

**SUBDIVISION PUBLIC REPORT**

FOR

**Merrill Ranch**

Registration No. DM99-020773

**SUBDIVIDER**

**Corvallas Development Corporation, an Arizona Corporation,  
D.B.A.,  
Republic Homes  
P.O. Box 21887  
Mesa, Arizona 85277**

March 22, 2002

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**

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2910 N. 44<sup>th</sup> Street  
First Floor  
Phoenix, Arizona 85018  
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Suite 523  
Tucson, Arizona 85701  
(520) 628-6940**

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**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 **CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)\* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.**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 that 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.

**NOTES**

- 1.** All Tracts, and private streets, shall be owned and maintained by the Homeowners Association.
- 2.** All new or relocated utilities will be placed underground, as required by the Arizona Corporation Commission General Order R-14-2-1333.
- 3.** A Certificate of Assured Water has been granted by ADWR for Merrill Ranch ADWR No. 27-4001581.
- 4.** Each lot in this subdivision is permitted one dwelling unit.
- 5.** An association, including all property owners in the development, will be formed and have responsibility for maintaining common areas to be noted as "tracts". Including those outside of perimeter walls, including landscaped areas and drainage facilities, in accordance with approved plans.
- 6.** Structures will be limited to one-story in height within 25' of the rear property line on peripheral lots adjacent to external residential properties. Second story windows on the rear of said lots will be prohibited. Furthermore, no two adjacent lots on the periphery of the subdivision will be allowed to contain two-story dwellings.

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GENERAL

**This report includes:** Lots 1 through 79, Merrill Ranch

**The map of this subdivision:** is recorded in Book 543 of Maps, Page 13, records of Maricopa County, State of Arizona.

The subdivision is approximately 14.78 acres in size. It has been divided into 79 lots and 9 Tracts. Lot boundaries will be staked at corners and radii.

**PURCHASERS ARE ADVISED THAT THE RECORDED DECLARATION COVENANTS, CONDITIONS AND RESTRICTIONS FOR THIS SUBDIVISION PROVIDES FOR A ARCHITECTURAL REVIEW COMMITTEE.**

SUBDIVISION LOCATION

**Location:** University Drive and Merrill Road, Mesa, Maricopa County, Arizona

SUBDIVISION CHARACTERISTICS

*FCD. Maricopa. Gov  
100 yr FLOOD plain  
maps.*

**Topography:** Land is Level

*Parcel # 220-45-120*

**Flooding and Drainage:** In the letter form Sage Engineering Corporation dated November 9, 2000 it states that:

1. The subject property is no located within any governmentally mapped floodway or floodplain that would require the provision of federal flood insurance;
2. Finished floor elevations are designed to be at least fourteen inches (14") above the grade of the "outfall point" and are above the elevation of the sheet- flow water surface generated by a 100 year storm.
3. Building pad elevations are designed to be at least six inches (6") above the grade of the "outfall point: and are above the elevation of the sheet flow water surface generated by a 50 year frequency storm.
4. Public streets have been designed to contain, within their right-of-way, flow generated by a 10 year frequency storm;

We hereby certify that the lots have been designed to be free from flood hazard, as term is commonly and currently defined by the regulators of residential subdivisions procedures.

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

**Adjacent Lands and Vicinity:** All adjacent areas are single family residential, zoned R1-6 and R1-8.

*Drawing Desk - Regulations = 602-506-6332*

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### AIRPORTS

**Military Airport:** None known to the best of Subdividers knowledge.

**Public Airport:** None known to the best of the Subdividers knowledge.

**Airport:** Falcon Field Municipal Airport, (480) 644-2444, 4800 East Falcon Drive, Mesa, Arizona 85215, is located approximately 4.5 miles from subdivision.

**NOTE: SUBDIVISION IS LOCATED WITHIN THE VICINITY OF FALCON FIELD MUNICIPAL AIRPORT. FLIGHTS MAY PRODUCE AIRCRAFT NOISE AS A RESULT OF AIRCRAFT FLIGHT OPERATIONS AND WEATHER CONDITIONS.**

### UTILITIES

**Electricity:** Salt River Project, (480) 236-8888, 1515 North Project Drive, Tempe, Arizona 85281. Subdivider advises that facilities are completed to lot lines. Costs to Lot purchasers include a \$19.00 Service Establishment fee, \$20.00 deposit, if Applicable.

**Street Lights:** Subdivider advises there are no street lights in this subdivision.

**Telephone:** Qwest, 1 (800) 244-1111, 20 East Thomas Road, Phoenix Arizona 85012. Subdivider advises facilities are completed to lot lines. Costs to Lot Purchasers to Establish Service is a \$46.50 hook-up fee per line, a \$53.30 per line zone connection fee plus additional charges for extra features.

**Natural Gas:** Subdivider advises that no natural gas will be installed in subdivision.

**Water:** Arizona Water Company, (480) 982-2201, 2230 West Southern Avenue, Apache Junction, Arizona 85220. Subdivider advises facilities are completed to lot lines. Costs to Lot Purchasers include a \$16.00 Service Establishment fee; \$12.43 minimum monthly charge for 1,000 gallon usage and 20 cents per gallon thereafter.

**Sewage Disposal:** City of Mesa, (480) 644-2221, 55 North Center Street, Mesa Arizona 85201. Subdivider advises facilities are completed to lot lines. Costs to lot purchasers are \$18.18 per month than each year the monthly fee is determined by the lot purchaser water usage during the winter months.

**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.**

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### STREETS, ROADS AND DRAINAGE

**Access to the Subdivision:** Asphalt paved public streets are complete and are maintained by the County of Maricopa with costs to Lot Purchasers for maintenance included in the property taxes.

**Access within the Subdivision:** Subdivider has completed asphalt, paved, private streets within the subdivision. The Merrill Ranch Homeowners Association accepted streets for maintenance. Costs to Lot Purchasers for maintenance is included in Merrill Ranch Homeowners Association fees.

**Flood and Drainage:** Drainage easements and retention basins are completed. Merrill Ranch Homeowners Association is responsible for maintenance with costs to Lot Purchasers included in the Merrill Ranch Homeowners Association fees.

### COMMON, COMMUNITY AND RECREATIONAL FACILITIES

**Within the Subdivision:** Common areas and natural vegetation tracts are complete. Merrill Ranch Homeowner's Association is responsible for maintenance with costs to Lot Purchasers for maintenance included in the Merrill Ranch Homeowners Association fees.

**Within the Master Planned Community:** Subdivider advises this will not be a master Planned Community.

### ASSURANCES FOR COMPLETION

**Assurances for Completion of Subdivision Facilities:** No escrow to close until the County of Maricopa issues it's Certificate of Occupancy and all Subdivision improvements have been completed.

**Assurances for Maintenance of Subdivision Facilities:** As stated in the recorded Covenants, Conditions, and Restrictions, Filed Article and Bylaws for Merrill Ranch Homeowner's Association, and current existing zoning regulations for the County of Maricopa.

### LOCAL SERVICES AND FACILITIES

**Schools:** Sousa Elementary School, 616 North Mountain Road, Apache Junction, Arizona 85220, (480) 472-8900, (K-6) approximately 2 miles from subdivision; Smith Junior High, 10100 East Adobe Road, Mesa, Arizona 85207, (480) 472-9900, (7-8) approximately 1.5 miles from subdivision; Skyline High School, 845 South Crimson Road, Mesa, Arizona 85208, (480) 472-9400, (9-12) approximately 2 miles from subdivision.

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**Subdivider advises you that school bus and private transportation are available to this subdivision.**

**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:** Convenience store located approximately 1 mile from subdivision and a grocery store located on Apache Boulevard, and Ellsworth Road, approximately 4 miles from subdivision.

**Public Transportation:** Valley Metro Transit local route 184 and Express route 533 both have a bus stop located at Superstition Springs Center which is approximately 1.5 miles from subdivision.

**Medical Facilities:** Valley Lutheran Hospital, (480) 981-2000, 6644 East Baywood Avenue, Mesa Arizona 85206, approximately 4 miles from subdivision.

**Fire Protection:** Rural Metro Fire Department with costs included in property taxes.

**Ambulance Service:** Available by dialing 911

**Police Services:** Maricopa County Sheriffs Office

**Garbage Services:** Waste Management of Arizona, (602) 470-0225 with costs to Lot Purchasers of \$9.00 per month included in Homeowners 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 *Lot with Dwelling*

**Zoning:** *Single Family*

**Conditions, Reservations and Restrictions:** As stated in the recorded Conditions and Restrictions, Articles of Incorporation, Bylaws and existing and current zoning regulations.

**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 Maricopa County Planning and Zoning Department. Restrictions are recorded as cited in the following title exceptions and per the subdivision plat.

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### TITLE

**Title to this subdivision** is vested in Corvallas Development Corporation, an Arizona Corporation, D.B.A. Republic Homes.

**Subdivider's interest** in this subdivision is evidenced by a 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 February 25, 2002 to come issued by Capital Title Agency Inc., **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 by signing a Promissory Note and Deed of Trust for any unpaid balance, if any. **YOU SHOULD READ THESE DOCUMENTS BEFORE SIGNING THEM.**

**YOU ARE ADVISED THE EARNEST MONEY DEPOSITS, DOWN PAYMENTS AND OTHER ADVANCED MONEY WILL NOT BE PLACED IN A NEUTRAL ESCROW. SUCH MONEY WILL BE PAID DIRECTLY TO SELLER AND MAY BE USED BY SELLER. THIS MEANS THE PURCHASER ASSUMES A RISK OF LOSING SUCH MONEY IF THE SELLER IS UNABLE OR UNWILLING TO PERFORM UNDER THE TERMS OF THE PURCHASE CONTRACT.**

**Release of Liens and Encumbrances:** Subdivider advises that arrangements have been made with the lender in the aforementioned Deed of Trust for the release of individual lots.

**Use of Occupancy:** Lot Purchasers will be permitted to use and occupy their lot upon close of escrow and recordation of deed.

**Leasehold Offering:** Subdivider advises there are no leasehold offerings.

**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.**



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### TAXES AND ASSESSMENTS

**Real Property Taxes:** The combined primary and secondary property tax rate for this subdivision for the year 2001 is \$11.1508 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 \$150,000.00 is \$1,338.10.

**Special District Tax or Assessment:** Subdivider advises that to the best of his knowledge there are no Special District Tax or Assessments.

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

### PROPERTY OWNERS ASSOCIATIONS

**Name and Assessments:** Merrill Ranch Homeowners Association with Association fees of approximately \$35.00 per month.

**Control of Association:** The Class B membership shall cease and be converted to Class A membership on the earlier of: (i) ninety (90) days following the date on which the votes entitled to be cast by the Class A Members equals or exceeds the votes entitled to be cast by the Class B Member; (ii) the date which is five (5) years after the Recording of this Declaration; or (iii) when Declarant notifies the Association in writing that it relinquishes its Class B membership.

**Title to Common Areas:** Declarant shall convey the Common Area free and clear of all liens and monetary encumbrances to the Association not later than the conveyance of first Lot to a Lot Purchaser.

**Membership:** All Lot Purchasers will be members of the Association.

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**NOTE: 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, BYLAWS FOR THIS SUBDIVISION TO DETERMINE THE RIGHTS OF LOT 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 LOTS. 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. Taxes for the year 2000, plus penalties and interest.
2. Taxes for the year 2001, a lien but not yet payable.

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3. 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 there is reserved from the lands hereby granted, a right-of-way thereon for ditches or canals constructed by the authority of the United States."
4. Liabilities and obligations existing or which may arise against the said land by reason of its inclusion within THE CENTRAL ARIZONA GROUNDWATER REPLENISHMENT DISTRICT, as disclosed by instrument recorded in Document No. 99-1078894.
5. Liabilities and obligations existing or which may arise against the said land by reason of its inclusion within ELECTRICAL DISTRICT NO. 5. (EXCEPT Lots 13 and 16)
6. Liabilities and obligations existing or which may arise against the said land by reason of its inclusion within MERRILL RANCH HOMEOWNER'S ASSOCIATION.
7. Water rights, claims or title to water, whether or not the matters excepted are shown by the public records.
8. A Deed of Trust executed by MERRILL RANCH UNIT 79, L.L.C., an Arizona limited liability company, as Trustor, to FIRST SECURITY BANK, N.A., a National Banking Association, as Beneficiary, and CAPITAL TITLE AGENCY, INC., as Trustee, dated July 20, 1999, recorded July 23, 1999, in Document No. 99-0698021; TO SECURE: \$1,185,000.00 and thereafter said Deed of Trust was in instrument recorded in Document No. 01-0267409.
9. Terms and Conditions of Agreement and Notice of Municipal Provider Reporting Requirements for Merrill Ranch (Central Arizona groundwater Replenishment District) as set forth in instrument recorded in Document No. 99-1048893.
10. All matters contained in the Declaration of Covenants, Conditions, Restrictions, regarding membership in The Central Arizona Groundwater Replenishment District, as set forth in instrument recorded in Document No. 99-1048894, 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 Merrill Ranch Unit 79, L.L.C., an Arizona Limited Liability Company, as Trustor, to FIRST SECURITY BANK, N.A., as Beneficiary, and CAPITAL TITLE AGENCY, as Trustee, dated December 21, 1999, recorded

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December 30, 1999, in Document No. 99-1166006; TO SECURE: \$1,000,000.00, and other amounts payable thereunder.

12. Easements, restrictions, reservations, conditions and set-back lines as set forth on the plat recorded in Book 543 of Maps, page 13, 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 restriction violate 42 USC 3604(c).
13. All matters contained in the Covenants, Conditions, Restrictions, Easements, Liens and Charges, as set forth in instrument recorded in Document No. 01-0008258, 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 USC 3604(c).
14. An easement and rights incident thereto for UNDERGROUND POWER as set forth in instrument recorded in Document No. 00-0870783.
15. An easement and rights incident thereto for DRAINAGE as set forth in instrument recorded in Document No. 01-0193562. (Affects Tract B)
16. Covenant running with the land recorded in instrument recorded in Document No. 01-193563. (Affects Tract B)
17. Assignment and Assumption Agreement by and Between MERRILL RANCH UNIT 79, L.L.C., an Arizona Limited Liability Company, Assignor and WILLIAM O'BRIEN, MICHAEL FENCL and WILLIAM O'BRIEN, JR. (Members) and CORVALLAS DEVELOPMENT CORPORATION, an Arizona corporation, Assignee, dated May 17, 2001, recorded May 18, 2001 in Document No. 01-0426294.
18. All matters in instrument entitled "Order of the Board of Directors Granting Petition for Exclusion of Lands to Electrical District No. 5" in instrument recorded in Document No. 01-0621504.

Permanent Access to this subdivision as defined and required by ARS 32-2101 (19) and 32-2185.02 is via University Drive and Merrill Road.