

STATE OF ARIZONA
DEPARTMENT OF REAL ESTATE

SUBDIVISION PUBLIC REPORT

FOR

BV at Hayden Ferry Lakeside, A Condominium

aka Bridgeview at Hayden Ferry Lakeside

Registration No. DM05-050102

SUBDIVIDER

BV at Hayden Ferry Lakeside, L.L.C., an Arizona limited liability company

80 E. Rio Salado Parkway, Suite 410

Tempe, Arizona 85281

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November 16, 2005

Effective Date

PROPERTY REPORT 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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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 CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.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 1-01, 1-02, 1-04, 1-05, 1-06, 1-07, 1-08, 1-09, 1-11, 1-12, 2-01, 2-02, 2-03, 2-04, 2-05, 2-06, 2-07, 2-08, 2-09, 2-10, 2-11, 2-12, 3-01, 3-02, 3-03, 3-04, 3-05, 3-06, 3-07, 3-08, 3-09, 3-10, 3-11, 3-12, 4-01, 4-02, 4-03, 4-04, 4-05, 4-06, 4-07, 4-08, 4-09, 4-10, 4-11, 4-12, 5-01, 5-02, 5-03, 5-04, 5-05, 5-06, 5-07, 5-08, 5-09, 5-10, 5-11, 5-12, 6-01, 6-02, 6-03, 6-04, 6-06, 6-07, 6-09, 6-10, 6-11, 6-12, 7-01, 7-02, 7-03, 7-04, 7-09, 7-10, 7-11, 7-12, 8-01, 8-02, 8-03, 8-04, 8-05, 8-06, 9-01, 9-02, 9-03, 9-04, 9-05, 9-06, 10-01, 10-02, 10-03, 10-04, 10-05, 10-06, 11-01, 11-02, 11-03, 11-04, 11-05, 11-06, 12-01, 12-02, 12-05, 12-06, inclusive.

The map of this subdivision is recorded in Book 776, Page 41, records of Maricopa County, Arizona.

The subdivision is approximately .82993 acres in size. It has been divided into 104 units. Units within condominiums will be shown on plat.

Prospective purchasers are hereby advised that the recorded plat for this subdivision contains the following, in part:

Plat Notes:

1. Construction within utility easements shall be limited to utilities, and wood, wire or removable section type fencing.
2. All utilities shall be installed underground.
3. All Building ties are perpendicular or radial to the property or survey line from which they are extended. All distances are to exterior face of building.
4. The City of Tempe is not responsible for and will not accept maintenance of any private street, private utilities, private facilities and landscape areas within Bridgeview at Hayden Ferry Lakeside.
5. In approving the underground retention system (the "System") shown on the Grading and Drainage Plans approved by the City of Tempe for the Bridgeview at Hayden Ferry Lakeside Condominium project (the "Plans"), the City assumes no liability for any ongoing maintenance of the system. It shall be the sole responsibility of the Bridgeview at Hayden Ferry Lakeside Condominium Association to (1) regularly inspect the system (at least annually), and (2) maintain the system in a condition that will allow the system to store and dissipate the volume of storm water shown on the Plans. The foregoing restriction cannot be changed without the prior written consent of the City of Tempe engineer.

YOU ARE ADVISED TO OBTAIN A COPY OF THE RECORDED PLAT MAP AND CORRECTION DOCUMENTS, IF ANY, AND NOTE ALL EASEMENTS, RESTRICTIONS AND STATEMENTS CONTAINED THEREIN.

SUBDIVISION LOCATION

Location: 140 East Rio Salado Parkway, Tempe, Maricopa County, Arizona.

SUBDIVISION CHARACTERISTICS

Topography: Subdivider advises that the subdivision land is level.

No Protection of Views: Views and scenes that are visible from particular portions of Bridgeview at Hayden Ferry Lakeside may change over time and may be blocked or partially obstructed, as development activity of the remaining land continues and landscaping matures within the community. Neither the Subdivider nor its Sales Associates or other Representatives make any representation or warranty regarding the future protection of views that may be a factor in your purchase decision.

Flooding and Drainage: Subdivider advises that there are no flooding or drainage problems and according to Civil Resources, LLC, Bruce J. Friedhoff, P.E., in the flood and drainage letter dated July 28, 2005, has cited, in part:

“This site is protected by a flood control levee constructed by the City of Tempe and maintained by the Flood Control District of Maricopa County. Further, on-site drainage has been designed in accordance with the City of Tempe Drainage Ordinance and Drainage Design Criteria that requires finished floor elevations and openings to buildings to be above the high water level expected from the 100-year storm event. This site is not located in a FEMA designated flood zone and therefore is not required to have flood insurance.”

Soils: The Subdivision is not subject to subsidence or expansive soils.

Adjacent Lands and Vicinity: Land directly adjacent to the subdivision to the south, east, and west MG: (Multi-Use). Land directly adjacent to the subdivision to the north (City of Tempe South Bank Linear Park): R1-6: (Single-Family Residential). Land south of Rio Salado Parkway, south of the subdivision: MG (Multi-Use) and R1-6 (Single-Family Residential). Land west of Mill Avenue, west of the subdivision (Tempe Beach Park): R1-6 (Single-Family Residential).

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 the existing zoning. All zoning information is subject to change. Consequently, no assurance can be given that the zoning or uses for the adjacent lands will not change from that described above. Neither Subdivider nor its agents make any representation regarding how the property not owned by Subdivider within and/or surrounding Bridgeview at Hayden Ferry Lakeside will be used or developed. Existing and/or proposed use of adjacent property is subject to change and is not within the control of the Subdivider. For more information, please call the City of Tempe planning and Zoning at (480) 350-8331.

Adjacent land immediately to the north of the subdivision is the City of Tempe South Bank Linear Park, which runs alongside City-owned Tempe Town Lake.

Adjacent land immediately to the west of the subdivision is occupied by a mixed-use midrise commercial development (Hayden Ferry Lakeside).

Adjacent land immediately to the south and east of the subdivision is vacant land, zoned for mid-rise mixed-use development.

The City of Tempe South Bank Linear Park (immediately north of the subdivision) and Tempe Beach Park (0.25 mile west of the subdivision) may host events - including concerts, fireworks, fairs, festivals, rallies, and other public and private gatherings - that may be sources of noise.

Tempe Town Lake (immediately north of the South Bank Linear Park) is a public municipal artificial lake used for urban fishing, boating, special events such as boat races and water-skiing events, and other activities that may produce noise.

The Loop 202 Freeway (Red Mountain Freeway), which runs east-west approximately 0.25 miles to the north of the subdivision (along the north bank of Tempe Town Lake), is a possible source of noise.

The Loop 101 Freeway (Price Freeway), State Route 143 (The Hohokam Expressway), State Route 153 (The Sky Harbor Expressway), Interstate 10 (The Maricopa Freeway), and U.S. 60 (The Superstition Freeway) are all within approximately five miles of the subdivision.

Phoenix Sky Harbor International Airport's easternmost runway is approximately 3.25 miles west of the subdivision, and the airport flight path is approximately overhead - both may be sources of noise.

Papago Army Airfield / National Guard Airport, which is approximately 3 miles northwest of the subdivision, is a possible source of noise.

ASU Sun Devil Stadium and other ASU-owned athletic facilities are approximately 0.25 mile southeast of the subdivision, host sports events, concerts, and other spectator activities that involve crowds, amplified sound systems, and fireworks, all of which are possible sources of noise.

The Arizona Public Service (APS) Ocotillo Power Plant is approximately 1.5 miles southeast of the subdivision. Owned and operated by Arizona Public Service Company, the power plant is located on property bounded by University Drive, Rio Salado Parkway, McClintock Drive, and Dorsey Lane. Built in 1957, it operates as a power-generation facility, currently fueled by natural gas, with the capacity to burn diesel or fuel oil. Solar generation is also located on this site. Although manned 24 hours a day, it operates only as required by system load demands. Scott Davis, APS's Director of Environmental Health and Safety, stated that although the plant emits various pollutants (like all fossil-fuel fired generating facilities), it operates in compliance with all applicable regulatory requirements and permits that limit the levels and amounts of pollutants that can be emitted. With respect to environmental /safety compliance, Ocotillo is regulated by the City of Tempe, the Maricopa County Environmental Services Department, the Arizona Department of Environmental Quality, and the Industrial Commission of Arizona, through permit, regulation, and/or statute. Mr. Davis said he is unaware of any odors, noises, or unusual safety factors associated with the plant operations that would directly affect the subdivision. He noted the presence of several large-capacity above-ground fuel oil storage tanks and a natural gas pipeline on the power plant property, and he acknowledged that the plant does generate noise when in operation, but stated that these are unlikely to be a nuisance at the subdivision site.

The Union Pacific and Santa Fe Railroad, which runs north-south on a bridge over Tempe Town Lake approximately 0.35 mile west of the subdivision, is a possible source of noise.

Light rail is planned for the area, including tracks approximately 0.25 mile to the west and a station at 3rd Street and Mill Avenue; a possible source of noise. Additionally, a reservation for a possible future transit easement runs along the north side of Rio Salado Parkway, from Mill Avenue to Rural Road.

High-voltage power lines are located across Tempe Town Lake, on the north side of the Lake.

Along the north edge of the subdivision is a City of Tempe-owned storm water pipe, along with a privately owned storm water pipe.

South of the subdivision, along Rio Salado Parkway, is a City of Phoenix-owned water transmission line.

Beneath Rio Salado Parkway are APS high-voltage electrical lines.

Golf courses within an approximately two-mile radius of the subdivision include: ASU-Karsten Golf Course, Phoenix Municipal Golf Course, and Rolling Hills Golf Course.

Parks and recreation areas within an approximately two-mile radius of the subdivision, in the cities of Phoenix, Scottsdale, and Tempe, include Allegre Park, Birchett Park, Canal Park, Clark Park, Creamery Park, Daley Park, Hayden Butte Park, Hudson Park, Jaycee Park, Lo Piano Bosque, Mitchell Park, Moer Park, Papago Park, Papago Rotary Park, Indian Bend Park, McKellis Lake Park, Phoenix Zoo Park, Rio Salado Park, Sixth Street City Hall Park, Tempe Beach Park, Tempe Women's Club Park, Vista del Camino Park.

Four fire stations are located within an approximately two-mile radius of the subdivision. The closest is approximately 0.5 mile southwest of the subdivision.

Several governmental buildings and centers are located within approximately a two-mile radius of the subdivision, including the Tempe Municipal Building (City Hall), Tempe Police offices, Tempe Fire Department/APS Joint Training Facility, and U.S. Post Office.

The main campus of Arizona State University is located less than a mile south of the subdivision.

The future Tempe Center for the Performing Arts is located less than one mile west of the subdivision.

The Arizona Historical Society Museum is located one mile north of the subdivision.

PURCHASER IS ADVISED TO INDEPENDENTLY INVESTIGATE THESE MATTERS:

Purchaser should be aware that homes situated adjacent to or in the vicinity of commercial property, multi-family sites, worship sites, school sites, streets and roadways, canals,

creeks, parks, trails, flood plains, open space areas, construction related operations, jet-testing facilities, proving grounds, other non-residential uses and/or other recreation amenities may experience an additional amount of noise, dust, odors, lighting, and signage, as well as pedestrian and vehicular traffic typically associated with such facilities. Individuals may have varying sensitivity to noise, odors, dust, lighting, traffic, and other effects associated with the above-described uses. Prior to entering into the purchase agreement for the home, Purchaser should visit the Subdivision, the particular home site, and its environs at various times of day and night to assess his/her own sensitivity to noise levels, odors, dust, traffic and other effects.

AIRPORTS

Military Airport: The Subdivision is not located in the vicinity of a Military Airport.

Public Airport: Phoenix Sky Harbor International Airport is located south of Washington Street between 24th Street and 44th Street in Phoenix, Arizona. The airport eastern runway is approximately 3.25 miles west of the subdivision.

Airport: Phoenix Sky Harbor International Airport located south of Washington Street between 24th Street and 44th Street in Phoenix, Arizona, is approximately 3.25 miles west of the development (distance measured to the easternmost edge of the nearest runway).

Papago Army Airfield/National Guard Airport is located north of McDowell Road between 52nd Street and 60th Street in Phoenix, Arizona. This airfield is approximately 3 miles northwest of the subdivision.

Note: The "Public Airport Disclosure Map" prepared by Phoenix Sky Harbor International Airport in accordance with A.R.S. Section 28-8486 indicates that the development is within the "Traffic Pattern Airspace" of Phoenix Sky Harbor International Airport, the boundaries for which were established in accordance with the guidelines provided in FAA Order 7400.2D.

This "Public Airport Disclosure Map" also indicates that the development is within the 65-decibel noise contour, based on the 1999 Noise Exposure Map for Phoenix Sky Harbor International Airport (FAR Part 150 Study, Noise Exposure Maps-March 2000).

UTILITIES

Utilities are the Purchaser's responsibility after the Close of Escrow. The Subdivider cannot guarantee that residential mail delivery, telephone service, or cable television service will be available to your Home as of Close of Escrow or at time of occupancy. Delays in service or delivery caused by such providers are not within the Subdivider's control.

The following utilities are available to Homeowners at Bridgeview at Hayden Ferry Lakeside:

Electricity: Arizona Public Service, (602) 371-7171. Facilities will be completed to the lot lines by June 30, 2008. Once service has been established, Purchasers will be billed directly by the Homeowner's Association for their unit's monthly usage.

Street Lights: Street light facilities will be completed by June 30, 2008. BV at Hayden Ferry Lakeside Condominium Association, Inc. pays for the electricity for private street light facilities to the subdivision.

Telephone: Qwest Communications, 1-800-244-1111. Facilities will be completed to the lot lines by June 30, 2008. Cost to Purchaser to receive service will be a minimum installation fee of \$46.50 plus a monthly fee for service. Additional optional features available may require an activation fee. A refundable deposit of \$100.00 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.

Natural Gas: Southwest Gas Corporation, (602) 861-1999. Facilities will be completed to the lot lines by June 30, 2008. Cost to Purchaser will be included in property owners' association assessments.

Note:

There are gas pipelines within 500 feet of the subdivision boundary. A four-inch natural-gas main runs from Rio Salado Parkway into the main driveway of the Hayden Ferry Lakeside development (Tract A), then continues north along the west boundary of the subdivision, then turns west and continues west.

Water: City of Tempe, (480) 350-8361. Facilities will be completed to the lot lines by June 30, 2008. BV at Hayden Ferry Lakeside, L.L.C. will be responsible for maintenance of the water lines within this subdivision other than from lot line to dwelling. The City of Tempe Water Utilities Department is responsible for maintenance of the water lines outside the subdivision. Cost to Purchaser to receive this service will be included in property owners' association assessments.

Sewage Disposal: City of Tempe, (480) 350-8361. Facilities will be completed to the lot line by June 30, 2008. Cost to Purchaser to receive service will be none. Between the subdivision and the main driveway of Hayden Ferry Lakeside (Tract A), it is the responsibility of the Hayden Ferry Lakeside East Joint Committee, Inc. In the main driveway of Hayden Ferry Lakeside (Tract A), it is the responsibility of Hayden Ferry Lakeside Master Association, Inc. In Rio Salado Parkway, it is the responsibility of the City of Tempe. Cost to Purchaser for maintenance will be included in the property owners' association assessments.

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: Two private exterior streets provide access to the subdivision from a dedicated city roadway: (1) the main driveway into the Hayden Ferry Lakeside development (Tract A), and (2) Lakeside Drive, which is partially within the subdivision and partly exterior to the subdivision. Purchasers are ensured the legal right to use the private access streets by the following: The main driveway into the Hayden Ferry Lakeside Development (Tract A) is complete, except for its connection to Lakeside Drive. Lakeside Drive is not complete. Subdivider is responsible for completing the connection of Tract A to Lakeside Drive, and for completing Lakeside Drive from Tract A to the subdivision by June 30, 2008. The maintenance of the main driveway into the Hayden Ferry Lakeside development (Tract A) is the responsibility of the Hayden Ferry Lakeside Master Association, Inc. Lakeside Drive maintenance is the responsibility of the Hayden Ferry Lakeside East Joint Committee, Inc. Rio Salado Parkway maintenance is the responsibility of the City of Tempe. Cost to Purchaser for maintenance will be included in the property owners' association assessments. The surfacing will consist of concrete and pavers.

Access within the Subdivision: The interior street, Lakeside Drive, is a private street. Subdivider is responsible for completion of Lakeside Drive by June 30, 2008. Hayden Ferry Lakeside East Joint Committee, Inc. will be responsible for maintenance. Costs to Purchaser for maintenance will be included in property owners' association assessments. The surfacing will consist of concrete and pavers.

Flood and Drainage: Drainage facilities will include underground storage and treatment facilities to capture and treat run-off water, which will then be released into the municipal sewer system. Subdivider is responsible for completion of drainage facilities by June 30, 2008. BV at Hayden Ferry Lakeside Condominium Association, Inc., Hayden Ferry Lakeside East Joint Committee, Inc. and Hayden Ferry Lakeside Master Association, Inc. will be responsible for maintenance. Cost to Purchaser for maintenance will be included in property owners' association assessments.

ARIZONA STATE TRUST LAND

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, or call (602) 542-4631.

COMMON, COMMUNITY AND RECREATIONAL FACILITIES

Within the Subdivision: Subdivider to complete swimming pool, spa, barbecue facilities (outside lounge), library, conference room, lounge, fitness room, outdoor patios (outside Lounge and Conference Room), Kitchen (in Lounge) and Ramada (near Swimming Pool). Subdivider is responsible for completion of the facilities by June 30, 2008. BV at Hayden Ferry Lakeside Condominium Association, Inc. and Hayden Ferry Lakeside East Joint Committee, Inc. will be responsible for maintenance. Cost to Purchaser for maintenance will be included in property owners' association assessments.

ASSURANCES FOR COMPLETION

Assurances for Completion of Subdivision Facilities: Subdivider advises that no escrow will close until the City of Tempe issues its Certificate of Occupancy and the subdivision improvements are complete.

Assurances for Maintenance of Subdivision Facilities: Utility companies will maintain their respective utilities. The recorded Declaration of Covenants and Restrictions for this subdivision provides for the property owners associations to maintain all common areas.

LOCAL SERVICES AND FACILITIES

Schools: Elementary School: Scales Professional Development School (K-5th grade), 1115 W. 5th Street; approximately 1.25 miles southwest of the subdivision. Junior High School: Gilliland Middle School (6th - 8th grade), 1025 S. Beck Avenue, approximately 1.5 miles southwest of the subdivision. High School: Tempe High School (9th - 12th grades), 1730 S. Mill Avenue, approximately 2 miles south of the subdivision.

DUE TO RAPID GROWTH, IT IS EXPECTED NEW SCHOOLS WILL BE BUILT EACH YEAR. BOUNDARIES ARE EXPECTED TO CHANGE.

Transportation to Elementary and Junior High School: Tempe Elementary School District No. 3 does not currently provide a school bus route convenient to the subdivision.

Transportation to High School: Tempe High School is accessible by Valley Metro bus, which has several routes that operate between the corner of Mill Avenue and Rio Salado Parkway and the corner of Mill Avenue and Broadway Road (the location of Tempe High School).

Portions of the main campus of Arizona State University, a public institution of higher education, are within a 0.5 mile radius of the exterior boundary of the 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: Safeway Food & Drug is located at 926 E. Broadway Road, Tempe, which is approximately 2.25 miles south of the subdivision.

Public Transportation: A Valley Metro bus stop for Routes 1, 56, 66 and 76 is located at the southeast corner of Mill Avenue and Rio Salado Parkway, which is approximately 0.25 miles west of the subdivision. For information pertaining to bus route times and stop locations, unit purchasers may contact transit information at (602) 253-5000 or log onto the website at www.valleymetro.org.

Medical Facilities: Tempe St. Luke's Hospital is located at 1500 S. Mill Avenue, Tempe, which is approximately 1.75 mile south of the subdivision.

Fire Protection: Fire protection is provided to the subdivision by the City of Tempe Fire Department. Cost to unit purchasers is covered by City taxes.

Ambulance Service: Ambulance and emergency service is available by dialing 911.

Police Services: Police service is provided to the subdivisions by the City of Tempe Police Department.

Garbage Services: Service will be provided by Desert Waste & Recycling, Phoenix, Arizona. Cost to Purchaser will be included in property owner's association assessments.

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 lots with dwelling (condominium units). The subdivision's lots (condominium units) will be for residential use.

Conditions, Reservations and Restrictions: As stated in the recorded Declaration of Condominium and Declaration of Covenants, Conditions and Restrictions (CC&R's) and as stated in the Articles of Incorporation and Bylaws of the Homeowners Association.

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 Tempe Arizona Planning and Zoning Department. Restrictions are recorded as cited in the following title exceptions and per the subdivision plat: Master Declaration of Covenants, Conditions, Restrictions, Development Standards and Easements for Hayden Ferry Lakeside; Declaration of Covenants and Easements for Hayden Ferry Lakeside East; Declaration of Condominium for BV at Hayden Ferry Lakeside, A Condominium; By-Laws of BV at Hayden Ferry Lakeside Condominium Association, Inc; By-Laws of Hayden Ferry Lakeside East Joint Committee, Inc.; and Rules and Regulations for BV at Hayden Ferry Lakeside, A Condominium.

TITLE

Title to this subdivision is vested in BV at Hayden Ferry Lakeside, L.L.C., an Arizona limited liability company.

Subdivider's interest in this subdivision is fee title owner, as 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 September 23, 2005 issued by Security Title Agency. 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: Sales will be evidenced by a standard purchase agreement. At close of escrow, a special warranty deed will be recorded. You should read these documents before signing them.

Cash sales will be allowed. Purchaser's deposit and earnest money will be held by Security Title Agency, 80 East Rio Salado Parkway, Suite 517, Tempe, Arizona 85281.

Release of Liens and Encumbrances: N/A

Use and Occupancy: A lot (condominium unit) purchaser will be permitted to use and occupy his lot (condominium unit) at close of escrow.

Leasehold Offering: N/A

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 2005 is \$12.6712 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 \$1,096,154.00, is \$13,889.00.

Special District Tax or Assessments: The subdivision is included within the Rio Salado Community Facilities District (the "CFD"), which was created to finance the construction and

maintenance of the Tempe Town Lake in accordance with applicable provisions of Arizona Revised Statutes. The Unit is subject to its prorata share of the CFD assessment and/or ad valorem taxes for the CFD operation and maintenance costs ("O/M"). The tax rate will be established annually by the CFD based on an annual operating budget to be prepared by the CFD, and as may be adjusted from time to time by the CFD, to assure that adequate monies are available to provide for the O/M. The CFD advises that the assessment is currently \$.014 per sq. ft. (per month) of the Unit. For additional information on the CFD, contact Christopher Anaradian, Rio Salado Manager, City of Tempe Economic Development Department's Rio Salado Division, P.O. Box 5002, Tempe, Arizona 85280 or (480) 350-8625 or go to www.tempe.gov/rio/cfd/briefexplain.htm.

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

PROPERTY OWNERS ASSOCIATIONS

Name and Assessments: The subdivision is within three (3) property owners' associations: Hayden Ferry Lakeside Master Association, Inc.; Hayden Ferry Lakeside East Joint Committee, Inc.; and BV at Hayden Ferry Lakeside Condominium Association, Inc. Property owners will be required to pay assessments in the amount of \$0.50 per square foot per month.

Control of Association: 90 days after the conveyance of 75% of the Units, which may be created in Bridgeview to Owners.

Title to Common Areas: Title to the common areas will be transferred to the associations when 80% of units have closed escrow. Transfer will take place in a "turn-over meeting" involving the applicant (subdivider), the associations, and the unit owners.

Membership: All lot 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.

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

Exceptions to Title

1. 2005 taxes, a lien, but not yet due and payable.
2. The liabilities, obligations, and burdens imposed upon said land by reason of inclusion within the Salt River Project Agricultural Improvement and Power District and Agricultural Improvement Districts.
3. Liabilities and obligations imposed upon said land by reason of its inclusion within the following Districts and/or Associations:
 - a) Downtown Tempe Enhanced Services;
 - b) Rio Salado Community Facilities District;
 - c) East Valley Institute of Technology;
 - d) The Hayden Ferry Lakeside Master Association, Inc.; and
 - e) The Hayden Ferry Lakeside East Joint Committee, Inc.
 - f) Bridgeview at Hayden Ferry Lakeside Condominium Association, Inc.
4. Easement for flood control, and rights incident thereto as set forth in Docket 10988, page 11 and in Document No. 94-0629328.
5. Terms and Conditions contained in that certain Intergovernmental Agreement Salt River Channel for the Vicinity of Mill Avenue to McClintock Drive, recorded in Document No. 90-0051003, in Document No. 90-0051004 and in Document No. 90-333243.
6. Terms and Conditions contained in that certain City of Tempe Resolution #92.49, recorded in Document No. 930079626.
7. The rights of the United States of America, the State of Arizona and/or the public to any portion of the property lying within the bed, or former bed, of the Salt River, and the State of Arizona disclaims a portion of said river bed recorded in Document No. 93-0875472 and in Document No. 96-0119646.
8. Terms and Conditions contained in that certain City of Tempe Resolution No. 93.35, recorded in Document No. 930448786.
9. Easement for flood control project, and rights incident thereto as set forth in Document No. 950623962 and re-recorded in Document No. 960604346.
10. All matters shown on plat recorded in Book 365 of Maps, page 34.

11. All matters shown on plat recorded in Book 495 of Maps, page 34.
12. All matters shown on plat recorded in Book 547 of Maps, page 6.
13. All matters shown on plat recorded in Book 557 of Maps, page 11.
14. All matters shown on plat recorded in Book 674 of Maps, page 17.
15. All matters shown on plat recorded in Book 722 of Maps, page 11.
16. All matters shown on plat recorded in Book 745 of Maps, page 10.
17. All matters shown on plat recorded in Book 780 of Maps, page 50.
18. Terms and Conditions contained in that certain Intergovernmental Agreement between the City of Tempe and Arizona Board of Regents for and on behalf of Arizona State University, recorded in Document No. 950552721.
19. Terms and Conditions, Liabilities and Obligations contained in that certain Certificate of Result of Election and Notice of Formation of the Rio Salado Community Facilities District, recorded in Document No. 970222154.
20. Terms and Conditions contained in that certain Intergovernmental Agreement between the City of Tempe and the Rio Salado Community Facilities District, recorded in Document No. 980545160.
21. The rights of others in and to the airspace over said property by virtue of proximity to airport.
22. Terms and Conditions contained in that certain Amended and Restated Development and Disposition Agreement, recorded in Document No. 98-0617868 and First Amendment recorded in Document No. 98-0650245, Second Amendment recorded in Document No. 2001-0096353, Third Amendment recorded in Document No. 2001-0096352 and Assignment recorded in Document No. 2001-0355079 and thereafter Addendum recorded in Document Nos. 2001-0920565, 2002-1019668 and 2003-1611619.
23. Terms and conditions contained in that certain Rio Salado Parkway Development and Waiver Agreement, recorded in Document No. 98-0617871.
24. Terms and conditions, liabilities and obligations contained in that certain Agreement Regarding Assessment Allocation Method (Rio Salado Parkway Improvement District), recorded in Document No. 99-0152346.
25. Terms and conditions, liabilities and obligations contained in that certain PARCEL AGREEMENT AND BUILDING CODE COMPLIANCE COVENANT, recorded in Document No. 2005-1041109.

26. Easement for underground electric line, and rights incident thereto as set forth in Document No. 2001-0262300.
27. Easement for police, fire, emergency and refuse collection vehicle access, and rights incident thereto as set forth in Document No. 20010564595.
28. Easement for underground electric, and rights incident thereto as set forth in Document No. 2002-0416737.
29. Restrictions, conditions, covenants, liabilities, obligations and easements recorded in Document No. 2001-0818269, but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.
30. Restrictions, conditions, covenants, liabilities, obligations, reservations and easements recorded in Document No. 2004-1017003, and as shown on the recorded plat of said subdivision, but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that said covenants (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.
31. Restrictions, conditions, covenants, liabilities, obligations, reservations and easements recorded in Document No. 2005-1401136, and as shown on the recorded plat of said subdivision, but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that said covenants (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.