



# STATE OF ARIZONA

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## DEPARTMENT OF REAL ESTATE

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**"PROMOTING MUTUAL RESPECT"**

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## SUBDIVISION DISCLOSURE REPORT

(PUBLIC REPORT)

FOR

Switzer Canyon Village Condominiums

Registration No. DM08-054660

### SUBDIVIDER

Forest Ring, L.L.C., an Arizona limited liability company  
2410 E. Route 66,  
Flagstaff, Arizona 86004

September 30, 2008

Effective Date

### 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.

**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 CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)\* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.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 1 through 96 inclusive. Units may be sold in Fractional Interests of up to and undivided 1/5 interest each.

**The map of this subdivision:** is recorded in Instrument No. 3425283, records of Coconino County, State of Arizona.

The subdivision is approximately 19.58 acres in size. It has been divided into 96 units, Tracts A, B, and C. All portions of the subdivision other than units are common elements which will be owned in common by the unit owners. The boundaries of the subdivision will be staked with rebar at lot corners and radii.

**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:** 587 N. Switzer Canyon Drive, Flagstaff, Coconino County, State of Arizona.

## SUBDIVISION CHARACTERISTICS

**Topography:** undeveloped wooded area with steep sloping terrain

**Flooding and Drainage:** Subdivider advises there are no flooding or drainage issues within this subdivision.

Rick Schuller, P.E. of Woodson Engineering & Surveying, Inc. states in his letter dated January 14, 2008 that: The purpose of this letter is to state that within the Switzer Village Condominiums subdivision there are no lots that are within the 100 year return interval floodplain. It is identified on the FEMA Flood Insurance Rate Map 040020 0007 D, Panel 7 of 21 for the City of Flagstaff, Coconino County, Arizona that the entire subdivision is in Flood Zone C. There are no known flood hazards to exist on this property and the 100 year flood is not mapped on this site. When the development is constructed per the approved plans including finish floor elevations, no flood insurance is required due to flood hazard to residential buildings within the 100-year return interval floodplain.

**Soils:** This subdivision is subject to extremely expansive soils.

In the Geotechnical Investigation Report dated February 28, 2006, from Jeffrey D. Vann, P.E., with Foree & Vann, Inc. writes in the Executive Summary:

Extremely expansive soils have been encountered at the site, extending to approximate depths ranging from 4.5 to 6.5 feet. To combat the adverse effects of the expansive soil, many alternative foundation and floor slab recommendations are offered herein. This firm suggests the use of deep conventional spread foundations embedded a minimum of 5.5 feet into the native site soils, utilizing an allowable soil bearing capacity of 2500 psf. A mixture of lean concrete may be placed in the lower portion of the foundation excavation, beneath a locally conventional foundation depth. Rather than importing soil beneath the floor slab, we suggest the use of a 5 inch floor slab incorporating number 4 bar reinforcement at 12.0 inches on center, each way.

**Adjacent Lands and Vicinity:** North: First Congregational Church is approximately 1/2 mile north, Rio De Flag Wash is approximately 1/3 mile north, McPherson Park is approximately 1 1/4 mile north, Buffalo Park is approximately 2 miles north, Coconino National Forest is approximately 2 1/4 mile north, Grace Fellowship Church is approximately 1/3 mile northeast, Pine Cliff Village Apartments are approximately 2/3 mile northeast, Ponderosa Park Apartments are approximately 2/3 mile northeast, McMillan Mesa Park is approximately 3/4 mile northeast, Canyon Springs Luxury Apartments are approximately 1 mile northeast, Joel Montalvo Park is approximately 1 3/4 mile northeast, Vineyard Christian Fellowship is approximately 2/3 mile northwest, Downtowner Apartments are approximately 3/4 mile northwest, Wheeler Park is approximately 3/4 mile northwest, Santa Fe West Apartments are approximately 1 mile northwest, Highway 180 is approximately 1 mile northwest, Thorpe Park is approximately 1 3/4 mile northwest and Lowell Observatory is approximately 2 miles northwest.

South: Burlington Northern/Santa Fe Rail Road Tracks are adjacent to the south, Business Route 40/Route 66 are to the south, Interstate 40 is approximately 1 mile south, Rio De Flag Wash is approximately 1/3 mile south, Sawmill Multicultural Art and Nature County Park is approximately 1 mile southwest, SpringHill baptist Church is approximately 3/4 mile southwest, Riverside Church is approximately 1 1/4 mile southwest, Alpine Ridge Apartments are approximately 1 1/4 mile southwest, Wavertree Apartments are approximately 1 1/4 mile southwest, Citizens Cemetery is approximately 1 3/4 mile southwest, Northern Arizona University is approximately 1 3/4 mile southwest, Arroyo Park is approximately 1 1/4 mile southwest and Calvary Cemetery is approximately 1 3/4 mile southwest, Northland Church is Christ is adjacent to the southwest.

East: Business Route 40 is approximately 1/2 mile east and Route 66 is approximately 1/2 mile east.

West: Burlington Northern/Santa Fe Rail Road Tracks are approximately 3/4 mile west, Northern Arizona University is approximately 1 1/2 miles west, Highway 89-A is approximately 1 3/4 mile west and Business Route 40 and Route 66 are approximately 2 mile west, Church of Jesus Christ of LDS is approximately 3/4 mile west.

### AIRPORTS

**Airport:** Flagstaff Pulliam Airport, located at 6200 S. Pulliam Drive is approximately 7 1/4 miles southwest.

### UTILITIES

**Electricity:** APS 928-779-7637, website: [www.aps.com](http://www.aps.com) . Subdivider has completed the facilities to the building pad. Cost to complete facilities from building pad to unit is included in the sale price of the home. Purchasers will be required to pay an establishment Fee of \$25.00, plus tax, Deposit - \$200.00. Credit check determines if deposit can be waived.

**Cable:** NGP Cable, (928) 774-5336 website: [www.ngpcable.net](http://www.ngpcable.net). Subdivider has completed the facilities to the building pad. Cost to complete facilities from building pad to unit is included in the sale price of the home . Purchasers will be required to pay the basic cable rate of \$38.80, installation fee is \$39.95 for 1 outlet, each additional outlet is \$9.95.

**Street Lights:** Subdivider has completed the street lights, purchaser's cost included in Homeowners Association dues

**Telephone:** Qwest Communications (800) 244-1111 website: [www.qwest.com](http://www.qwest.com). Subdivider has completed the facilities to the building pad. Cost to complete facilities from building pad to unit is included in the sale price of the home. Purchasers will be required to pay a basic Installation Fee of \$27.50 per line, Minimum monthly service charge \$8.50 - \$13.18 .

**Natural Gas:** Unisource (928) 774-4592, website: [www.uesaz.com](http://www.uesaz.com). Subdivider has completed the facilities to the building pad. Cost to complete facilities from building pad to unit is included in the sale price of the home. Cost to purchasers for Gas is included in monthly sum of \$280.00 per unit to the Homeowners Association (which also includes Electric and Water).

**Water:** City of Flagstaff (928) 779-7637, website: [www.flagstaff.az.gov](http://www.flagstaff.az.gov). Subdivider has completed the facilities to the building pad. Cost to complete facilities from building pad to unit is included in the sale price of the home. Cost to purchasers for Water is included in monthly sum per unit to the Homeowners Association (which also includes Electric and Gas).

**Sewage Disposal:** City of Flagstaff (928) 779-7637, website: [www.flagstaff.az.gov](http://www.flagstaff.az.gov). Subdivider has completed the facilities to the building pad. Cost to complete facilities from building pad to unit is included in the sale price of the home. Sewage fees are included in Water fees and paid by Homeowners Association, cost included in Gas, Water and Electric monthly dues of \$280.00.

**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 maintained by the City of Flagstaff. Purchaser's cost for continued maintenance is included in property taxes.

Maintenance has been accepted and is the responsibility of the City of Flagstaff. Purchaser's cost for continued maintenance is included in property taxes.

**Access within the Subdivision:** Subdivider has completed the asphalt paved Public and Private streets. The Private Roads to be maintained by the Homeowners Association and the Cost is included in the Homeowners Association dues. The Public Roads are to be maintained by the City of Flagstaff and cost will be included within property taxes.

**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:** Subdivider has completed the drainage facilities. Continued maintenance will be the responsibility of Homeowners Association. Purchaser's cost for continued maintenance is included in Homeowners Association dues.

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

**Within the Subdivision:** Subdivider has completed the Entry Monument and landscaping. Continued maintenance will be the responsibility of the Homeowners Association. Purchaser's cost for continued maintenance is included in Homeowners Association assessments. **PROPOSED ONLY:** Clubhouse, picnic areas, barbeque

**PROPOSED ONLY FACILITIES:** Purchasers have no assurance and Subdivider has made no commitment as to whether, or to what extent, the proposed facilities will be developed or as to completion dates or financial arrangements to guarantee completion of Clubhouse, picnic areas, and barbeque.

### **ASSURANCES FOR COMPLETION**

**Assurances for Completion of Subdivision Facilities:** All facilities 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 Condominium Declaration, Homeowners Association Articles of Incorporation and Bylaws.

### **LOCAL SERVICES AND FACILITIES**

**Schools:** Marshall Elementary School, located at 850 N. Bonito Street is approximately 1 1/2 mile northwest, Flagstaff Middle School, located at 755 N. Bonito Street is approximately 1 3/4 mile northwest and Flagstaff High School, located at 400 W. Elm Avenue is approximately 1 1/3 mile northwest.

**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:** Fry's Food Store, located at 201 N. Switzer Canyon Dr. is approximately 1/4 mile south and Albertson's, located at 1416 E. Route 66 is approximately 1/3 mile south.

**Public Transportation:** No public transportation at this time.

**Medical Facilities:** Flagstaff Medical Center, located at 1200 N. Beaver Street is approximately 1 1/2 mile northwest.

**Fire Protection:** Flagstaff Fire Department and costs included in the property taxes.

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

**Police Services:** Flagstaff Police Department

**Garbage Services:** City of Flagstaff - Cost included in water bill.

**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 Single family Residence Condominium Units. Units may be sold in Fractional Interests of up to and undivided 1/5 interest each as provided for in the City of Flagstaff Zoning code.

Zoning: Property is zoned as UR, Urban 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 the Coconino County Recorder. Information about zoning may be obtained at the Office of the City of Flagstaff 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 Forest Ring, LLC, a 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 June 13, 2008 issued by Fidelity National Title Group . **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.

**SUBDIVIDER INTENDS TO OFFER UNITS FOR SALE AND ALSO TO OFFER FOR SALE A FRACTIONAL INTEREST IN A UNIT. THE OWNERSHIP OF A FRACTIONAL INTEREST IN A UNIT WILL ENTITLE THE BUYER TO OCCUPY THE UNIT IN ACCORDANCE WITH THE DECLARATION OF FRACTIONAL INTEREST OWNERSHIP PLAN FOR THE UNIT WHICH WILL BE RECORDED IN THE RECORDS OF THE COUNTY RECORDER OF COCONINO COUNTY, ARIZONA PRIOR TO THE CLOSING OF THE SALE OF THE FRACTIONAL INTEREST. THE DECLARATION OF FRACTIONAL INTEREST OWNERSHIP PLAN WILL PROVIDE THAT THE MINIMUM LENGTH OF STAY BY AN OWNER OF A FRACTIONAL INTEREST IN THE UNIT SHALL BE 30 DAYS AS REQUIRED BY THE ZONING ORDINANCES OF THE CITY OF FLAGSTAFF. THE DECLARATION OF FRACTIONAL INTEREST OWNERSHIP PLAN WILL ALSO PRESCRIBE THE RIGHTS OF EACH OWNER OF A FRACTIONAL INTEREST IN THE UNIT TO USE THE UNIT AND PROVIDE FOR THE SHARING OF THE COSTS AND EXPENSES WITH RESPECT TO THE MAINTENANCE, REPAIR AND OPERATION OF THE UNIT AMONG ALL THE OWNERS OF A FRACTIONAL INTEREST IN THE UNIT. PRIOR TO THE CLOSING OF THE SALE OF THE FIRST FRACTIONAL INTEREST IN A UNIT, THE SUBDIVIDER WILL RECORD A DECLARATION OF FRACTIONAL OWNERSHIP PLAN FOR THE UNIT. ALL PURCHASERS OF A UNIT OR A FRACTIONAL INTEREST IN A UNIT ACKNOWLEDGE AND AGREE THAT THE SUBDIVIDER MAY, BUT SHALL NOT BE OBLIGATED TO, AMEND THIS REPORT TO REFERENCE THE RECORDING INFORMATION OF ANY DECLARATION OF FRACTIONAL OWNERSHIP PLAN THAT MAY BE RECORDED IN THE FUTURE.**

**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 combined primary and secondary property tax rate for this subdivision for the year 2007 is \$7.6185 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 \$800,000.00, is \$4,876.00 (entire unit). The Coconino County Assessor will assess each fractional interest according to each individual interest and assess each unit accordingly. An estimated tax amount based on an undivided 1/5 interest for sales price of \$160,000.00 is \$975.20.

**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:** Switzer Village Condominium Association. Unit owners will be required to pay assessments in the amount of \$4,500.00 per quarter (entire unit) The Homeowners Association will assess each fractional interest according to each individual interest. The required assessment for an undivided 1/5 interest is \$900.00 per quarter.

**Control of Association:** Period of Declarant Control means the time period commencing on the date the Condominium Declaration was recorded and ending on the earlier of: (A) ninety (90) days after the conveyance of seventy-five percent (75%) of the Units to owners other than Declarant; or (b) four (4) years after Declarant has ceased to offer Units for sale in the ordinary course of business.

**BUYER SHALL PAY TO THE ASSOCIATION THE FOLLOWING FEES AT THE CLOSING:**

**INITIAL WORKING CAPITAL FEE** equal to two monthly installments of the regular assessment in the amount of \$15,000.00 (entire unit) \$3,000.00 per 1/5 interest

**RESERVE CONTRIBUTION FEE** in the amount of \$5,000.00 (entire unit) \$1,000.00 per 1/5 interest

**TRANSFER FEE** in the amount of \$100.00 whether for fractional interest or entire unit.

**Title to Common Areas:** Tracts A, B and C as shown on the plat of the subdivision are part of the common elements of the condominium which will be owned in common by the unit owners in accordance with the undivided interest in the common elements allocated to each unit by the Condominium Declaration. Title to the common elements will not be conveyed to the Homeowners Association.

**Membership:** All unit owners will be members of the Homeowners 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 CONDOMINIUM DECLARATION FOR THIS SUBDIVISION AND THE ARTICLES OF INCORPORATION AND BYLAWS OF THE HOMEOWNERS ASSOCIATION 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 LOTS/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. Restrictions, conditions and regulations governing the use of groundwater, pursuant to Title 45 Arizona Revised Statutes, 101, et seq.
2. Any action by Coconino County Assessors and /or Treasurer altering the current or prior tax assessment subsequent to the date of this report.
3. Property taxes, which are a lien not yet due and payable, including any personal property taxes and any assessments collected with taxes to be levied for the year 2008.
4. Any obligations imposed upon said land by its inclusion within the following named association.  
     Association: Switzer Canyon Village Condominium Association
5. Reservations, exceptions and provisions contained in the patent from the United States of America, or in the acts authorizing the issuance thereof, 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 by local customs, laws and decisions of courts.
6. Water rights, claims or title to water, whether or not disclosed by the public records.
7. Easements for the purposes shown below and rights incidental thereto as granted in a document.  
     Purpose: right of way  
     Recorded: Docket 1497, Page 253  
     Affects: as set forth therein
8. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document.  
     Purpose: public utilities  
     Recorded: Inst. 3252749  
     Affects: as set forth therein
9. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document.  
     Purpose: right of way  
     Recorded Inst. 3252750  
     Affects: as set forth therein
10. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document.

Purpose: drainage

Recorded: Inst. 04-3252751

Affects: as set forth therein

- 11.** Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document.  
Purpose: temporary access  
recorded: Instrument No. 04-03252752  
Affects: as set forth therein
- 12.** All matters disclosed by Survey recorded in Book 21 of Land Surveys, Page 58.
- 13.** The following matters disclosed by survey by Urban P. Visser, Registered Land Surveyor dated March 13, 2004 and amended April 2, 2004;
  - a. Apparent easement for overhead utility lines across the West and North of subject property;
  - b. Encroachment by existing wood fences and paving stones along the south of subject property
  - c. Encroachment by deck on the North side of subject property.
- 14.** Easements, restrictions, and matters shown on the recorded map of said subdivision recorded in Instrument No. 3425283
- 15.** City / Subdivider Agreement by and between Forest Ring LLC and the City of Flagstaff, recorded February 12, 2007, recorded in Instrument No. 3425284
- 16.** Covenants, conditions and restrictions (deleting therefrom any restrictions indicating
- 17.** Adverse matters that may be revealed by an inspection of said lands or inquiry of parties in possession thereof.
- 18.** Any rights of the parties in possession of a portion of, or all of, said land, which rights are not disclosed by the public record.
- 19.** A deed of Trust to secure an indebtedness in the amount shown below and any other obligations secured thereby  
Amount: \$4,800,000.00  
Dated: February 9, 2007  
Trustor: Forest Ring LLC  
Trustee: Alliance Bank of Arizona  
Beneficiary: Alliance Bank of Arizona  
Recorded : February 9, 2007, Instrument No. 3424956

- 20.** A deed of Trust to secure an indebtedness in the amount shown below and any other obligations secured thereby

Amount: \$949,113.00

Dated: January 30, 2007

Trustor: Forest Ring LLC

Trustee: Alliance Bank of Arizona

Beneficiary: Alliance Bank of Arizona

Recorded : February 9, 2007, Instrument No. 3424957

- 21.** Property Taxes for the full year shown below are paid. For proration purposes the amounts are:

APN: 101-28-012A

Year: 2007

1<sup>st</sup> half: \$4,694.43

2<sup>nd</sup> half: \$4,694.43

Covers: Above Parcel

- 22.** There are no further matters of record affecting the herein described lands.

END OF EXCEPTIONS