

SUBDIVISION PUBLIC REPORT

FOR

Papago Ridge Condominium

Registration No. DM06-051627

SUBDIVIDER

**Scottsdale City Development III, LLC
9521 North 52nd Place
Paradise Valley, Arizona 85253**

May 11, 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 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
(602) 468-1414 ext. 400**

**TUCSON OFFICE:
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 CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.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 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 101 through 145, Units 201 through 245.

The map of this subdivision: is recorded in Book 818 of Maps, page 25, records of Maricopa County, State of Arizona.

Declaration of Condominium: is recorded at instrument no. 2006-0335207 and Amended in instrument no. 2006-0482765, records Maricopa County, State of Arizona.

The subdivision is approximately 3.276 acres in size. It has been divided into 90 Units. Building pad boundaries have been permanently staked at lot corners and radii by registered engineering firm.

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: 2228 N 52nd Street, City of Phoenix, Maricopa County, Arizona. Take McDowell Road east to 51st Street, head north on 51st Street, turn right on Oak Street into subdivision.

SUBDIVISION CHARACTERISTICS

Topography: Subdivider advises that the terrain is level.

Flooding and Drainage: Subdivider advises that the subdivision lots are not known to flooding or drainage problems. Joseph C. McGill, P.E. of Neil/McGill Consultants, Inc., in his letter dated April 17, 2006, has cited:

“The subject condominium property is depicted within the FEMA Flood Insurance Rate Map (FIRM) for Maricopa County, Arizona, on Community Panel No. 04013C2155 G, dated September 30, 2005. The subject property is within Zone Shaded X, defined as “Areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood.” There are no defined or known drainage washes or channels which enter or cross the subject property.

Existing buildings finished floor elevations have been surveyed relative to the existing ground and topography across the subject property and adjacent streets. Original civil engineering and/or a detailed hydrology study to establish flood elevations for the subject property were not performed by this firm.

To the best of my knowledge and belief, the existing building finished floor elevations are established above flood levels for the 100-year frequency (1% annual chance) storm. It is my opinion that homeowners should not be required to purchase flood insurance.

Soils: Subdivider advises that the soils are not subject to expansive or subsidence soils.

Adjacent Lands and Vicinity:

- NORTH – R-3A (Multi Family Residence – 14.5 dwelling/acre); R-3 (Multi Family Residence- 22 dwelling/acre)
- EAST – R1-6 (Single Family Residence)
- SOUTH - R-3A (Multi Family Residence – 14.5 dwelling/acre); R-3 (Multi Family Residence- 22 dwelling/acre)
- WEST – R-3 (Multi Family Residence – 22 dwelling/acre)

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 City of Phoenix Zoning Department for further and up to date zoning information.

Roadways:

- State Route 143 is approximately $\frac{3}{4}$ miles southwest
- Red Mountain Freeway (202) is approximately 1 $\frac{3}{4}$ miles south

Due to the proximity of the freeways, this subdivision may experience, noise, traffic, lighting or other effects that may be of concern to some individuals. Purchasers are advised to independently investigate this matter.

Canals/Rivers/Washes:

- Arizona Canal is approximately 1 $\frac{1}{4}$ miles north
- Grand Canal is approximately 3 $\frac{1}{2}$ miles west

Due to the proximity of these canals, rivers and washes, they may present a safety hazard, especially during times of heavy rainfall, for unsupervised children and adults. Purchasers are advised to independently investigate this matter. For further information, please contact the Flood Control District of Maricopa County at (602) 506-1501 or visit the website at www.fcd.maricopa.gov.

Public Recreation:

- Pierce Park is approximately $\frac{3}{4}$ miles west
- Old Crosscut Canal Linear Park is approximately $\frac{1}{2}$ mile northwest
- Papago Municipal Golf Course is approximately $\frac{1}{2}$ miles south

- Arcadia Crossing Shopping Center is approximately 1 mile northwest
- Arizona Country Club is approximately 1 mile northeast
- G.R. Herberger Park is approximately 1 ¼ miles northeast
- Arcadia Park is approximately 1 ¼ miles northeast
- Papago Softball Complex is approximately 1 ½ miles east
- Tovrea Castle & Carraro Cactus Garden is approximately 1 ½ miles south
- Desert Botanical Garden is approximately 1 ½ miles southeast
- Palute Park is approximately 2 miles northeast
- Phoenix Zoo is approximately 2 ½ miles southeast
- Kachina Park is approximately 2 ½ miles northwest
- Pueblo Grande Museum & Archaeological Park is approximately 2 ½ miles southwest
- Camelback Mountain Echo Canyon Recreation Area is approximately 2 ¾ miles north
- Phoenician Golf Club is approximately 2 ¾ miles northeast
- Coronado Golf Course is approximately 3 miles east
- Eldorado Park is approximately 3 miles east
- Continental Golf Club is approximately 3 ½ miles east
- Arizona Historical Society Museum is approximately 3 ½ miles southeast
- Scottsdale Mall is approximately 3 ¾ miles northeast
- Scottsdale Center for the Arts is approximately 3 ¾ miles northeast
- Civic Center is approximately 3 ¾ miles northeast
- Indian School Park is approximately 3 ¾ miles northeast
- Scottsdale Fashion Square is approximately 4 ¼ miles northeast

Educational Facilities:

- Orangedale Elementary School is approximately ½ mile north
- Ingleside Middle School is approximately 1 ½ miles northeast
- Arcadia High School is approximately 2 miles northwest
- Papago Elementary School is approximately 2 ½ miles west
- Gateway Community High School is approximately 3 miles southwest
- Gateway Community College is approximately 3 miles southwest
- Coronado High School is approximately 3 ½ miles east

Airports:

- Arizona National Guard 107th Air Control Squadron, Papago Army Airfield is adjacent to the east
- Phoenix Sky Harbor is approximately 5 miles southwest

SUBDIVISION IS LOCATED ADJACENT TO THE PAPAGO ARMY AIRFIELD. MILITARY FLIGHTS MAY PRODUCE AIRCRAFT NOISE AS A RESULT OF MILITARY FLIGHT OPERATIONS.

Other:

- Maricopa County Department of Emergency Management is adjacent to the south
- A fire department is approximately ¾ miles northwest

- Motorola, Inc. 52nd Street Plant is located at 5005 East McDowell Road, approximately 1 mile south of project.
- Library is approximately 1 mile northwest
- A post office is approximately 1 ½ miles northwest
- A police station is approximately 3 ¾ miles northeast

Motorola, Inc. 52nd Street Plant is used for the manufacture of semiconductors. Remedial action has been performed for the presence of contaminated groundwater. Contaminants of concern were chlorinated solvents and other organic and inorganic compounds. Based on the information presented in the database and the reported cleanup status of the site, it is unlikely that this NPL site will have any adverse environmental impact on the subject property.

ARIZONA NATIVE DESERT LANDS:

Cockroaches, rattlesnakes, black widow spiders, scorpions and other pests and animals are common in parts of Arizona. Fortunately, most pests can be controlled with pesticides. Scorpions, on the other hand, may be difficult to eliminate. If a purchaser has concerns, they should seek the advice of a pest control company.

You are advised that homes situated adjacent to or in the vicinity of canals, creeks, washes, rivers, channels, flood plains, aqueducts, active mine pits, airports, auxiliary airfields, military reservations, railroads, freeways, water reclamation/treatment plants, well site/storage tanks, landfills, school sites, parks, open space areas, feed lots, horse property, golf courses, or other non-residential uses and/or other recreation amenities are likely to experience an additional amount of noise, odors, fumes, cultivation & related dust, application of pesticides, irrigation and drainage, vibrations, 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.**

AIRPORTS

Airport: Sky Harbor International Airport, 3400 East Sky Harbor Boulevard, approximately 5 miles southwest. **SEE EXHIBIT "B" VICINITY MAP.**

THE DEVELOPMENT IS LOCATED IN TERRITORY IN THE VICINITY OF SKY HARBOR INTERNATIONAL AIRPORT. FLIGHTS MAY PRODUCE AIRCRAFT NOISE AS A RESULT OF FLIGHT OPERATIONS.

UTILITIES

Electricity: Salt River Project (602) 236-8888 website: www.srpnet.com. Previously completed facilities to the units. Purchaser's costs to receive service is a \$28.00 plus tax service establishment fee for next day service or \$48.00 plus tax for same day or Saturday turn on service and a \$120.00 to \$240.00 security deposit may be required.

Street Lights: Previously completed street light facilities. Homeowners Association pays for electricity. Purchaser's cost for electricity is included in their Homeowners Association fees.

Telephone: Qwest Communications 1-800-244-1111 (website: www.qwest.com). Previously completed facilities to the units. Purchaser's cost to receive service is a \$27.50 per line hook up fee; a deposit or advance payment may be required.

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 1-623-594-1000 (website: www.cox.com). Previously completed facilities to the units. Purchaser's cost to receive service is a one time set up/service establishment fee of \$34.95. A deposit may be required based on the results of a credit check. Purchasers should check Cox Communications website for additional information regarding types of services available as well as monthly costs associated with that service.

Natural Gas: Not available to the units.

Water: City of Phoenix (602) 262-6251 website: www.ci.phoenix.gov. Previously completed facilities to the units. Purchaser's cost to receive service is included in their Homeowners Association fees.

Sewage Disposal: City of Phoenix (602) 262-6251 website: www.ci.phoenix.gov. Previously completed facilities to the units. Purchaser's cost to receive service is included in their Homeowners Association fees.

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: The asphalt paved public streets to the subdivision have been completed. The City of Phoenix previously accepted and currently maintains. Purchaser's cost for maintenance is included in their property taxes.

Access within the Subdivision: The asphalt paved private streets within the subdivision have been completed. The Homeowners Association will provide maintenance. Purchaser's cost for maintenance is included in their Homeowners 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 openspace 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, or call (602) 542-4631.

Flood and Drainage: Previously completed drainage/retention tracts, channel and typical street drainage for flood and drainage protection. The City of Phoenix currently provides maintenance of the typical street drainage. The Homeowners Association will provide maintenance of the drainage/retention tract and channel. Purchaser's cost for maintenance is included in their Homeowners Association fees and property taxes, respectively.

COMMON, COMMUNITY AND RECREATIONAL FACILITIES

Within the Subdivision: Previously completed swimming pool, heated Jacuzzi and workout facility. The Homeowners Association will maintain. Purchaser's cost for maintenance is included in their Homeowners Association fees.

ASSURANCES FOR COMPLETION

Assurances for Completion of Subdivision Facilities: All subdivision improvements are complete.

Assurances for Maintenance of Subdivision Facilities: As cited in the Declaration of Condominium, Filed Articles of Incorporation and Bylaws for the Homeowners Association.

LOCAL SERVICES AND FACILITIES

Schools: Orangedale Elementary School (K-8), 5048 East Oak Street, approximately ½ mile north; Camelback High School (9-12) 4612 North 28th Street, approximately 5 miles northwest.

SCHOOL BUS TRANSPORTATION WILL ONLY BE PROVIDED TO STUDENTS RESIDING OUTSIDE THE SCHOOLS DESIGNATED WALKING DISTANCE. PURCHASERS SHOULD CONTACT THE SCHOOLS TO DETERMINE THE AVAILABILITY OF SCHOOL BUS TRANSPORTATION.

PURCHASERS ARE ADVISED THAT SCHOOL BOUNDARIES AND SCHOOL BUS TRANSPORTATION MAY CHANGE. YOU SHOULD CONTACT THE BALSZ ELEMENTARY SCHOOL DISTRICT AT 602-629-6410 OR PHOENIX UNION HIGH SCHOOL DISTRICT AT 602-271-3100 FOR THE MOST CURRENT INFORMATION.

Shopping Facilities: Food City, 4430 East McDowell Road, approximately 1 mile west.

Public Transportation: Valley Metro bus stop is located at 52nd Street and Oak, approximately ¼ mile north.

PURCHASERS ARE ADVISED THAT BUS ROUTES AND SCHEDULES MAY CHANGE. PURCHASERS SHOULD CONTACT VALLEY METRO TRANSIT SYSTEM AT (602) 253-5000 OR VISIT THEIR WEBSITE AT www.valleymetro.org FOR THE MOST CURRENT INFORMATION.

Medical Facilities: Northwest Medical Center, 3333 East Indian School Road, approximately 3 miles northwest.

Fire Protection: City of Phoenix Fire Department. Purchaser's cost for service is included in their property taxes.

Ambulance Service: Available by dialing 911.

Police Services: City of Phoenix Police Department

Garbage Services: Waste Management. Purchaser's cost to receive service is included in their Homeowners Association fees.

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 Lot
Zoning: Multi Family Residential

“Improved lot or parcel” means a lot or parcel of a subdivision upon which lot or parcel there is a residential, commercial or industrial building or concerning a contract that has been entered into between a subdivider and a purchaser that obligates the subdivider directly or indirectly through a building, contractor, to complete construction of a residential, commercial or industrial building on the lot or parcel within two years from the date on which the contract of sale for the lot is entered into.

Condominium Conversion: The property is a conversion from a multifamily rental to a condominium. The original construction of the property was completed in 1987.

Conditions, Reservations and Restrictions: In accordance with the recorded Declaration of Covenants, Conditions and Restrictions; the Homeowners Association Articles of Incorporation and Bylaws and existing zoning ordinances.

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 Phoenix 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 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.**

Cash sales are allowed

YOU ARE ADVISED THAT EARNEST MONEY DEPOSITS, DOWN PAYMENTS AND OTHER ADVANCED MONEY WILL NOT BE PLACED IN A NEUTRAL ESCROW. SUCH MONEY WILL BE PAID DIRECTLY TO THE SELLER AND MAY BE USED BY THE SELLER UPON RECEIPT OF A WRITTEN LOAN STATUS LETTER, ALL MONEY WILL BE RELEASED AND BECOME NON-REFUNDABLE TO BUYER.

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.

Release of Liens and Encumbrances: Individual lot release provisions.

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.

TITLE

Title to this subdivision is vested in Scottsdale City Development III, LLC, an Arizona limited liability company.

Subdivider's interest in this subdivision is evidenced by fee title.

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 April 11, 2006 issued by Fidelity National Title. 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 \$12.32 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 \$119,900.00, is \$1,255.59 and \$165,000.00, is \$1,727.88.

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

PROPERTY OWNERS ASSOCIATIONS

Name and Assessments: Papago Ridge Condominium Owners Association with current assessments in the amount of \$155.00 per month.

Control of Association: Ending on the earlier of: (i) Ninety (90) days after the conveyance of ninety percent (90%) of the Units to Unit Owners other than Declarant; (ii) Four (4) years after Declarant has ceased to offer Units for sale in the ordinary course of business; or (iii) Ten (10) years after the date of recording this Declaration.

Title to Common Areas: Each Unit shall be entitled to an equal and undivided 1/90th share of the common interest.

Membership: All Unit 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 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

1. Any action by Maricopa County Assessor and/or Treasurer, altering the current or prior tax assessment, subsequent to the date of the Policy of Title Insurance.
2. **TAXES AND ASSESSMENTS** collectible by the County Treasurer not yet due and payable for the following year: Year: 2006
3. 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 River 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.
4. **WATER RIGHTS**, claims or title to water, whether or not shown by the public records.
5. Liabilities and Obligations imposed upon said land by reason of the formation of the following named Association: Papago Ridge Condominium Owners Association
6. Easements, setback lines, terms, conditions and matters as shown on the plat recorded in Book 1 of Maps, page 35.
7. Easements, setback lines, terms, conditions and matters as shown on the recorded plat of said subdivision.
8. Easement and rights incident thereto, as set forth in instrument: Recorded: in Docket 15498, page 771 Purpose: irrigation facilities (common area)
9. Easement and rights incident thereto, as set forth in instrument: Recorded: in Instrument No. 83-386479 purpose: vehicular non-access (common area)
10. Easement and rights incident thereto, as set forth in instrument: Recorded: in Instrument No. 84-560928 Purpose: water line (common area)
11. Easement and rights incident thereto, as set forth in instrument: Recorded: in Instrument No. 86-198553 Purpose: drainage (common area)
12. Easement and rights incident thereto, as set forth in instrument: Recorded: in Instrument No. 87-357382 and re-recorded in Instrument No. 87-51440 Purpose: electrical facilities (common area)
13. All matters as set forth in Notice of Telecommunication Service and Non-exclusive Access Agreement recorded in Instrument No. 97-0907412 and in Instrument No. 99-0228247. (common area)
14. Leasehold, under the terms and conditions of an unrecorded lease made by:
Lessor: Papago Ridge Apartments
Lessee: Automatic Laundry Company, LTD
Dated: none stated
Term: 20 years plus renewals
As disclosed by: Memorandum of Lease of Real Property
Recorded: March 6, 1996 in Instrument No. 96-0151439.

15. RESTRICTIONS, CONDITIONS, COVENANTS, LIABILITIES, OBLIGATIONS AND EASEMENTS, (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) contained in instrument recorded in Instrument No. 2006-0335207 and Amendment recorded in Instrument No. 2006-0482765.
16. Deed of Trust given to secure the original amount shown below, and any other amount payable under the terms thereof:
Trustor: Scottsdale City Development III, LLC, an Arizona limited liability company
Trustee: Fidelity National Title Insurance Company
Beneficiary: M&I Marshall and Ilsley Bank
Amount: \$4,275,000.00
Dated: January 26, 2006
Recorded: January 30, 2006 in Instrument No. 2006-0131420
17. An Assignment of Rents and Leases executed by and between Scottsdale City Development III, LLC, an Arizona limited liability company, as assignor, and M&I Marshall and Ilsley Bank, as assignee, January 30, 2006 in Instrument No. 2006-0131421.
18. Financing Statement between:
Debtor: Scottsdale City Development III, LLC, an Arizona limited liability company
Secured Party: M&I Marshall and Ilsley Bank
Recorded: January 30, 2006 in Instrument No. 2006-0131422.

EXHIBIT B

