespass.

MANY ROAD 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 LEASED FOR USES WHICH MAY EXCLUDE RECREATION . RECREATION IS A TEMPOARY USE THAT MAY BE TERMINATED AT ANYTIME.

For additional information, visit the State Land Department web page at www.land.state.as.us. Or call (602) 542-4631

NOTE:

INFORMATION ON AMERICAN INDIAN RESERVATION LANDS MAY BE OBTAINED USING THE INTER TRIBAL COUNCIL OF ARIZONA (ITCA) WEBSITE, <http://itcaonline.com/tribes.html>.

Subdivision located within five miles of the borders of an Indian reservation:
Subdivider advises subdivision lies within five miles of the borders of an Indian reservation. Salt River Pima-Maricopa Indian Community; Contact information: 10005

East Osborn Rd. Scottsdale, AZ 85256 480.850.8000, or more information online at <http://www.itcaonline.com>

NOTE:

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 NONPUBLIC-CLOSED AREAS WHICH REQUIRE SPECIAL PERMISSION TO ENTER. THOROUGHFARES AND ROADS ON THE RESERVATION MAY NOT BE AVAILABLE FOR PUBLIC USE.

AIRPORTS

Public: Falcon Field Municipal Airport, 4800 East Falcon Drive, Mesa, Arizona 480.644.2444, is approximately 6.13 miles from subdivision.

No portion of the development is located in territory in the vicinity of a military airport as defined in A.R.S. 28-8461

No portion of the development is located in a high noise or accident potential zone as defined in A.R.S. 28-8461

NOTE:

SUBDIVISION IS LOCATED WITHIN TERRITORY IN THE VICINITY OF LAKE HAVASU CITY AIRPORT. ALL AREAS WITHIN AN OVER-FLIGHT DISTRICT ARE SUBJECT TO AIRCRAFT ACTIVITY. SINGLE AIRCRAFT OVER-FLIGHTS, CERTAIN AIRCRAFT AND PARTICULAR NOISE LEVELS AFFECT EVERYONE DIFFRENTLY. IF A RESIDENCE IS OUTSIDE THE OVER-FLIGHTS THE OVER-FLIGHT DISTRICT IT IS STILL SUBJECT TO OVER-FLIGHTS BY AIRCRAFT FROM THE CLOSEST AIRPORT, ANOTHER AIRPORT IN THE VALLEY OR FROM AN AIRPORT OUTSIDE THE VALLEY.

UTILITIES

Electricity: Salt River Project (SRP), (602) 236-8888, www.srpnet.com. Facilities are completed to Units by subdivider. Costs to Unit purchasers to receive service include a

\$28.00-\$48.00, plus tax, service establishment fee, a \$120.00-\$240.00 security deposit, if applicable.

Street Lights: Street Lights have been completed by subdivider. Costs to Unit purchaser for maintenance are included in the property taxes.

Telephone: Qwest Communications, (800) 244-1111, www.qwest.com. Facilities are completed to Units by subdivider. Costs to Unit purchasers to receive service include a \$35.00 connection fee. Additional services are available at extra costs.

NOTE:

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: Cox Communications, (623) 594-1000, www.cox.com. Facilities are completed to Units by subdivider. Costs to Unit purchasers to receive service include a \$24.95 activation fee. Basic Cable has an approximate monthly payment of \$49.00-\$59.00. Additional services are available at extra costs.

NOTE:

THIS SUBDIVISION IS LOCATED IN THE VICINITY OF COX COMMUNICATIONS CABLE TV PROVIDER. PURCHASER IS ADVISED THAT SATELLITE TELEVISION CAN BE PROVIDED BY DIRECT TV. FOR MORE INFORMATION, CALL (800) 213-7089, OR VISIT THEIR WEBSITE AT WWW.XSATELLITE.COM

Natural Gas: Southwest Gas, (602) 861-1999, www.swgas.com. Facilities are completed to Units by subdivider. Costs to Unit purchasers to receive service include a \$30.00 service establishment fee, \$80.00 security deposit, if applicable.

Water: City of Mesa, (480) 644-2221, www.ci.mesa.az.us. Facilities are completed to Units by subdivider. Costs to Unit purchaser to receive service include a \$18.33 service establishment fee, a \$50.00 security deposit, if applicable. Monthly charges are included in Home Owners Association fees.

Sewage Disposal: City of Mesa, (480) 644-2221, www.ci.mesa.az.us. Facilities are completed to Units by subdivider. Costs to Unit purchasers to receive service include a \$18.72 monthly fee. Monthly charges are included in Home Owners Association fees.

NOTE:

ONCE SERVICE HAS BEEN ESTABLISHED, DIRECT USER CHARGES MAY APPLY.

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 public streets have been previously completed and are currently being maintained by the City of Mesa with costs to unit purchasers for maintenance included in the property taxes.

Access within the Subdivision: Asphalt paved private streets have been completed and are currently being maintained by Villas at Sunland Condominium Association with costs to Unit purchasers included in the Association fees.

NOTE:

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).

Flood and Drainage: Subdivider has completed facilities. Villas at Sunland Condominium Association will maintain facilities with costs to Unit purchasers included in the Association fees.

COMMON, COMMUNITY AND RECREATIONAL FACILITIES

Within the Subdivision: Recreational Building and Pool Area have been completed by subdivider. Villas at Sunland Condominium Association will maintain facilities with costs to Unit purchasers included in the Association fees.

Master Planned Community: Subdivider advises that this is not a Master Planned Community

ASSURANCES FOR COMPLETION

Assurances for Completion of Subdivision Facilities: All Subdivision improvements have been completed.

Assurances for Maintenance of Subdivision Facilities: As stated in the Declaration of Condominium, Filed Articles/Bylaws for the Villas at Sunland Condominium Association, and the current zoning regulations for Maricopa County, and the City of Mesa

NOTE:

COPIES OF DOCUMENTS, AGREEMENTS OR STATEMENTS DEMONSTRATING THAT ADEQUATE FINANCIAL OR OTHER ARRANGEMENTS ACCEPTABLE TO THE COMMISSIONER HAVE BEEN MADE FOR COMPLETION OF ALL FACILITIES ARE REQUIRED. SEE RULE R4-28-A1211 FOR A LIST OF ACCEPTABLE FINANCIAL ASSURANCE OPTIONS. (SEE REQUIRED DOCUMENT NO. 18).

LOCAL SERVICES AND FACILITIES

Schools: Lindbergh Elementary School (K-6), 930 South Lazona Drive, (480) 472-6300, is approximately .2 mile from subdivision; Mesa Junior High School (7-8), 848 East Broadway Road, (480) 472-1300, is approximately .9 mile from subdivision; Mesa High School (9-12), 1630 East Southern Avenue, (480) 472-5900, is approximately .5 mile from subdivision. Mesa Distance Learning Center, 1455 South Stapley Drive #19, (480) 472-3675, is approximately .5 mile from subdivision.

SUBDIVIDER ADVISES PURCHASERS TO SATISFY THEMSELVES AS TO SCHOOL FACILITIES AND BUS SERVICE AS THEY MAY CHANGE. PURCHASERS SHOULD CONTACT THE LOCAL SCHOOL BOARD REGARDING THE CURRENT LOCATION OF SCHOOLS AND BUS SERVICE.

Shopping Facilities: Food City (grocery), 1245 East Southern Avenue, (480) 926-5120, is approximately .1 mile from subdivision

Public Transportation: Valley Metro Bus stop located on the corner of Stapley Drive and Southern Avenue, approximately .2 mile from subdivision

Medical Facilities: Mesa General Hospital, 515 North Mesa Drive, (480) 969-9111, is approximately 2.24 miles from subdivision

Fire Protection: City of Mesa Fire Department with costs to Unit purchasers included in the property taxes

Ambulance Service: Ambulances from Mesa General Hospital are available by dialing 911

Police Services: City of Mesa Police Department

Refuse Collection: City of Mesa, www.ci.mesa.az.us, with costs to Unit purchasers of \$18.64 monthly 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 lots (Condominium Units)

Zoning: Single Family Residential

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 Maricopa County. Information about zoning may be obtained at the Office of the City of Mesa Planning and Zoning Department. Restrictions are recorded as cited in the following title exceptions and per the subdivision plat.

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 by signing a Promissory Note and Deed of Trust for the unpaid balance, if any. **You should read these documents before signing them.**

Release of Liens and Encumbrances: Release Provisions are provided in Deed of Trust.

DEVELOPER HAS ADVISED THAT ARRANGEMENTS HAVE BEEN MADE WITH THE (LENDER) IN THE AFOREMENTIONED (DEED OF TRUST) FOR THE RELEASE OF INDIVIDUAL UNITS.

Use and Occupancy: Unit purchasers will be permitted to use and occupy their unit 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.

TITLE

Title to this subdivision is vested in Sunland Condominiums, LLC., an Arizona limited liability company.

Subdivider's interest in this subdivision is evidenced by Recorded Deed.

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 March 15, 2006 issued by Capital Title Agency. **You should obtain a title report and determine the effect of the listed exceptions.**

EXCEPTIONS: SEE EXHIBIT "A" ATTACHED

TAXES AND ASSESSMENTS

Real Property Taxes: The combined primary and secondary property tax rate for this subdivision for the year 2005, is \$9.561 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 \$155,000.00 to \$195,000.00, are \$1,185.56 and \$1,491.52

Special District Tax or Assessments: Subdivider advises that there are no Special District Taxes and Assessments known to the best of his knowledge.

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

PROPERTY OWNERS ASSOCIATIONS

Name and Assessments: Villas at Sunland Condominium Association

Control of Association: Control of the association will happen on the ending of the earlier: (a) ninety (90) days after the conveyance of seventy-five percent (75%) of the Units which may be created to Owners other than the Declarant; or (b) four (4) years after all Declarants have ceased to offer Units for sale in the ordinary course of business.

Title to Common Areas: 1/72ndth of undivided interest in the Common Areas are conveyed to Unit purchasers upon close

Membership: All Unit Purchasers will be members of the Villas at Sunland Condominium Association

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

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 AND BYLAWS. FOR THIS SUBDIVISION TO DETERMINE THE RIGHTS OF 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 UNITS. FURTHER, YOU SHOULD DETERMINE FOR YOURSELF IF SUBDIVIDER'S ARRANGEMENTS AND PLANS FOR THE PAYMENT OF ASSESSMENTS ON UNSOLD 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
SCHEDULE B'S

1. The liabilities and obligations imposed upon said land by reason of: (a) inclusion thereof within the boundaries of the Salt River Project Agricultural Improvement and Power District; (b) membership of the owner thereof in the Salt Rive Valley Water Users' Association, an Arizona corporation and (c) the terms of any Water Right Application made under the reclamation laws of the United States for the purpose of obtaining water rights for said land.
2. Taxes for the 2nd half of 2005.
3. Taxes for the year 2006, a lien but not yet payable.
4. Liabilities and obligations existing or which may arise against the said land by reason of its inclusion within VILLAS AT SUNLAND CONDOMINIUM ASSOCIATION, an Arizona nonprofit corporation.
5. Water rights, claims or title to water, whether or not the matters excepted are shown by the public records.
6. Reservations contained in Patent reading as follows:

“Subject to any vested and accrued water rights for mining, agricultural, manufacturing or other purposes and rights to ditches and reservoirs used in connection with such water rights as may be recognized and acknowledged by the local customs, laws and decisions of Courts”, and also, “subject to the right of the proprietor of a vein or lode to extract and remove his ore therefrom should the same be found to penetrate or intersect the premises hereby granted, as provided by law”.
7. Easements as shown on the plat recorded in Book 198 of Maps, page 6.

8. An easement and rights incident thereto for underground electric conduits and other appurtenances, as set forth in instrument recorded in Docket 14108, page 320. (Common Area)
9. Agreement according to the terms and conditions contained therein;
Purpose: Cable Television Service Agreement
First Party: Mesa Cable TV, Inc.
Second Party: American Cable Television, Inc.
Recorded in Document No. 90-329538.
10. All matters contained in the Covenants, Conditions, Restrictions, Liens and Charges, as set forth in instrument recorded in Document No. 2006-0363377, 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)
11. A Deed of Trust executed by SUNLAND CONDOMINIUMS, LLC., an Arizona limited liability company, as Trustor, to COMPASS BANK, an Alabama banking corporation, as Beneficiary, and CAPITAL TITLE AGENCY, as Trustee, dated November 18, 2005, recorded November 18, 2005, in Document No. 2005-1754447; TO SECURE: \$5,113,000.00, and other amounts payable thereunder.
12. Arizona Uniform Commercial Code Financing Statement Form UCC-1 executed by SUNLAND CONDOMINIUMS, LLC., Debtor, to COMPASS BANK, Secured Party, recorded November 18, 2005, in Document No. 2005-1754448.

NOTE: Taxes are assessed for the year 2005 under Assessor's Parcel No. 139-15-055.

NOTE: Permanent Access to this Subdivision as defined and required by ARS 32-2101 (19) and 32-2185.02 is via Stapley Drive as set forth on plat Stapley Office Complex, recorded in Book 639 of Maps, Page 27.

NOTE: There are no further matters of record concerning this Subdivision through the date of this Report.