

STATE OF ARIZONA
DEPARTMENT OF REAL ESTATE

SUBDIVISION PUBLIC REPORT

FOR

**Westland Estates
aka Verdante**

License No. 97-00939

SUBDIVIDER

M/I Homes, Inc., an Arizona corporation
14505 North Hayden Road, Suite 341
Scottsdale, AZ 85260

Date

January 16, 1998

Effective Date

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. The report reflects information provided by the subdivider and obtained by the Department in its review process in accordance with the provisions of Title 32, Chapter 20, Article 4, of the Arizona Revised Statutes, as amended. **NOTE** that not all of the information in this report has been verified by the Department; certain information has been accepted by the Department as true and accurate based on attestation of the subdivider and/or the subdivider's agents. 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.

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THE ARIZONA DEPARTMENT OF REAL ESTATE

REQUIRES THAT:

1. The purchaser or lessee 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 PURCHASERS OR LESSEES SHALL RENDER THE SALE OR LEASE RESCINDABLE BY THE PURCHASER OR LESSEE. 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 CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* MAY BE RESCINDED BY THE PURCHASER WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.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: Lots 1 through 39.

The map of this subdivision: is recorded in Book 451 of Maps Page 50 records of Maricopa County, State of Arizona.

The subdivision is approximately 40.03 acres in size. It has been divided into 39 lots and 3 tracts. Lot boundaries will be lot will be permanently marked upon completion of construction.

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: Northeast corner of Hayden Road and Westland Road, Scottsdale, Maricopa County, Arizona.

SUBDIVISION CHARACTERISTICS

Topography: Gently rolling terrain with rocks.

Flooding and Drainage: Gordon Wark, P.E. of Wood and Patel in a letter dated December 3, 1997 cites in part: The development is located in a designated Zone "X", Zone "X" is defined as: Areas determined to be outside the 500 year flood plain. Drainage easements have been depicted on the final plat for all washes conveying 50 cfs or greater during the 100 year event. Finished floor elevations for each lot will be established at the time building plans are prepared and finished plan elevations will be certified by the engineer preparing the individual lot site grading and drainage plans.

Soils: Developer reports that the development is not subject to subsidence or expansive type soils.

Hazards or Nuisances: Developer reports that the development is not near or adjacent to land or any land use that could be considered to be a hazard or nuisance.

Adjacent Lands and Vicinity: Developer reports that the land surrounding the development is zoned R1-43ESL (environmentally sensitive land). This zoning permits 1 dwelling unit per acre.

UTILITIES

Electricity: Arizona Public Service phone number 371-7171. Estimated completion date October 1, 1998. Costs for receiving service includes a \$25.00 hook-up fee and \$175.00 deposit.

Telephone: US West Communications phone number 490-2355. Estimated completion date October 1, 1998. Costs for receiving service includes a \$46.50 minimum installation fee and \$120.00 deposit.

Natural Gas: Black Mountain Gas Company phone 488-3402. Estimated completion date October 1, 1998. Developer reports no initial fees.

Water: City of Scottsdale phone number 994-2461. Estimated completion date October 1, 1998. Costs for receiving service includes a \$7.00 connection fee.

Sewage Disposal: City of Scottsdale phone number 994-2461. Estimated completion date October 1, 1998. Costs for receiving service includes a \$7.00 connection fee included in water hook-up 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: Asphalt paved public streets to be maintained by the City of Scottsdale. Estimated completion date October 1, 1998.

Access within the Subdivision: Asphalt paved private streets to be maintained by the Homeowners Association. Estimated completion date October 1, 1998.

Flood and Drainage: Developer reports Tracts B and C to be designated as drainage easements. Estimated completion date October 1, 1998.

COMMON, COMMUNITY AND RECREATIONAL FACILITIES

Within the Subdivision: Private streets and NAOS areas, to be maintained by Homeowners Association. Estimated completion date October 1, 1998.

ASSURANCES FOR COMPLETION

Assurances for Completion of Subdivision Facilities: No escrow's will close until the City of Scottsdale issues its occupancy clearance and all off-site improvements are complete.

Assurances for Maintenance of Subdivision Facilities: Recorded CC&R's and Homeowners Association.

LOCAL SERVICES AND FACILITIES

Schools: Desert Sun Elementary approx. 4 miles, Desert Arroyo Middle School approx. 4 miles and Cactus Shadows High School approx. 4 miles from development.

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: Located at 34402 North Scottsdale Road approx. 1.5 miles from development.

Public Transportation: Bell and Scottsdale Roads approx. 11 miles from development.

Medical Facilities: Scottsdale Memorial North Hospital approx. 16.5 miles or Mayo Clinic approx. 21 miles from development.

Fire Protection: Rural Metro.

Ambulance Service: Is available via 911.

Police Services: City of Scottsdale.

Garbage Services: City of Scottsdale.

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 with dwelling single family residence.

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 Scottsdale 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 M/I Homes., an Arizona corporation.

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 December 30, 1997 issued by Arizona Title Agency, Inc.. **As a prospective purchaser, 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: Will be evidenced by Warranty Deed and Note and Deed of Trust for any unpaid balance if applicable.

Use and Occupancy: Upon completion of construction and close of escrow.

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 1997 is \$10.9804 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 \$450,000.00, is \$3,375.00.

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

PROPERTY OWNERS ASSOCIATIONS

Name and Assessments: Verdante at Westland Estates Property Owners Association. Purchasers will be required to pay a yearly assessment of \$840.00.

Control of Association: When Class A votes equal or exceed Class B votes or 7 years after recording the declaration or when Declarant (applicant) notifies the Homeowners Association in writing that it relinquishes Class B membership.

Title to Common Areas: When Class A votes equal or exceed Class B votes or 7 years after recording the declaration or when Declarant (applicant) notifies the Homeowners Association in writing that it relinquishes Class B membership.

Membership: All purchasers 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.

PROSPECTIVE PURCHASERS 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 LOT/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 LOT/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.