ARIZONA

UNSUBDIVIDED LANDS PUBLIC REPORT

FOR

WESTWOOD RANCHES PHASE IV

REFERENCE NO. 95-00765

DEVELOPER

DIAMOND 7 RANCH, L.L.C., an Arizona Limited Liability Company 3140 W. Ironwood Circle Chandler, AZ 85226

DECEMBER 13, 1995

Effective Date

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 developer and obtained by the Department in its review process in accordance with the provisions of Title 32, Chapter 20, Article 7, 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 Subdivisions Section 2910 N. 44th Street Phoenix, Arizona 85018 (602) 468-1414

SPECIAL NOTES:

- 1. MAP OF THIS DEVELOPMENT IS RECORDED IN BOOK 12 OF LAND SURVEYS, PAGES 56-56G, RECORDS OF COCONINO COUNTY, ARIZONA. YOU ARE ADVISED TO OBTAIN A COPY OF SAID MAPS AND NOTE ALL EASEMENTS, RESTRICTIONS AND STATEMENTS CONTAINED THEREON. THESE INCLUDE, IN PART, "ALL SECTION LINES SHALL HAVE A 30-FOOT ACCESS AND UTILITY EASEMENT LOCATED ADJACENT TO THE SECTION LINE AND ENTIRELY WITHIN THIS SECTION (EXCEPT AS SHOWN AND NOTED HEREON). ALL OTHER PARCEL LINES SHALL HAVE A 60-FOOT ACCESS AND UTILITY EASEMENT CENTERED ON THE PARCEL LINE."
- 2. THIS REPORT INCLUDES **ONLY** PARCELS 381-405, 407-450 AND 452-481, INCLUSIVE, **ALSO EXCEPT** ALL GRAZING RIGHTS, OIL, GAS AND OTHER MINERAL RIGHTS, WATER HOLES AND UNDERGROUND COMMERCIAL WATER RIGHTS, TOGETHER WITH ANY RIGHT-OF-WAY WHICH MAY BE REASONABLY NECESSARY TO HAVE PHYSICAL ACCESS TO AND/OR TO UTILIZE THE OIL, GAS AND OTHER MINERAL RIGHTS, WATER HOLES, AND UNDERGROUND COMMERCIAL WATER RIGHTS.

EXCEPT AN UNDIVIDED 1/3 INTEREST IN AND TO ALL OF THE OIL, GAS AND OTHER MINERALS, AS SET FORTH IN DEEDS RECORDED IN DOCKET 155, PAGE 93, IN DOCKET 155, PAGE 96, IN DOCKET 155, PAGE 99, IN DOCKET 155, PAGE 102, IN DOCKET 155, PAGE 105, IN DOCKET 155, PAGE 111.

- 3. EACH PROSPECTIVE PURCHASER IS CAUTIONED TO ASSURE HIMSELF, BY PERSONAL OBSERVATION OR OTHER METHODS OUTSIDE THIS REPORT, OF THE USABILITY FOR HIS NEEDS OF THE PARCEL IN WHICH HE MAY BE INTERESTED.
- 4. PROSPECTIVE PURCHASERS ARE ADVISED TO READ THE WATER NOTE.
- 5. DEVELOPER ADVISES THAT THIS DEVELOPMENT 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 DEVELOPMENT TO PRECLUDE LIVESTOCK FROM ROAMING WITHIN THE UNSUBDIVIDED LANDS. DEVELOPER FURTHER ADVISES PURCHASERS THAT IF THEY WANT TO KEEP THE RANCHERS LIVESTOCK OFF THEIR LAND AND TO KEEP THEIR OWN LIVESTOCK WITHIN THEIR PROPERTY THEN THE PROPERTY MUST BE FENCED ALONG THE INSIDE OF ROAD EASEMENTS ON THEIR PARCELS AT THEIR OWN EXPENSE. THE LAND IS CURRENTLY UNDER A GRAZING LEASE AND LIVESTOCK ARE GRAZING ON MANY PORTIONS THEREOF.

SPECIAL NOTES (CONT.):

6. 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 EXCEPTION NO. 1

DEVELOPER ADVISES THERE IS A PIPELINE EASEMENT ACROSS THE SOUTHERLY PORTION OF SECTION 31 IN PARCELS 483, 482, 486, 487 AND 488.

- 7. PROSPECTIVE PURCHASERS ARE ADVISED THAT AN ON-SITE INSPECTION BY A REPRESENTATIVE OF THIS DEPARTMENT INDICATES THAT ROADS TO A CORNER OF OR ALONG SOME PARCELS HAVE BEEN BLADED IN. HOWEVER, AS INDICATED HEREIN, THE DEVELOPER MAKES NO REPRESENTATION THAT ANY ROADWORK WILL BE PROVIDED AND HAS THEREFORE NOT PROVIDED ANY FINANCIAL ASSURANCES FOR ANY FUTURE ROADWORK.
- 8. PERCENTAGES OF THE OIL, GAS AND MINERAL RIGHTS TO ALL PARCELS IN THIS DEVELOPMENT WILL NOT BELONG TO THE PURCHASER OF THESE PARCELS. THE EXERCISE OF THE RIGHT TO EXTRACT THESE MINERALS COULD AFFECT THE USE, ENJOYMENT AND VALUE OF YOUR PARCEL.
- 9. RESTRICTIONS PROVIDE, IN PART: "EACH PARCEL MAY BE IMPROVED WITH NO MORE THAN FOUR (4) RESIDENTIAL BUILDINGS PER PARCEL".

LOCATION AND SIZE: The development is located 8 miles northeast of Seligman on old Route 66 to entrance of Westwood Ranches then approximately 13 miles north and 2 miles west on right of way to subject property.

This development is located in a development of unsubdivided land approximately 14,120 acres in size. This unit has been divided into 99 parcels.

TOPOGRAPHY: Thomas R. Christopher, Registered Land Surveyor 24514 reports: SEE EXHIBIT "A" ATTACHED

PROPERTY BOUNDARY LINES: Developer advises parcels are staked at all four corners. Mohave Engineering Associates, Inc. (Kingman) reports on December 6, 1995: "Mr. Gary Morrison informed me that there were several corner caps within the Westwood Ranches that apparently were not stamped to indicate which corners were monumented by the caps. This letter is to certify that all corners are or will be stamped prior to December 31, 1995."

EXHIBIT "A"

WESTWOOD RANCHES-PHASE IV

- I, Thomas R. Christopher, Land Surveyor in the State of Arizona, Registration No. 24514, and as Vice President of Mohave Engineering Associates, Inc., 405 East Beale St., Kingman, Arizona 86401, hereby state the following:
- 1. Mohave Engineering Associates, Inc. performed the boundary survey, staked the roadway locations and prepared the Results of Survey for the Westwood Ranches-Phase IV. The corners of all parcels as shown on said maps are set on the ground. The land contained within this survey includes all of Sections 6, 7, 18, 19, 29, 30 and 31 of Township 24 North, Range 4 West of the Gila and Salt River Meridian, Coconino County, Arizona.
- 2. The land consists of flat and gently rolling hills to some steeper mountainous terrain. The elevations range from 6100 to 6850 feet above sea level. The soil is silty loam and clay with some limestone and lava type outcroppings. The predominate vegetation consists of rangeland grasses with some cacti and wild flowers. Juniper tree coverage ranges from sparse to dense.
- 3. Soil conditions allowed for adequate roadway surfaces. onsite material was used for road construction and was workable with normal equipment. Low water crossings were constructed through drainage channels. The land appears to be well drained with well defined arroyos.
- 4. Constructed roads within granted roadway easements are provided to access all parcels. Roads are constructed with widths, drainage flow and gradients to allow two-way traffic and are traversable with conventional passenger vehicles.

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 Coconino County Recorder. Information about zoning may be obtained at the office of the County Planning and Zoning Commission.

<u>TITLE</u>: Title to this development is vested in FIRST AMERICAN TITLE INSURANCE COMPANY OF ARIZONA, a California corporation as Trustee under Trust No. 7950.

Developer's interest in the development is evidenced by developers beneficial interest in above cited Trust No. 7950.

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 your title are listed in a Preliminary Title Report dated September 5, 1995 issued by FIRST AMERICAN TITLE INSURANCE COMPANY. As a prospective purchaser, you should understand the effect of the listed exceptions.

EXCEPTIONS: SEE EXHIBIT "B" ATTACHED

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. 32-32-2195 ET SEQ.

SALES:

AGREEMENT FOR DEED: Your ownership interest in the property will be evidenced by an Agreement For Deed from First American Title Insurance Company of Arizona as the Trustee for Diamond 7 Ranch L.L.C., an Arizona limited liability company. 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 parcel until you have paid the balance owed on the contract.

EXHIBIT "B"

- A. 1995 taxes, a lien not yet due or payable.
- 1. An easement for pipeline and rights incident thereto as set forth in instrument recorded in Docket 280, Page 9.
- 2. All matters set forth in the Declaration of Easements dated October 9, 1989, recorded October 13, 1989 in Docket 1304, Page 555.
- 3. Easements, restrictions, reservations, conditions and set-back lines as set forth on the plat recorded in Book 12 of Surveys, Pages 56-56G, 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).
- 4. All matters as set forth in the Covenants, Conditions, and Restrictions in instrument recorded July 19, 1995 in Docket 1786, Page 631, 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).
- 5. An unrecorded grazing lease executed by J. W. GORDON, JR. Lessor, to BILL SHIEW, Lessee, dated March 15, 1992, as evidenced by Assignment, Warranty of Title and Power of Attorney recorded February 11, 1993 in Docket 1541, Page 857.

 (Term: Five years terminating March 15, 1997.)

SALES (CONT.):

Said contract contains, <u>in part</u>, "In the event a forfeiture is enforced, Buyer shall forfeit any and all rights and interest hereunder in and to the Property and appurtenances thereto, and Buyer shall surrender to Seller, forthwith, peaceable possession of the Property, and shall forfeit to the Seller, as liquidated damages, any and all payments made hereunder, together with any and all improvements placed on or in the Property. None of the provisions of this paragraph shall affect any other lawful rights or remedies which the Seller may have against the Buyer."

THE CONTRACT IS A BINDING AGREEMENT. READ THOROUGHLY BEFORE SIGNING. IF NOT UNDERSTOOD, SEEK COMPETENT ADVICE PRIOR TO COMMITMENT TO PURCHASE. THE CONTRACT GIVES YOU CERTAIN RIGHTS AND REMEDIES. IN ADDITION, THE CONTRACT MAY CONTAIN CERTAIN WAIVERS, DISCLAIMERS AND/OR LIMITATIONS TO YOUR RIGHTS, REMEDIES AND WARRANTIES. CONTRARY TO THE TERMS AND PROVISIONS OF THE CONTRACT YOU MAY HAVE ADDITIONAL RIGHTS, REMEDIES AND WARRANTIES.

<u>UTILITIES</u>: Developer advises that these services are available as follows:

ELECTRICITY:

SUPPLIER:

ARIZONA PUBLIC SERVICE

PURCHASERS' COSTS: ALL COSTS NOT BORNE BY SUPPLIER. Cost per Schedule #3 A.G.C. 4545 on file with Arizona Corporation Commission.

Larry Smith of Arizona Public Service states in hisletters dated June 30, 1995 and October 31, 1995: SEE EXHIBIT "C" ATTACHED

"All charges will be per Schedule #3, A.C.C. 4545,on file with the Arizona Corporation Commission. I have enclosed a copy for you. I have also enclosed maps showing the general locations of where existing power is in the area.

The distances given may vary due to the availability of rights-of-way and any permits required.

If you have any questions, please call me at 520-635-2667."

EXHIBIT "C"

This letter is to inform you that the above referenced subdivision is in Arizona Public Services' Electric Service area. The Company extends its lines in accordance with the "Conditions Governing Extensions of Distribution Lines and Services", and the "Terms and Conditions for the Sale of Electric Service", on file with the Arizona Corporation Commission.

Service to this particular subdivision could require an advance payment prior to construction of the electric facilities. The amount of advance payment cannot be determined until and economic analysis has been made based in part on certain information you will be required to furnish. This payment may be refundable in accordance with the Extension Agreement.

In addition, you could also incur additional costs which are non-refundable. These costs will depend upon the extent of the construction you will require of APS. An annual facilities charge of annual minimum may also be required in addition to the Standard Rates for Electric Service. These non-refundable costs and annual charges will also be set forth in the Extension Agreement.

It is to be understood that this letter is intended only for your general information and does not constitute any type of agreement between us.

THE

DISTANCE FROM EXISTING APS POWERLINES TO THE ABOVE MENTIONED SUBDIVISION, APPROXIMATE DISTANCES ARE BASED ON STRAIGHT CONSTRUCTION ROUTES WITHOUT CONSIDERATION FOR TERRAIN OR POSSIBLE RIGHT OF WAY REQUIREMENTS.

SECTION #	MILEAGE FROM APS TO SO. SECTION
LINE 6	8.5 MILES
7	7.5 MILES
18	5.5 MILES
19	4.5 MILES
29	3.5 MILES
. 30	3.5 MILES
31	2.5 MILES

UTILITIES (CONT.):

BOTTLED GAS:

SUPPLIER:

FERRELLGAS

PURCHASERS' COSTS: Supplier advises: FERRELLGAS OF PRESCOTT AZ. WILL SUPPLY PROPANE TANKS AND PROPANE TO WESTWOOD RANCHES-PHASEIV. WE HAVE A ONE TIME CHARGE OF \$48.00 FOR TANK INSTALLATION PER TANK. TANK RENT IS \$48.00 PER YEAR. PROPANE AS OF THIS DATE IS \$1.12 PER GALLON, WITH A 125 GALLON MIN. PROPANE TANKS ARE SET ON CONCRETE BLOCKS.

TELEPHONE: NOT AVAILABLE

Developer advises: "No installation is planned by Developer. The property is located in an uncertificated area and no telephone company is franchised to serve the area. The nearest telephone company is Table Top Telephone Company, 600 N. Second Avenue, Ajo, AZ 85321, but they do not plan to serve the property."

DEVELOPER HAS MADE NO PROVISIONS FOR THE INSTALLATION OR EXTENSION OF UTILITIES. BUYERS WILL BE REQUIRED TO BEAR ALL COSTS FOR INSTALLATION AND EXTENSION OF UTILITIES.

NOTE: CONTACT THE ABOVE UTILITIES REGARDING EXTENSION

RULES AND REGULATIONS, SERVICE CONNECTIONS AND

COSTS INVOLVED.

WATER:

SUPPLIER:

STANDPIPE - HAULED WATER

Water is not available to this development from a municipal or private water company. The Arizona Department of Water Resources in its report of July 3, 1995 states: SEE EXHIBIT "D" ATTACHED

Dean Shaffer of Utility Management & Operation Services, Inc. (520) 474-2100 of Payson, Arizona reports on June 26, 1995: "This letter is to confirm that water is available for your use in Seligman at the bulk water stand pipes or at the coin operated stand pipes managed by this company.

EXHIBIT "D"

"Westwood Ranches, Phase IV, is located approximately ten miles northeast of Seligman, Arizona. Very little information is available regarding the hydrology of the area. This Coconino Plateau area consists of basalt at the land surface, underlain by sedimentary rocks. The volcanic material is generally non water-bearing, except possibly where porous, fractured, and/or faulted. Where groundwater in shallow volcanic rocks occurs, it is very drought-sensitive. Although underlying limestones may contain some groundwater, depths of approximately 2000 to 3000 feet below land surface render wells drilled into these layers economically infeasible. Depth-to-water, inconsistent well yields, and unpredictable groundwater quality make the potential for domestic supply very limited to non-existent. Many of the deep wells in the western Plateau area are dry. Conditions only can be confirmed by drilling and testing on individual parcels. Depth-to-water greater than 400 feet exceeds normal practice for domestic wells in Arizona. By law, all well construction in Arizona must be performed by a licensed well driller. No well legally may be drilled without first filing a Notice of Intention to Drill. Persons wishing further information are urged to contact the Department of Water Resources."

If you have any questions, please feel free to contact Genie Howell at (602) 417-2448.

WATER (CONT.):

The cost for water at the bulk water stand pipes is \$5.00 per 1000 gallons. The cost at the coin operated stand pipes is \$.25 per 50 gallons of water.

Prospective purchasers are advised to review the Revised Certificate of Water Right recorded in Docket 1345, Pages 23-47."

SEWAGE DISPOSAL: Developer 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 Department for specifications and requirements. You should satisfy yourself as to the cost of installing the system.

Doug's Backhoe Service (Lic. #084604, 088569) (520) 636-4559 of Paulden, AZ states in its letter dated June 13, 1995: "Regarding installation of 1000 gallon septic systems:

PERC TEST: Dig two test holes to the specifications of

Coconino or Yavapai County, including on

site inspection \$ 750.00

\$2,750.00

SEPTIC SYSTEM: 1000 gallon septic tank, leach rock, sewer

and drain pipe, up to 1200 square feet of

leach lines, digging, backfilling and labor,

including permit \$2,000.00

Total price for perc test and septic system (Tax not included)

ax not included)

Prices are subject to change and do not include blasting."

NOTE: IF AN INDIVIDUAL SEWAGE DISPOSAL SYSTEM CANNOT BE

INSTALLED, NO REFUND OF THE PURCHASE PRICE OF THE

PARCEL WILL BE MADE.

SOLID WASTE DISPOSAL: Developer advises that no provisions have been made for solid waste disposal; the responsibility is the purchasers.

<u>PUBLIC ROADWAY EASEMENTS</u>: The developer has advised that the roadway easements have been dedicated for public use. Developer also advised that roadways will **not** be built.

The developer advises that any improvements will be the responsibility of the adjacent property owners when and if they choose to do so. Unmaintained roads deteriorate and may become impassable requiring alternate routes.

Prospective purchasers are advised that access may be interrupted during periods of heavy moisture.

Developer further advises: "Roads and utilities are not installed and will not be installed by the developer."

James R. Wise, Yavapai County Public Works Director advises: "You have requested the status of Old Highway 66 in the area of Crookton Road overpass near Seligman.

Arizona Department of Transportation (ADOT) has abandoned to Yavapai County the section of Old Highway 66 from Kingman to Ashfork by Resolution of Abandonment, No. 72-10, dated January 31, 1972, recorded in Book 726, Pages 79-82 of Official Records, in the office of the Yavapai County Recorder.

You have inquired what jurisdiction and control the County has regarding access to our roadways.

We do not have limited access in the same respect as ADOT.

However, if a developer builds a new road, relocates or improves an existing road that would intersect and actually connect with a County roadway, the developer would have to obtain a permit from the County to work within the County's rights of way.

I have received a request from Mr. Steve Manes to clarify the County's acceptance of the ADOT Recommendation of Abandonment #72-10, Kingman-Ashfork Highway/U.S. Highway 66.

The Board of Supervisors makes no formal acceptance of right of way received from ADOT through the abandonment procedure, A.R.S. $\S28-1902$ A 5.

I have received an additional request from Mr. Steve Manes to further clarify the status of Old Highway 66.

PUBLIC ROADWAY EASEMENTS (CONT.):

Beginning at the time it was abandoned to the County from the Arizona Highway Department in 1972, Old Highway 66 has been considered a part of the Yavapai County roadway system. It is a public road under the control and management of the Board of Supervisors.

It is maintained as similar roadways are maintained in the County."

Thomas Christopher, R.L.S. of Mohave Engineering Associates, (Kingmn) reports on December 6, 1995: "Appartently thre were questions concerning the roads constructed to access the four South parcels in Section 31, T.24 N., R.4 W., Parcels Nos. 466 thru 469. Pete Proffit informed me that you had stated that we could not use the The road constructed to access these parcels was pipeline for access. within the 60.00 foot easement that was granted on the plat the North boundary of the 20.00 foot right-of-way easement previously granted to Black Mesa Pipeline. This easement parallels but is separate from the Black Mesa Pipeline easement. The to access Parcel 469 crosses this 20.00 foot easement which necessary to provide access to that parcel."

PROSPECTIVE PURCHASERS ARE ADVISED THAT HIGHWAY 66, AS IT APPLIES TO THIS LAND DEVELOPMENT, IS UNDER YAVAPAI COUNTY'S JURISDICTION. YOU SHOULD CONTACT YAVAPAI COUNTY CONCERNING ITS MAINTENANCE POLICY AND STANDARDS FOR HIGHWAY 66.

PROSPECTIVE PURCHASERS ARE ADVISED THAT THIS LAND DEVELOPMENT IS LOCATED IN COCONINO COUNTY AND ANY INTERIOR ROADWAY IMPROVEMENTS WILL BE UNDER COCONINO COUNTY JURISDICTION.

FIRE PROTECTION: The developer advises that fire protection is not available to this development.

SCHOOLS: The developer advises it is approximately 21 miles to the Seligman Elementary School; 21 miles to the Seligman Junior High School; 21 miles to the Seligman High School; and that school bus service is not available to the schools.

NOTE: YOU SHOULD CONTACT THE LOCAL SCHOOL BOARD REGARDING SCHOOL FACILITIES AND BUS SERVICE.

SHOPPING FACILITIES: Developer advises that the nearest community shopping center is approximately 21 miles from the development in Seligman.

<u>PUBLIC TRANSPORTATION</u>: Developer advises that public transportation is not available.

<u>USE</u>: Developer advises that the property will be offered for <u>recreational</u> use and that you will be permitted to occupy your parcel upon purchase.

TAXES AND ASSESSMENTS: Developer further advises that you will be obligated to pay approximately:

\$7.6853 per \$100.00 of assessed valuation annual Property Tax.

Based on 1994 Tax Rate.

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

SPECIAL NOTE: THIS DEPARTMENT RECOMMENDS THAT YOU SEE BEFORE BUYING.

PLW: fod

REFERENCE NO. 95-00765 - UNSUBDIVIDED - WESTWOOD RANCHES PHASE IV