



SECURITY
TITLE AGENCY

BUILDER SERVICES

3636 N. Central Avenue • Suite 140 • Phoenix, AZ 85012
Phone 602.230.6257/602.230.6284 • Fax 602.230.6260

March 2, 2011

Brian Wilson
Real Capital Solutions
1450 Infinite Drive
Suite E2
Louisville, CO 80027

Re: **Aderra Condominiums**
AKA Aderra Condominium Residences

Dear Brian:

In regard to the above referenced Subdivision, enclosed please find the Special Order of Exemption from the Arizona Department of Real Estate and copy of the Public Report.

Prior to buyer signing any contact:

- a. Provide buyer with a copy of the most recent public report with a copy of the special order of exemption attached
- b. Take a receipt from the buyer for the public report using the Department's standard receipt form(see attached)
- c. Provide buyer with a signed statement that the subdivider has reviewed and is in compliance with the terms of the exemption provided in A.R.S. 32-2181.02(B)(2). (See attached definition of "exemption")

If you should have any questions in regard to this matter, please give me a call.

Regards,

Marie Warren
Manager
Builder Services

Enclosure(s)

DEFINATION OF A.R.S. 32-2181.02(B (2) :

B. The following are exempt from section 32-2181, subsection A and section 32-2183, subsection A:

2. The sale or lease of lots or parcels located in a single platted subdivision by a subdivider if:

(a) A public report has been issued within the past two years pursuant to this article on the subdivision lots or parcels.

(b) The subdivision meets all current requirements otherwise required of a subdivision under this article.

(c) The method of sale or lease of lots or parcels meets all current requirements under this article.

(d) The lots or parcels are included on a recorded subdivision plat that is approved by a municipal or county government.

(e) All roads within the subdivision, all utilities to the lots or parcels being offered for sale or lease and all other required improvements within the subdivision, other than a residence to be built, are complete, paid for and free of any blanket encumbrances.

(f) The roads, utilities or other improvements are not complete, but the completion of all improvements is assured pursuant to section 32-2183, subsection D.

(g) Except for matters relating to ownership, there have been no material changes to the information set forth in the most recent public report issued for the subdivision lots that would require an amendment to the public report.

(h) No owner of a ten per cent or greater interest, subdivider, director, partner, agent, officer or developer of the subdivision has:

(i) Been convicted of a felony or any crime involving theft, dishonesty, violence against another person, fraud or real estate, regardless of whether the convictions were subsequently expunged.

(ii) Had a civil judgment entered against the person in a case involving allegations of misrepresentation, fraud, breach of fiduciary duty, misappropriation, dishonesty or, if the subject matter involved real property, securities or investments.

(iii) Had a business or professional license, including a real estate license, denied, suspended or revoked or voluntarily surrendered a business or professional license during the course of an investigative or disciplinary proceeding or other disciplinary action taken in this state or any other state.

(i) The sale of the subdivided lands violates no laws or ordinances of any governmental authority.

(j) Before the buyer's or lessee's execution of a purchase contract or lease, the subdivider has provided the buyer or lessee with a copy of the most recent public report on the lot and has taken a receipt from the buyer for the copy.

(k) The subdivider has provided to the buyer or lessee, along with the public report, a signed statement that the subdivider has reviewed and is in compliance with the terms of the exemption provided in this paragraph.

(l) Before sale or lease, the subdivider has notified the commissioner, on a form provided by the department, of the subdivider's intent to sell or lease lots or parcels pursuant to this paragraph. The notice shall include:

(i) The name, address and telephone number of the subdivider.

(ii) The name, address and telephone number of any real estate broker retained by the subdivider to make sales or leases of the lots.

(iii) The name and location of the subdivision.

(iv) The most recent subdivision public report reference number on the lots.

(v) The completion status of subdivision improvements.

In the Matter of the Petition of:

CCS – ARIZONA II, LLC

Petitioner(s)

SPECIAL ORDER OF EXEMPTION

REGISTRATION NO.

DM05-050040

(SUBSEQUENT OWNER)

The above-named petitioner petitioned the Commissioner of the Arizona Department of Real Estate for an exemption from the subdivision requirements of A.R.S. §32-2181.02(B)(2)(a), under the provisions of A.R.S. §32-2181.01, for the purpose of selling the following described property in accordance with the exemption provisions of A.R.S. §32-2181.02(B)(2):

Parcel No. 1, Units 1001 through 1004, 1006, 1011, 1014, 1015, 1016, 1017, 1019 through 1026, inclusive, 1028 through 1033, inclusive, and 1035, 1037, 1038, 1040, 1041, 1042, 1044, and 1047 through 1057, inclusive, 1059, 1061 through 1064, inclusive, 1067, 1070, 1072, 1073, 1079, 1080, 1093, 1094, 1095, 2002 through 2007, inclusive, 2011 through 2015, inclusive, 2017, 2018, 2020 through 2026, inclusive, 2028 through 2038, inclusive, 2040, 2041, 2042, 2045, 2048, 2050 through 2057, inclusive, 2059, 2062, 2063, 2065, 2068, 2070, 2073, 2076, 2079, 2082, 2089, 2095, 2097, 2102, 3002, 3003, 3005, 3006, 3011 through 3014, inclusive, 3017, 3018, 3020 through 3026, inclusive, 3031, 3032, 3033, 3035, 3036, and, 3038 through 3042, inclusive, 3045, 3047, 3048, 3051, 3052, 3053, 3055, 3059, 3061, 3066, 3073, 3079, 3088, 3089, and 3103, within Aderra Condominiums, aka Aderra Condominium Residences, located at 11640 North Tatum Boulevard, City of Phoenix, Maricopa County, State of Arizona.

It appearing that the above described lots will be sold by Petitioner using Subdivision Disclosure Report (public report) dated January 12, 2006 and amended September 17, 2009, October 26, 2009 and February 1, 2010, Registration No. DM05-050040, in accordance with the provisions of A.R.S. §32-

2181.02(B)(2) except for subsection B(2)(a). It further appearing that strict compliance with the provisions of A.R.S. §32-2181.02(B)(2)(a) which provides that the Subdivision Disclosure Report (public report) be issued within the past 2 years, is not essential to the public interest or for the protection of purchasers and the subdivider acknowledges the requirement to amend the report if there are any inaccuracies.

NOW, THEREFORE, IT IS ORDERED under authority of A.R.S. §32-2181.01 that the sale of the above described lots/units is exempt from A.R.S. §32-2181.02(B)(2)(a) provided:

1. The lots/units are sold as stated in the petition, this order and in accordance with all other provisions of A.R.S. §32-2181.02(B)(2);
2. It being understood that this exemption is only granted to the named petitioner and does not extend to any subsequent owners or purchasers; and
3. This exemption order is attached to the front of the Subdivision Disclosure Report (public report) provided to purchasers.

Failure to comply with any of the terms, conditions or representations made in connection with the Petition for Special Order of Exemption or failure to comply with any terms or conditions of this Order shall render this Order void and a Summary Order of Suspension may be issued.

By Order of the Commissioner of the Arizona Department of Real Estate.

Dated this 1st day of March, 2011.



Judy Lowe
Real Estate Commissioner
Arizona Department of Real Estate

SUBDIVISION DISCLOSURE REPORT

(PUBLIC REPORT)

FOR

**ADERRA CONDOMINIUMS aka
ADERRA CONDOMINIUM RESIDENCES**

Registration No. DM05-050040

SUBDIVIDER

Starpointe Aderra Condominiums Limited Partnership
a Delaware limited partnership
7025 North Scottsdale Road
Suite 310
Scottsdale, AZ 85253

January 12, 2006

Effective Date

First Amendment: September 17, 2009

Second Amendment: October 26, 2009

Third Amendment: February 1, 2010

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 and/or the subdivider's agents. The purchaser should verify all facts before signing any documents. The Department assumes no responsibility for the quality or quantity of any improvement in this development.

ARIZONA DEPARTMENT OF REAL ESTATE

PHOENIX OFFICE:
2910 N. 44th Street
First Floor
Phoenix, Arizona 85018
(602) 771-7750

TUCSON OFFICE:
400 West Congress
Suite 523
Tucson, Arizona 85701
(520) 628-6940

PUBLIC REPORT RECEIPT

The developer shall furnish you, as a prospective customer, with a copy of the Public Report required by the Arizona Department of Real Estate. It is recommended that you read the report before you make any written offer to purchase or lease an interest in the development, and before you pay any money or other consideration toward the purchase or lease of an interest in the development.

FOR YOUR PROTECTION, PLEASE DO NOT SIGN THIS RECEIPT UNTIL YOU HAVE RECEIVED A COPY OF THE REPORT AND HAVE HAD THE OPPORTUNITY TO READ IT. BY SIGNING THIS RECEIPT THE BUYER HAS ACCEPTED THE PUBLIC REPORT AND ACKNOWLEDGES THE INFORMATION IT CONTAINS.

DM05-050040
(Public Report Registration No.)

ADERRA CONDOMINIUMS
(Development Name and Lot No.)

I understand the report is not a recommendation or endorsement of the development by the Arizona Department of Real Estate, but is for information only.

(Buyer's Name)

(Current Address)

(Date)

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.

FEDERAL LAW STATES:

1. IF YOU RECEIVE THE PUBLIC REPORT PRIOR TO SIGNING A CONTRACT OR AGREEMENT, YOU MAY CANCEL YOUR CONTRACT OR AGREEMENT BY GIVING NOTICE TO THE SELLER ANYTIME BEFORE MIDNIGHT OF THE SEVENTH DAY FOLLOWING THE SIGNING OF THE CONTRACT OR AGREEMENT.
2. IF YOU HAVE SIGNED A PURCHASE AGREEMENT PRIOR TO INSPECTING THE LOT, YOU HAVE SIX MONTHS TO INSPECT AND UPON INSPECTION MAY RESCIND THE PURCHASE AGREEMENT.
3. IF YOU DID NOT RECEIVE THE PUBLIC REPORT BEFORE YOU SIGNED A CONTRACT OR AGREEMENT, YOU MAY CANCEL THE CONTRACT OR AGREEMENT ANYTIME WITHIN TWO YEARS FROM THE DATE OF SIGNING.

RISKS OF BUYING LAND:

1. The future value of any land is uncertain and dependent upon many factors. DO NOT expect all land to increase in value.
2. Any value, which your lot may have, will be affected if the roads, utilities and all proposed improvements are not completed.
3. Resale of your lot may be difficult or impossible, since you may face the competition of the developer's sales program and local real estate brokers may not be interested in listing your lot.
4. Any subdivision or development will have an impact on the surrounding environment. Whether or not the impact is adverse and the degree of impact will depend on the location, size, planning and extent of development. Subdivisions and developments, which adversely affect the environment, may cause governmental agencies to impose restrictions on the use of the land. Changes in plant and animal life, air and water quality and noise levels may affect your use and enjoyment of your lot and your ability to sell it.
5. In the purchase of real estate, many technical requirements must be met to assure that you receive proper title. Since this purchase involves a major expenditure of money, it is recommended that you seek professional advice before you obligate yourself.

GENERAL

This report includes: Units 1001 through 1104; Units 2001 through 2104; and Units 3001 through 3104.

Notice of Substitution of Trustee dated September 23, 2009 and recorded September 30, 2009 as Document No. 2009-909255 provides that K. David Lindner, a member of the State Bar of Arizona was substituted as trustee under the Deed of Trust.

Notice of Trustee's Sale and Notice of Disposition of Collateral dated September 30, 2009 and recorded September 30, 2009 as Document No. 2009-909257. Said Notice set forth, among other items, a purported sale date of December 30, 2009.

A bankruptcy case concerning the debtor(s) **Starpointe Aderra Condominiums Limited Partnership**, 8135 E. Indian Bend Road, Suite 101, Scottsdale, Arizona 85250 was filed under Chapter 11 of the United States Bankruptcy Code, entered on December 29, 2009 and filed on December 29, 2009. The case was assigned case number 2:09-bk-33625-RJH.

The map of this subdivision: A condominium as created by that certain Declaration of Condominium and of Covenants, Conditions and Restrictions recorded as 2005-0848774 of Official Records and a First Amendment recorded as 2007-0660761 and 2009-0506043, of Official Records, and as shown on the plat of said condominium recorded as Book 747 of Maps, Page 2, and Certificate of Correction recorded as 2005-0848773 of Official Records of Maricopa County, State of Arizona.

The subdivision is approximately 11.47 acres in size. It has been divided into 312 Units.

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

DEDICATION

THAT STARPOINTE ADERRA CONDOMINIUMS LIMITED PARTNERSHIP, A DELAWARE LIMITED PARTNERSHIP, AS OWNER, HEREBY PUBLISHES THIS CONDOMINIUM MAP OF ADERRA CONDOMINIUMS LOCATED IN THE NORTH HALF OF SECTION 19, TOWNSHIP 3 NORTH, RANGE 4 EAST OF THE G&S.R.B. &M., MARICOPA COUNTY, ARIZONA, AND HEREBY DECLARES THAT SAID MAP SETS FORTH THE LOCATION AND GIVES THE DIMENTIONS OF THE UNITS CONSTITUTING SAME AND THAT EACH UNIT SHALL BE KNOWN BY THE NUMBER GIVEN RESPECTIVELY ON SAID MAP. NOTHING CONTAINED IN THIS PLAT SHALL BE INTERPRETED AS A DEDICATION TO THE PUBLIC OF THE PRIVATE DRIVEWAYS OR ANY OTHER COMMON ELEMENTS.

NOTES

1. ALL NEW OR RELOCATED UTILITIES WILL BE PLACED UNDERGROUND.
2. NO STRUCTURE OF ANY KIND BE CONSTRUCTED ON, OVER, OR PLACED WITHIN THE WATER AND SEWER EASEMENTS EXCEPT PAVING NOR ANY PLANTING EXCEPT GRASS. IT SHALL BE FURTHER UNDERSTOOD THAT THE CITY OF PHOENIX SHALL NOT BE REQUIRED TO REPLACE ANY OBSTRUCTIONS OR PLANTING THAT MUST BE REMOVED DURING THE COURSE OF MAINTENANCE, CONSTRUCTION, OR RECONSTRUCTION OF CITY UTILITIES.
3. THIS SITE LIES WITHIN THE PARADISE VALLEY SUBSIDENCE AREA.
4. THIS SUBDIVISION IS LOCATED WITHIN THE CITY OF PHOENIX WATER SERVICE AREA AND HAS BEEN DESIGNATED AS HAVING AN ASSURED WATER SUPPLY.

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: 11640 North Tatum Boulevard, City of Phoenix, Maricopa County, and State of Arizona.

SUBDIVISION CHARACTERISTICS

Topography: Land is level.

Flooding and Drainage: The subdivision is not subject to any known flooding or drainage problems.

Soils: This subdivision is subject to subsidence or expansive soils. In his letter, dated May 12, 2005, Gregg A. Creaser, P.E., of Speedie and Associates, Inc., has cited, in part:

“Speedie and Associates have issued a Report on Geotechnical Investigation, Project No. 30804SA, dated July 31, 2003 for the subject site. This report presents the results of a subsurface soil investigation for the purpose of determining the engineering properties of the soils and to provide recommendations for the design of the foundations, site grading and paving.

The project consists of the construction of a three story condominium buildings on a 9.6+ acre site. The buildings will be wood frame structures supported entirely above a below grade parking level.

Based on the findings in our investigation, the subject site is suitable for the support of the proposed residential structures imposing relatively light foundation loads provided certain remedial actions taken to improve the soils and the bearing soils are not subject to water inundation.

The subject site is located in a basin (valley) area with typical fine-grained alluvial soils. It is located in an area that is known for excessive ground water withdrawal resulting in basin wide subsidence. This is a basin wide phenomenon and should not have an impact on the proposed structures. While earth fissures have been mapped in the general area, all known fissures are located more than one mile away. No fissures were noted on the subject site during this investigation.

Subsoil conditions at the site consist of minor surface fills underlain by sandy silt for the first 5 feet. This first 5 feet is then underlain primarily by approximately 10 feet of clayey sands, sandy clays, and sandy silt clays with some layers of sandy silts. These layers are then generally underlain by well graded sand, silty sand, and clayey sands to the termination of the boring depths at 25 to 26.5 feet. The soil profile contains varying amounts of weak to strong calcareous cementation (caliche) and subordinate amounts of gravel. No groundwater was encountered during this investigation. Based on visual and tactile observation, the soils were primarily in a 'dry' state at time of investigation. The clay soils exhibit volume increase due to wetting of approximately 3.5 percent when compacted to moisture and density levels normally expected during construction. An undisturbed sample displayed additional compression due to inundation under a maximum confining load of 2,200 psf.

Conventional basement level shallow spread foundations were recommended for the garage structures. The residential units will be supported on Post Tensioned slab on grade foundations systems that will be designed to accommodate the engineering properties of the soils. This assumes certain site preparation recommendations were followed to reduce the potential for compressible and expansive soils. All structures settle when foundation loads are applied to the bearing soils. Recommendations are made to reduce these settlements to those values normally acceptable for the types of structures being constructed, ½ to ¾-inches. The bulk of this settlement will occur as soon as the structure is completed. Post-construction differential settlements will be negligible, under existing and compacted moisture contents but could increase if the supporting soils are wetted. Planters adjacent to structures should use low water use plants and be designed to prevent water ponding against the foundations. Roof drains should be directed to discharge away from the structure, not planters adjacent to the buildings."

Adjacent Lands and Vicinity:

NORTH - PCD (Planned Community District), P.A.D. (Planned Area Development), C-2 (Intermediate Commercial);

SOUTH – R1-18 (1.95 Dwelling/Acre Base Density), S.P. (Special Permit), PCD (Planned Community Development);

EAST – C-O (Commercial Office/Restricted Commercial), (Planned Community District);

WEST – R1-18 (1.95 Dwelling/Acre Base Density);

NORTHWEST – CP/BP (Commerce Park/Business Park Option)

NOTE: Owners of the adjacent land described above may seek to rezone their property, may seek zoning variances for their property or may modify their site plan within existing zoning. Consequently, no assurance can be given that the zoning or uses for the adjacent lands will not change from that described above. Purchasers should contact the City of Phoenix Planning Department at (602) 262-7131 or Maricopa County Planning and Development at (602) 506-3301 for more information.

Stonecreek Golf Club is adjacent and to the west of the subdivision; Cactus Road is approximately ¼ mile north; Paradise Valley Mall is approximately ¼ mile north; Paradise Valley Mall transit center is approximately ½ mile north; Orange Tree Golf Resort is approximately 1 ¼ miles east; the Indian Bend Wash is approximately 1 ½ miles northwest; State Highway 51 (Piestewa Parkway) is approximately 1 ¾ miles west; Phoenix Mountains Preserve is approximately 2 miles southwest; Sequoia Elementary School (K-5) is approximately 2 ¼ miles east; Cocopah Middle School (6-8) is approximately 2 ½ miles southeast; Camelback Golf Club is approximately 2 ¾ miles southeast; North Mountain Preserve is approximately 3 ½ miles west; Shadow Mountain Preserves is approximately 3 ½ miles northwest; Chapparal High School (9-12) is approximately 3 ¼ miles southeast; The Pointe Golf Club at Lookout Mountain is approximately 3 ¾ miles northwest; Paradise Valley Hospital is approximately 4 miles northwest; Scottsdale Airpark Municipal Airport is approximately 4 ¼ miles northeast; Dreamy Draw Recreation Area is approximately 4 ½ miles southwest; Central Arizona Project Hayden Rhodes Aqueduct is approximately 4 ½ miles north; Loop 101 (Pima Freeway) is approximately 5 ¼ miles east and 5 ½ miles north.

A golf course surrounds the development. Property owners adjacent or in the vicinity of the golf course property assume all risks with respect to injury or damage caused by errant golf balls. Maintenance activities of the golf course, which may include, but is not limited to, application of fertilizers, irrigation and drainage, odors, etc., may adversely affect unit owners. Additionally, the golf course is a public facility, and Developer has no control over the golfers. Maintenance activities (including irrigation systems, turf cutting, plant trimming, weed control, etc.) and other golf course related activities may result in noise during non-working hours.

As a result of the natural gas facilities available to this subdivision, major natural gas lines in the vicinity of this community are necessary in order to service the surrounding areas. For further information regarding natural gas lines, purchasers should contact Southwest Gas Corporation at (602) 861-1999 or log onto their website at www.southwestgas.com. Additional information may be obtained by contacting the Pipeline and Railroad Safety Department of the Arizona Corporation Commission at (602) 262-5601 or visit the Corporation Commission web site at <http://www.cc.state.az.us/utility/gas/infrastructure.htm>.

The United States Environment Protection Agency ("EPA") has indicated that a number of homes in the United States experience elevated levels of Radon Gas. Radon is a naturally occurring gas which is caused by the radioactive decay of the element radium. Radium is contained in the earth's crust and dissolves readily in water. Radon may be found virtually everywhere. Radon Gas can enter a Unit through a variety of sources, such as joints or normally occurring cracks in the concrete floors or walls. Once inside an enclosed space, radon can accumulate. EPA has stated that prolonged exposure to elevated concentrations of radon decay products has been associated with increases in risk of lung cancer. EPA, state and local environmental authorities are best equipped to render advise regarding the risk which may exist in a particular area, methods available to detect and measure radon levels and what, if any, remedial measure may be advisable in a particular circumstance to reduce the risk of radon exposure.

PURCHASER IS ADVISED THAT HOMES SITUATED ADJACENT TO OR IN THE VICINITY OF COMMERCIAL PROPERTY, MULTI-FAMILY SITES, WORSHIP SITES, SCHOOL SITES, STREETS, FREEWAYS, PARKWAYS, ROADWAYS, TRAILS, OPEN SPACE AREAS, CONSTRUCTION-RELATED OPERATIONS, INDUSTRIAL PROPERTIES, PROVING GROUND, MINING OPERATIONS, ENTERTAINMENT VENUES, PARKS, CORRECTIONAL FACILITIES, AGRICULTURAL AREAS, OTHER NON-RESIDENTIAL USES, AND/OR OTHER RECREATION AMENITIES MAY EXPERIENCE AN ADDITIONAL AMOUNT OF NOISE, DUST, LIGHTING, AND SIGNAGE, AS WELL AS PEDESTRIAN AND VEHICULAR TRAFFIC TYPICALLY ASSOCIATED WITH SUCH FACILITIES.

Subdivider has used its best efforts in an attempt to disclose all noteworthy activities and conditions surrounding this subdivision using the resources reasonably available to developer at the time this Public Report was prepared. This information may change from time to time. Prospective purchasers are encouraged to (i) drive the areas surrounding the subdivision (at different times of the day) to determine whether there exists any activities or conditions that may be of concern to Purchaser and (ii) determine to Purchaser's own satisfaction whether or not the items mentioned in the Public Report or discovered by Purchaser's own inspections are of concern to Purchaser.

AIRPORTS

Airport: Scottsdale Airpark Municipal Airport, 15000 North Airport Drive, Scottsdale, AZ, is approximately 4 ½ miles northeast

The development is located in the vicinity of Scottsdale Airpark Municipal Airport. Flights may produce aircraft noise as a result of flight operations.

UTILITIES

Electricity: Arizona Public Service (APS), 400 North 5th Street, Phoenix, AZ, (602) 371-7171; www.aps.com. Subdivider has completed the facilities to the lot lines. Cost to purchasers to receive this service is a \$25.00 (plus tax) service establishment fee required. A deposit of 2x the average bill for a new customer may be required. Deposits vary depending on credit scores. Fees and/or deposits are subject to change; please contact the utility provider for further details. Once service is established, direct user charges will apply.

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.

Street Lights: Street lights will not be available to subdivision.

Telephone: Qwest Communications, (800) 244-1111. Subdivider has completed the facilities to the lot lines. Costs to purchasers to receive this service include a deposit of \$45.00-\$130.00, if required, and a standard hook-up charge of \$27.50.

NOTE: IT IS POSSIBLE THAT YOU MAY NOT HAVE TELEPHONE SERVICE AT THE TIME OF CLOSING. PURCHASER IS ADVISED TO CONTACT THEIR SERVICE PROVIDER TO DETERMINE THE STATUS OF TELEPHONE SERVICE. YOU MAY ALSO WANT TO CONSIDER TEMPORARY ALTERNATIVES, I.E., A CELLULAR TELEPHONE.

Natural Gas: Southwest Gas Corporation, (602) 861-1999. Subdivider has completed the facilities to the lot lines. Costs to purchasers to receive this service include a deposit of \$80.00, if required, and a service charge of \$30.00 plus tax. Fees and/or deposits are subject to change; please contact the utility provider for further details. Once service is established, direct user charges will apply.

Water: City of Phoenix, 200 West Washington, Phoenix, AZ, (602) 262-6251; website: www.ci.phoenix.az.us. Subdivider has completed the facilities to the lot lines. Costs to purchasers to receive this service are included in the Condominium Owners Association dues.

Sewage Disposal: City of Phoenix, 200 West Washington, Phoenix, AZ, (602) 262-6251; website: www.ci.phoenix.az.us. Subdivider has completed the facilities to the lot lines. Costs to purchasers to receive this service are included in the Condominium Owners Association dues.

THE ABOVE COSTS ARE SUBJECT TO CHANGE BY SERVICE PROVIDERS. YOU SHOULD CONTACT THE ABOVE PROVIDERS REGARDING EXTENSION RULES AND REGULATIONS, SERVICE CONNECTIONS AND COSTS INVOLVED.

STREETS, ROADS AND DRAINAGE

Access to the Subdivision: The asphalt paved public streets have been completed to the minimum standards of the City of Phoenix which will be maintained by the City. Costs to purchasers for maintenance are included in the property taxes.

Access within the Subdivision: The asphalt paved private streets have been completed which will be maintained by the Condominium Owners Association. Costs to purchasers for maintenance are included in the Condominium Owners Association dues.

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.

Flood and Drainage: The typical street drainage & drainage storage including drywells have been completed which will be maintained by the Condominium Owners Association. Costs to purchasers for maintenance are included in Condominium Owners Association dues.

COMMON, COMMUNITY AND RECREATIONAL FACILITIES

Within the Subdivision: The Clubhouse, Fitness Center, Pool/spa, BBQ's, Ramadas, and Landscaping have been completed, which will be maintained by the Condominium Owners Association. Costs to purchasers for maintenance are included in the Condominium Owners Association fees.

ASSURANCES FOR COMPLETION

Assurances for Completion of Subdivision Facilities: Subdivider advises that all subdivision improvements have been completed.

Assurances for Maintenance of Subdivision Facilities: Condominium declaration provides for the Condominium Owners Association to maintain all common areas & private streets. Utility companies to maintain their respective utilities.

LOCAL SERVICES AND FACILITIES

Schools: Sequoia Elementary School (grades K-5) is located at 11808 North 64th Street, approximately 2 ¼ miles east; Cocopah Middle School (grades 6-8) is located at 6615 East Cholla Street, approximately 2 ½ miles southeast; and Chapparal High School (grades 9-12) is located at 6935 East Gold Dust Avenue, approximately 3 ¾ miles southeast.

NOTE: School assignments are subject to change. Prospective Purchasers should contact the Paradise Valley Unified School District #69 at (602) 867-5100 for verification of schools. Additional information regarding schools and districts can be found at the following websites: www.greatschools.net and www.sfb.state.az.us.

School bus service is available.

PURCHASERS ARE ADVISED THAT SCHOOL BOUNDARIES AND SCHOOL BUS TRANSPORTATION MAY CHANGE. YOU SHOULD CONTACT THE SCOTTSDALE UNIFIED SCHOOL DISTRICT AT (480) 484-6100 FOR THE MOST CURRENT INFORMATION.

Shopping Facilities: Albertsons/Osco and Walgreen's are located on the northeast corner of Shea Boulevard and Tatum Boulevard, approximately ¾ miles southeast.

Public Transportation: The Paradise Valley Mall Transit Center is approximately ½ mile north. Contact Valley Metro at (602) 253-5000 or visit the website at www.valleymetro.org for the most current travel information.

Medical Facilities: Paradise Valley Hospital is located at 3929 East Bell Road, Phoenix, AZ, approximately 4 miles northwest.

Fire Protection: City of Phoenix Fire Department, with costs to purchasers included in the property taxes.

Ambulance Service: Ambulance service is available by dialing 911.

Police Services: City of Phoenix Police Department.

Garbage Services: City of Phoenix, 200 West Washington, Phoenix, AZ, (602) 262-6251; website: www.ci.phoenix.az.us; with costs included in property taxes.

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 Condominium Units.

Zoning: Residential.

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

PURCHASERS ARE ADVISED THAT THE RECORDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THIS SUBDIVISION PROVIDES FOR AN ARCHITECTURAL CONTROL COMMITTEE.

Restrictions and Other Matters of Record: Conditions, reservations and restrictions that may run with the land including City or County zoning restrictions should be investigated by you. Copies of those items which are recorded may be inspected at the Office of the Maricopa County Recorder. Information about zoning may be obtained at the Office of the City of Phoenix Planning and Zoning Department. Restrictions are recorded as cited in the following title exceptions and per the subdivision plat.

TITLE

Title to this subdivision is vested in Starpointe Aderra Condominiums Limited Partnership, a Delaware limited partnership.

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 January 7, 2010, issued by FIRST AMERICAN TITLE INSURANCE COMPANY. **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 in the property will be evidenced by the Subdivider delivering a recorded Deed to you and by your signing a Promissory Note and Mortgage or Deed of Trust for the unpaid balance. You should read these documents before signing them.

Cash sales are permitted. Purchaser's deposits and earnest monies will be deposited into a neutral escrow account and cannot be used by Seller until the close of escrow. Earnest money and deposits to be released at close of escrow.

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

Use and Occupancy: Lot Purchaser will be permitted to use and occupy his Lot upon close of escrow, recordation of Deed and completion of construction.

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 2009 is \$8.2279 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 approximately \$285,000.00, is approximately \$1,993.21.

Special District Tax or Assessments: As disclosed in the Condominium Owners Association documents (i.e., CC&Rs, Articles of Incorporation and Bylaws), there may be other special assessments (i.e. Working Capital Fund equal to 1/5 of Common Expense Assessment), taxes or fees to be paid by purchaser. Please refer to Condominium Owners Association documents for additional information.

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

PROPERTY OWNERS ASSOCIATIONS

Name and Assessments: Aderra Condominium Association, with assessments of \$250.00 paid monthly.

Control of Association: Period of Declarant Control means the time period commencing on the date this Declaration is recorded in the Official Records of the Maricopa County, Arizona Recorder, and ending on the earlier of: (i) Ninety (90) days after the conveyance of seventy-five percent (75%) of the Units which may be created in the Condominium to Unit Owners other than the Declarant; or (ii) Four (4) years after all Declarant has ceased to offer Units for sale in the ordinary course of business; or (iii) December 31, 2012.

Title to Common Areas: Each owner of a unit will be conveyed an undivided interest in the common areas.

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 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.

EXHIBIT "A"

1. Second installment of 2009 taxes, a lien, payable on or before March 1, 2010, and delinquent May 1, 2010.
2. Any charge upon said land by reason of its inclusion in Aderra Condominiums Homeowners Association.
3. Easements, restrictions, reservations, conditions and set-back lines as set forth on the plat recorded as Book 747 of Maps, Page 2 and Certificate of Correction recorded as 2005-0848773 of Official Records, 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).
4. Easements, restrictions, reservations, conditions and set-back lines as set forth on the plat recorded as Book 341 of Maps, Page 27 and Affidavit of Clarification recorded as 96-0884537 of Official Records; as Book 430 of Maps, Page 24; and as Book 513 of Maps, Page 46, 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).
5. All matters set forth in Declaration of Condominium and of Covenants, Conditions and Restrictions for Aderra Condominiums recorded as 2005-0848774 of Official Records; First Amendment recorded as 2007-0660761 of Official Records; and a First Amendment recorded as 2009-0506043 of Official Records, 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 Title 42, Section 3604(c), of the United States Codes.
6. Covenants, conditions and restrictions in the document recorded as 96-0887699 of Official Records, 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 Title 42, Section 3604(c), of the United States Codes.

7. Covenants, conditions and restrictions in the document recorded as 2004-0097282 of Official Records; re-recorded as 2004-0101588 of Official Records; and re-recorded as 2004-0309851 of Official Records, 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 Title 42, Section 3604(c), of the United States Codes.

8. An easement for bicycle and pedestrian purposes and incidental purposes, recorded as 2001-0495553 of Official Records and as 2001-0495554 of Official Records.

(Affects Common Areas)

9. An easement for electric lines and appurtenant facilities and incidental purposes, recorded as 2002-0288094 of Official Records.

(Affects Common Areas)

10. An easement for water lines and appurtenant facilities and incidental purposes, recorded as 2004-1266198 of Official Records.

(Affects Common Areas)

11. An easement for sidewalk and incidental purposes, recorded as 2004-1434426 of Official Records.

(Affects Common Areas)

12. An easement for gas pipeline or pipelines and appurtenances and incidental purposes, recorded as 2005-0858129 of Official Records.

(Affects Common Areas)

13. An easement for ingress and egress and incidental purposes, recorded as 2006-0113468 of Official Records.

(Affects Common Areas)

14. An easement for utilities and incidental purposes, recorded as 2007-0208090 of Official Records.

(Affects Common Areas)

15. The terms, conditions and provisions contained in the document entitled "Agreement Respecting Easements and Restrictions" recorded December 20, 1996 as 96-0884540 of Official Records.
16. The terms, conditions and provisions contained in the document entitled "Declaration of Covenants and Reciprocal Easement Agreement" recorded March 7, 2000 as 00-0170598 of Official Records.
17. The terms, conditions and provisions contained in the document entitled "Landscape License Agreement" recorded March 7, 2000 as 00-0170599 of Official Records.
18. The terms, conditions and provisions contained in the document entitled "Non-Exclusive Drainage Easement" recorded March 7, 2000 as 00-0170600 of Official Records.
19. The terms, conditions and provisions contained in the document entitled "Notice of Telecommunication Services and Non-Exclusive Access Agreement" recorded August 18, 2000 as 2000-0635871 of Official Records.
20. The terms, conditions and provisions contained in the document entitled "Declaration of Covenants and Reciprocal Easement Agreement" recorded June 27, 2001 as 2001-0564417 of Official Records.
21. The terms, conditions and provisions contained in the document entitled "Parking License Agreement" recorded June 27, 2001 as 2001-0564419 of Official Records.
22. The terms, conditions and provisions contained in the document entitled "Alternative Parking License Agreement" recorded June 27, 2001 as 2001-0564420 of Official Records.
23. The terms, conditions and provisions contained in the document entitled "Easement Agreement" recorded October 27, 2009 as 2009-0991388 of Official Records.

24. A Deed of Trust to secure an indebtedness of \$20,000,000.00 and \$3,325,000.00 and \$15,000,000.00 (Revolving), and any other amounts or obligations secured thereby, recorded July 25, 2005 as 2005-1042562 of Official Records and re-recorded May 14, 2009 as 2009-0436032 and May 26, 2009 as 2009-0467320, both of Official Records.

Dated:	June 23, 2005
Trustor:	Starpointe Aderra Condominiums Limited Partnership, a Delaware limited partnership
Trustee:	Chicago Title Insurance Company, a California corporation
Beneficiary:	Ohio Savings Bank, a federal savings bank

An Assignment of Rents and Leases and Agreements Affecting Real Estate recorded July 25, 2005 as 2005-1042563 of Official Records, as additional security for the payment of the indebtedness secured by the Deed of Trust recorded July 25, 2005 as 2005-1042562 of Official Records.

A document recorded February 8, 2007 as 2007-0164841 of Official Records, provides that the Deed of Trust or the obligation secured thereby has been modified.

The beneficial interest in the Deed of Trust was assigned to CCS Arizona II, L.L.C., a Colorado limited liability company by Assignment recorded August 19, 2009 as 2009-0772274 of Official Records.

A document recorded September 30, 2009 as 2009-0909255 of Official Records provides that K. David Lindner was substituted as trustee in the Deed of Trust.

Notice of Trustee's Sale dated September 30, 2009, executed by K. David Lindner, recorded September 30, 2009 as 2009-0909257 of Official Records. Said Notice set forth, among other items, a purported sale date of December 30, 2009.

A document recorded December 22, 2009 as 2009-1169303 of Official Records provides that David W. Kreutzberg was substituted as trustee in the Deed of Trust.

1001-1004, 1006, 1011, 1014-1017, 1019-1035, 1037-1038, 1040-1042, 1044-1045, 1047-1057, 1059, 1061-1064, 1067, 1070, 1072-1073, 1079-1080, 1091, 1093-1095, 2002-2007, 2011-2015, 2017-2038, 2040-2043, 2045, 2048, 2050-2057, 2059, 2062-2063, 2065, 2068, 2070, 2073, 2075-2077, 2079, 2082-2083, 2089, 2095, 2097, 2102, 3002-3006, 3010-3014, 3017-3026, 3028, 3030-3033, 3035-3036, 3038-3042, 3045, 3047-3048, 3051-3053, 3055-3057, 3059, 3061, 3066, 3073, 3079, 3088-3089, and 3103

25. Collateral Assignment of Beneficial Interest dated August 17, 2009, executed by CCS Arizona II, L.L.C., a Colorado limited liability company, Assignor to Amtrust Bank, a federal savings bank, Assignee, recorded August 19, 2009 as 2009-0772275 of Official Records.

26. Proceedings pending in the Bankruptcy Court of the U.S. District Court, Arizona, entitled Starpointe Aderra Condominiums Limited Partnership, a Delaware limited partnership, Debtor, Case No. 2:09-bk-33625-RJH, wherein a petition for relief was filed on December 29, 2009.

NOTE: There are no further matters of record concerning this subdivision through the date of this report.