



Arizona Department of Real Estate (ADRE)
Development Services Division

www.azre.gov

2910 N. 44th STREET STE-100, PHOENIX, AZ 85018

JANICE K. BREWER
GOVERNOR

JUDY LOWE
COMMISSIONER

In the Matter of the Petition of: HMR Charter Lot Partners LLC Petitioner(s)	SPECIAL ORDER OF EXEMPTION REGISTRATION NO. DM02-030941 (SUBSEQUENT OWNER)
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The above-named 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):

Lots 34, 36 through 38, inclusive, 41 through 45, inclusive, and 47 within THE CLUB AT HIDDEN MEADOW RANCH AND THE CLUB CABINS AT HIDDEN MEADOW RANCH, located at 620 County Road 1325, Apache County, State of Arizona.

It appearing that the above described lots will be sold by Petitioner using Subdivision Public Report January 15, 2003, and amended January 27, 2003, May 27, 2004, and September 21, 2011, Registration No. DM02-030941, 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 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 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 10th day of July, 2013.



Judy Lowe
Real Estate Commissioner
Arizona Department of Real Estate

Petitioner: HMR Charter Lot Partners LLC

Subdivision: THE CLUB AT HIDDEN MEADOW RANCH AND THE CLUB CABINS AT HIDDEN MEADOW RANCH / DM02-030941
(SUBX)



Arizona Department of Real Estate (ADRE)

Investigations and Development Services Division

www.azre.gov

PHOENIX OFFICE

2910 N. 44th STREET STE-100

PHOENIX, AZ 85018

JANICE K. BREWER
GOVERNOR

JUDY LOWE
COMMISSIONER

SUBDIVISION DISCLOSURE REPORT

(PUBLIC REPORT)

FOR

THE CLUB AT HIDDEN MEADOW RANCH

And

THE CLUB CABINS AT HIDDEN MEADOW RANCH

Registration No. DM02-030941

SUBDIVIDER

AM RANCH COMPANY, LLC
10881 N. Scottsdale Rd. Suite 203
Scottsdale, Arizona 85254

Effective Date

January 15, 2003

First Amendment: January 27, 2003

Second Amendment: May 27, 2004

Third Amendment: September 21, 2011

Fifth Amendment: MARCH 19, 2014

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. You 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. 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: Lots 1 through 31, inclusive, Lots 33 through 52, inclusive.

Note: Lots 39 and 40 are subject to prior sale. Any of the above listed lots not included on the attached title report as owned by AM Ranch Company LLC have been previously sold.

Fractional Interest Plan: A Fractional Interest Ownership Plan has been established for this subdivision pursuant to the First Amendment to the Declaration of Covenants, Conditions, and Restrictions for The Club at Hidden Meadow Ranch and the Declaration of Covenants, Conditions and Restrictions for The Club Cabins at Hidden Meadow Ranch. Lot 14 is the only lot designated as a fractional interest lot. Other lots may be annexed into the Fractional interest program as sales demand. A 1/6th fractional interest has been chosen as the original fractional offering. Ownership of a fractional interest will entitle an owner to certain use weeks, which are subject to reservation procedures. In accordance with the fractional interest declarations, lots may be annexed or withdrawn into the fractional interest program and the size of the fraction may be changed.

Note REPLAT: A set of lot line adjustments were done on Lots 1, 2, and 30 when construction started. The Lot lines affected were Lots 1, 2, 3, 29 and 30. These lots were on slopes and the building sites worked better with adjustments to the common lines between the lots. Looking at the lot lines on the plat, you can see they have been "jogged" to add width at certain points, but are otherwise unchanged from the previous straight property lines. The developer states, "At the time, we thought it would be easier going forward if we just amended the entire plat rather than having several individual lot line adjustments or setback variances on the record. Since the net areas, all of the other lots, and the overall plat circulation and common areas were unaffected, and since it was all developer-owned property being improved with buildings, we did not regard this material to the lots being offered for sale."

The map of this subdivision is recorded in Book 9, Page 12 and amended on Book 9, Page 18 and AMENDED REPLAT OF THE CLUB AT HIDDEN MEADOW RANCH, Book 16 of Land Surveys, page 186, records of Apache County, Arizona.

The subdivision is approximately 123.62 acres in size. It has been divided into 52 lots. Lot boundaries are staked at the corners.

PROSPECTIVE PURCHASERS ARE ADVISED TO READ ALL OF THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND CLUB CABIN RULES AND REGULATIONS PRIOR TO PURCHASE.

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: 620 County Road 1325 (Forest Road 118) Apache County, Arizona

UTILITIES

Electricity: Navapache Electric; 928-368-5118; Fees - \$5.00 to join cooperative, Connection fee of \$25.00, Security deposit of \$120 may be waived with a letter of credit or proof of home ownership. For new construction on unimproved lots, Navapache provides a \$1500.00 line extension credit. This is usually sufficient for an extension of less than 100 feet. If trenching is required, it costs approximately \$10.00 per linear foot.
www.Navapache.org

Telephone: Frontier Communications; 800-921-8101; \$20.00 connection charge plus a deposit may be required if a letter of credit from a previous phone service company is not provided. Basic monthly service would be approximately \$30.00. For new construction there may be underground trenching costs of approximately \$10.00 per linear foot.

Cable: None available

Internet or Fiber Optic: Provided by phone carrier with a connection fee of \$135.

Natural Gas: None available

Water: Owners Association for The Club at Hidden Meadow Ranch; 928-333-1000; jlenci@hiddenmeadow.com. Lot purchaser of an unimproved lot will be responsible for costs of trenching, pipe, and fire hydrant from water service point adjacent to road to dwelling. Costs of trenching and pipe vary according to distance to dwelling and soil conditions. Cost of fire hydrant estimated to be approximately \$200 to \$400. These costs are included in the purchase price for fractional interest purchasers. Water meter to be provided by Owners Association. Owners Association will be responsible for maintenance of the water lines within this subdivision, other than from lot line to dwelling. Cost to purchasers is approximately \$20.00 to \$30.00 per foot for trenching, pipe and fittings. These costs are included in the purchase price for fractional interest purchasers.

Please see attached: **Arizona Department of Water Resources, WATER ADEQUACY REPORT #22-400645 dated May 13, 2002 and labeled Exhibit B.**

Sewage Disposal: Individual on-site systems are required. Certain lots may require an alternative system. In that event, Lot purchasers must apply for "Provisional Verification of General Permit conformance for an On-site Wastewater Treatment Facility" under the ADEQ regulations for "General Aquifer Protection Permits 4.020.4.23." Cost of engineering of alternative on-site wastewater system is approximately \$3500. Cost of construction of alternative on-site wastewater system is approximately \$30,000, including septic tank, filter system, controls and

drainage field. **If an operational alternative on-site system cannot be installed, lot purchaser will not be offered a refund of purchase price.** These costs are included in the purchase price for fractional purchasers.

See attached: **Arizona Department of Environmental Quality, CERTIFICATE OF APPROVAL OF SANITARY FACILITIES FOR SUBDIVISION INCORPORATING INDIVIDUAL ON-SITE SEWAGE SYSTEMS, Provisions 1. thru 3.c dated March 22, 2002 as Exhibit C.**

Garbage Services: Owners Association for The Club at Hidden Meadow Ranch: 928-333-1000 – jlenci@hiddenmeadow.com. The Association will provide waste removal services. Said services are paid for as a part of the Association fees disclosed elsewhere in this Public Report. If a lot owner wants private service, a \$35.00 set up fee will be charged, and a monthly fee of approximately \$23.50 will be charged by Waste Management. They can be reached at 928-301-6787 and 1-800-796-9696 or www.wmofarizona.com

Subdivider/Master Developer has completed the extension of the utilities to the lot lines.

PURCHASERS ARE ADVISED TO CONTACT THE ABOVE-LISTED PROVIDERS REGARDING EXTENSION RULES, REGULATIONS, SERVICE CONNECTIONS, INSTALLATION CHARGES, ACCOUNT SET-UP FEES AND THE COSTS INVOLVED. COSTS ARE SUBJECT TO CHANGE BY THE SERVICE PROVIDERS.

STREETS, ROADS AND DRAINAGE

Access to the Subdivision: Legal and permanent access is provided to the subdivision and lots within the subdivision over terrain that may be traversed by conventional 2-wheel-drive automobiles and emergency vehicles. Completed exterior roads are public and are surfaced with cinder and gravel, already accepted and maintained by Apache County.

Access within the Subdivision: Interior roads within the subdivision are private and complete. The roads are surfaced with cinder and gravel, and maintained by the Property Owners Association, the cost of which is included in the Property Owners Association dues and/or assessments.

Street Lights: None available

Flood and Drainage: Drainage facilities are complete, and installed within this subdivision are culverts beneath all roadways, per engineer's drainage study, approved by Apache County. Maintenance will be provided by a combination of the OA and Apache County. Purchaser's cost is included in property taxes and OA assessments.

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.

LOCAL SERVICES AND FACILITIES

Schools: Round Valley Primary School, 940 Maricopa, Springerville, Arizona; Round Valley Intermediate School, 165 S. Brown, Eagar, Arizona; Round Valley Middle School, 126 W. 2nd, Eagar, Arizona; and Round Valley High School, 600 N. Butler, Eagar, Arizona. All located approximately 15 miles from the subdivision. School bus is available but may not provide transportation to the property itself. White Mountain Academy, 550 N. Butler, Eagar, Arizona 85925.

PURCHASERS ARE ADVISED THAT SCHOOL BOUNDARIES AND SCHOOL BUS TRANSPORTATION MAY CHANGE. YOU SHOULD CONTACT THE Round Valley Unified School District AT 928-333-6580 REGARDING THE CURRENT LOCATION OF SCHOOLS AND BUS SERVICE.

Shopping Facilities: Bashas, 150 N. Main, Eagar, Arizona 85929 – approximately 10 miles from subdivision.

Public Transportation: None available

Medical Facilities: White Mountain Regional Medical Center, 118 S. Mountain Ave., Springerville, Arizona 85938 and Navapache Regional Medical Center, 2200 Show Low Lake Rd., Show Low, Arizona 85901.

Fire Protection: The Owners Association for The Club at Hidden Meadow Ranch maintains the fire hydrants and related equipment. The cost to the lot purchaser is included in the Association's dues and assessments. Secondary fire protection is provided by the Eagar Fire Department, the Springerville Fire Department, the Greer Volunteer Fire Department, and the

U.S. Forest Service under the Joint Powers Agreement with the State of Arizona. Pursuant to this agreement, the U.S. Forest Service will respond as an agent for the State of Arizona for suppression of wild land fires (brush, timber, and grass) on private land. While the Forest Service is not specialized in structure fire suppression, they will assist to protect the surrounding areas.

Ambulance Service: Available by dialing 911.

Police Services: Apache County Sheriff's Department.

LOCATIONS AND COSTS OF THE ABOVE SERVICES AND FACILITIES MAY CHANGE. YOU SHOULD VERIFY THEIR CURRENT LOCATIONS AND COSTS PRIOR TO PURCHASE.

COMMON, COMMUNITY AND RECREATIONAL FACILITIES

Within the Subdivision: The OA owns common areas, including the central meadow preserve, trail easements to National Forest access, two ponds, existing historic homestead cabin, Ranch House, staff housing, barns and other facilities. The OA is responsible for the maintenance of these properties and facilities. Costs lot purchaser will be required to pay toward maintenance of the facilities are included in the OA assessment.

Within the Master Planned Community: None

ASSURANCES FOR COMPLETION OF IMPROVEMENTS

Assurances for Completion of Subdivision Facilities: All complete.

Assurances for Maintenance of Subdivision Facilities: Navopache Electric and Frontier Communications will provide their own maintenance on all facilities up to private lot lines. Owners will be responsible for any maintenance costs of these lines from lot lines to the structures. CC&Rs provide for maintenance of the water service and monitoring of septic systems, and assessment powers for HOA provide adequate funding. Private septic systems and water lines from structures to lot lines will be maintained by the respective private owners.

PROPERTY OWNERS ASSOCIATIONS

Name and Assessments: Owners Association (OA) for The Club at Hidden Meadow Ranch for all property owners. Fractional interest owners will also belong to The Club Cabin Association (CCA) at Hidden Meadow Ranch. With 71 total lots, the OA comprises 52 lots as shown on AMENDED REPLAT OF THE CLUB AT HIDDEN MEADOW RANCH, according to Book 16 of Land Surveys, Page 186, records of Apache County, Arizona; and an additional 18 lots as

shown on FINAL PLAT -- THE LODGE AT HIDDEN MEADOW RANCH – AMENDED, according to Book 9 of Township Maps, Page 18, records of Apache County, Arizona, annexed into the OA on December 24, 2013.

Owners Association members will be required to pay monthly assessments currently in the approximate amount of \$125. Club Cabin Association members will be required to pay monthly assessments in the estimated amount of \$550 for the 1/10th shares and \$850 for the 1/6th shares. Club Cabin Association assessments are inclusive of Owners Association assessments and Real Property Taxes for those cabins that are a part of the Club Cabin program.

Control of Association:

The Club Cabin Association at Hidden Meadow Ranch:

Transition Date means 90 days following the last to occur of (i) the date upon which 90% of the Club Cabin Interests have been conveyed to Retail Purchasers, (ii) two years following the last annexation pursuant to ARTICLE 10 of the Club Cabin Declaration. Declarant may voluntarily specify any earlier date in an instrument recorded in the official records of Apache County, Arizona.

Owners Association for The Club at Hidden Meadow Ranch Association, Inc.:

Transition Date means 90 days following the date upon which 90% of the Lots within the Property have been conveyed to Retail Purchasers or such earlier date as Declarant voluntarily specifies in an instrument recorded in the official records of the County.

Title to Common Areas: Title to common areas transferred to OWNERS ASSOCIATION FOR THE CLUB AT HIDDEN MEADOW RANCH, an Arizona nonprofit corporation in Special Warranty Deed recorded in document 2002-7464 and in Special Warranty Deed recorded in document 2013-006624 of the Official Records of Apache County, Arizona.

Membership: All lot purchasers will be members of the Owners Association and purchasers of fractional interests will also be members of The Club Cabin Association.

PAYMENTS TO PROPERTY OWNERS ASSOCIATIONS ARE SUBJECT TO CHANGE IN ACCORDANCE WITH RECORDED RESTRICTIONS. SAID ASSOCIATION MAY ALSO IMPOSE SPECIAL ASSESSMENTS.

SUBDIVISION CHARACTERISTICS

Topography: Varies from open grassland meadow to mixed conifer and aspen forest. Generally level ground with sloping hillside along south edge of subdivision. Generally alluvial topsoil with some rock outcroppings.

Flooding and Drainage: The site lies in a Zone C which is on the Flood Insurance Rate Map for Apache County, Arizona, Map No. 040001 2400B, effective July 5, 1982. “Zone C” is

defined as: "Area of minimal flooding." Refer to letter dated 07-31-02 from Geodimensions, Inc., attached hereto and incorporated herein by reference.

Soils: Subdivider advises this subdivision is subject to expansive soils. According to "Geotechnical Evaluation" by Western Technologies, Inc., dated January 14, 2003, "Near surface materials are of medium to high plasticity. These materials exhibit a significant expansion potential when recompacted and confirmed by approximating floor loads." A copy of the report is available from the Subdivider.

Adjacent Lands and Vicinity: Adjacent lands are under the land use regulations of the Apache-Sitgreaves National Forest. No proposed adjacent land uses. Expect continued management of adjacent National Forest to be as Wildlife Habitat Area.

Natural Gas Pipelines: None within 500 feet of the subdivision boundaries.

High Voltage Lines: None within the subdivision or within ½ mile of the subdivision boundary.

SUBDIVISION USE AND RESTRICTIONS

Use: This offering is for unimproved lots and for the sale of fractional interests in improved single-family residential units. The Developer may, but shall not be obligated to, offer Lots 1 – 31 as fractional ownership single-family residences. The lots not subject to the plan of fractional interest ownership may, at the discretion of the Subdivider, be sold as whole-ownership lots.

Zoning: Single-family residence.

Conditions, Reservations and Restrictions: None

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 Apache County Recorder. Information about zoning may be obtained at the Office of the Apache County Planning and Zoning Department. Restrictions are recorded as cited in the following title exceptions and per the subdivision plat.

AIRPORTS

Military Airport: None

Public Airport: None

Airport: Springerville Airport, 905 Airport Rd. Springerville, Arizona 85938, which is approximately 12 miles from the subdivision.

TITLE

Title to this subdivision is vested in AM Ranch Company, LLC., an Arizona limited liability company.

Subdivider's interest in 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, 2013 issued by Commonwealth Land 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: A Lot Purchase Contract will be used for the sale of a whole lot. A Fractional Interest Purchase Contract will be used for the sale of fractional interests. Title to each lot or fractional interest will be conveyed by Special Warranty Deed at the close of escrow pursuant to the terms of the applicable Purchase Contract. Cash sales are allowed, with the purchaser taking title at close of escrow.

A condition for closing escrow on a Fractional Interest Contract is completion of the Club Cabin as evidenced by a Certificate of Occupancy or similar clearance issued by Apache County and upon recordation of documents at close of escrow.

Purchaser's deposit and earnest monies will be deposited into a neutral escrow account and cannot be used by Seller until close of escrow.

Release of Liens and Encumbrances: Lot 14 has an outstanding Deed of Trust for in the original amount of \$1,560,000. Other liens as shown on accompanying Title Report will be released at time of close of escrow pursuant to release provisions of the respective Deeds of Trust, as applicable, and if such Deeds of Trust are still in effect at time of sale.

Use and Occupancy: Upon recordation of documents, close of escrow.

Leasehold Offering: Will any of the property be leased? ☐ Yes ☒ No

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 2013 is \$4.7833 per \$100.00 assessed valuation. The estimated property tax for an improved lot (lot with dwelling), based on the above tax rate and a 10% assessed value and average sales price of \$350,000, is \$1,674.15. The estimated property tax for an unimproved lot (vacant), based on the above tax rate and a 16% assessed value and an average sales price of \$250,000, is \$1,913.32.

Special District Tax or Assessments: None

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

**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

Escrow Officer: **Liane Thomas**
P.O. Box 1149
1191 E. White Mountain Blvd.
Pinetop, AZ 85935

REPORT OF TITLE
Commonwealth Land Title Insurance Company

File No.: **01202084 (7th Amended Report)**
Associated File No.: **Amended Replat of the Club at Hidden Meadow Ranch**

Dated: March 6, 2014 at 7:30 a.m.

Commonwealth Land Title Insurance Company hereby reports that an examination of the title to the land described in Schedule A is vested as shown in Schedule A, subject to the liens, encumbrances and defects as shown in Schedule B.

This is a report of status of title **ONLY** and is neither a guarantee of title, a commitment to insure nor a policy of title insurance.

The total liability of the Company is limited to the fee paid for this report.

SCHEDULE A

1. Title to the said estate or interest in said land is at the effective date hereof vested in:
AM Ranch Company, LLC, an Arizona limited liability company, as to Parcel No. 1;
and HMR Charter Lot Partners LLC, an Arizona limited liability company, as to Parcel
No. 2
2. The estate or interest in the land described or referred to in the Report and covered herein is
A FEE.
3. The land referred to in this Report is situated in the County of Apache, State of ARIZONA, and is described as follows:
See Exhibit A attached hereto and made a part hereof.

Title Officer: **Quinn J. Burdick**

File No.: 01202084**REQUIREMENTS**

The following are requirements to be complied with in the event a Policy of Title Insurance is requested to be issued.

If said Requirements are not complied with or eliminated to the satisfaction of the Company, additional matters may appear as exceptions to coverage under Schedule B of any policy to be issued.

NONE

NOTE: PERMANENT Access in accordance with ARS 32-2101, is established by roadway(s) as set forth in Document No. 2000-01029; Document No. 2000-01030; and Document No. 2002-02319, records of Apache County, Arizona allowing for access to US Highway 60 and State Route 260.

Tax Information:

Parcel Nos.	103-30-002 through 103-30-013
	103-30-019 through 103-30-029
	103-30-031
	103-30-036 through 103-30-038
	103-30-041 through 103-30-045
	103-30-048 through 103-30-052
	(Parcels 1 and 2 – the Lots or portions thereof in Section 30, T9N, R27E)
	106-79-013 through 106-79-018
	106-79-034
	106-79-045
	106-79-047
	(Parcels 1 and 2 – the Lots or portions thereof in Section 25, T9N, R26E)

File No.: 01202084

SCHEDULE B

(All recording data refer to records in the office of the County Recorder of the County in which the land is situated.)

At the date hereof exceptions to title are:

- A. The exceptions and/or exclusions contained in any form policy that might be requested.
1. Liabilities and obligations imposed upon said Land by its inclusion within any district formed pursuant to Title 48, Arizona Revised Statutes.
 2. Property taxes, including any personal property taxes and any assessments collected with taxes, for the second installment of 2013 Taxes.
 3. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the year 2014.
 4. All or a part of the Land herein described does not appear to be assessed on the Tax Roll for the year(s) 2011. Said Land is subject to the possible assessment and collection of property taxes for said year. (Affects Lot 2 and Lot 13 of Parcel No. 1)
 5. ANY ASSESSMENTS or charges upon said land by reason of its inclusion in The Club Cabin Association at Hidden Meadow Ranch. (Affects Lots 1, 2 and 14 of AMENDED REPLAT OF THE CLUB AT HIDDEN MEADOW RANCH)
 6. ANY ASSESSMENTS or charges upon said land by reason of its inclusion in Owners Association for the Club at Hidden Meadow Ranch.
 7. TERMS, CONDITIONS, RULES OR RESTRICTIONS, imposed upon that certain access easement, which provides access to the land described in Schedule A, by the United States of America, acting By and Through the Forest Service, Department of Agriculture, as contained in Easement Recorded in:

Document No.	2000-01029,
Document No.	2000-01030 and
Document No.	2002-02319
 8. AGREEMENT according to the terms and conditions contained therein:

Purpose	maintenance of USDA Forest Service road easements
Dated	December 19, 2001
Recorded	January 25, 2002
Document No.	2002-00667
 9. EASEMENTS, restrictions, reservations and conditions as set forth on plat:

Recorded in Book	9 of Townsite Maps
Page	12; and
Recorded in	9 of Townsite Maps
page	19
Recorded in Book	16 of Land Surveys
Page	186

 (Parcel No. 1 and 2)

File No.: 01202084

SCHEDULE B
Continued

10. RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS, LIABILITIES AND OBLIGATIONS, including but not limited to any recitals creating easements or party walls, omitting, if any, from the above, any restrictions based on race, color, religion, sex, handicap, familial status or national origin contained in instrument:

Recorded in Document No. 2002-07463, amendment
 Recorded in Document No. 2004-002760, and amendment
 Recorded in Document No. 2005-006299, and amendment
 Recorded in Document No. 2007-007517, and amendment
 Recorded in Document No. 2013-006699
 (Affects Parcels 1 and 2)

Annexation thereto recorded in:

Recorded in Document No. 2013-006623
 (Adding The Lodge at Hidden Meadow Ranch - Amended)

11. RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS, LIABILITIES AND OBLIGATIONS, including but not limited to any recitals creating easements or party walls, omitting, if any, from the above, any restrictions based on race, color, religion, sex, handicap, familial status or national origin contained in instrument:

Recorded in Document No. 2004-002761; and
 Recorded in Document No. 2005-006300; and
 Recorded in Document No. 2011-001610; and
 Recorded in Document No. 2013-003014

Annexations thereto recorded in

Recorded in Document No. 2007-005250 (Lot 1)
 Recorded in Document No. 2010-005502 (Lot 2)
 (Affects Lots 1, 2 and 14 of AMENDED REPLAT OF THE CLUB AT HIDDEN MEADOW RANCH)

12. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$1,560,000.00
 Dated: March 23, 2007
 Trustor/Grantor AM Ranch Company, L.L.C., an Arizona limited liability company
 Trustee: Jon Mulkin
 Beneficiary: Compass Bank, an Alabama State Bank
 Loan No.: 07667213
 Recording Date: March 26, 2007
 Recording No: 2007-003028
 (Affects Lot 14 of Parcel No. 1)

13. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$1,500,000.00
 Dated: January 23, 2012
 Trustor/Grantor AM Ranch Company, LLC., an Arizona limited liability company
 Trustee: First Scottsdale Bank, a national banking association
 Beneficiary: First Scottsdale Bank, a national banking association
 Recording Date: January 31, 2012
 Recording No: 2012-000582

File No.: 01202084

SCHEDULE B
Continued

Assignment of the beneficial interest under said deed of trust which names:

Assignee: BABA INV., LLC, an Arizona limited liability company
Recording Date: November 21, 2013
Recording No: 2013-006060
(Affects Lots 3 through 13, 15 through 29, Lot 31 and Lots 48 through 52 of Parcel No. 1)

14. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$(Not Shown)
Dated: January 31, 2012
Trustor/Grantor: AM Ranch Company, LLC, an Arizona limited liability company
Trustee: Lawyers Title of Arizona, Inc., an Arizona corporation
Beneficiary: PHDGE, LLC, an Arizona limited liability company
Recording Date: January 31, 2012
Recording No: 2012-000583
(Affects Lots 3 through 13, 15 through 29, Lot 31 and Lots 48 through 52 of Parcel No. 1)

END OF SCHEDULE B

File No.: 01202084

Exhibit A

Parcel No. 1:

An undivided 5/6 interest in Lot 2; and all of Lots 3 through 29 inclusive; Lot 31; and Lots 48 through 52 inclusive, AMENDED REPLAT OF THE CLUB AT HIDDEN MEADOW RANCH, according to Book 16 of Land Surveys, page 186, records of Apache County, Arizona.

Parcel No. 2:

Lots 34, 36, 37 and 38; Lots 41 through 45 inclusive; and Lot 47, inclusive, AMENDED REPLAT OF THE CLUB AT HIDDEN MEADOW RANCH, according to Book 16 of Land Surveys, page 186, records of Apache County, Arizona.

EXHIBIT B

ARIZONA DEPARTMENT OF WATER RESOURCES

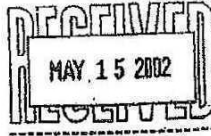
Hydrology Division

500 North Third Street, Phoenix, Arizona 85004

Telephone 602 417-2448

Fax 602 417-2425

May 13, 2002

JANE DEE HILL
GovernorJOSEPH C. SMITH
Director

Mr. Roy Tanney
Director of Real Estate Subdivisions
Department of Real Estate
2910 North 44th Street
Phoenix, Arizona 85018

RE: **Hidden Meadow Ranch, Apache County**
Water Adequacy Report #22-400654

Dear Mr. Tanney:

Pursuant to A.R.S. §45-108, the Department of Water Resources has reviewed information on the water supply for the above captioned subdivision occupying a portion of Section 30, T9N, R27E, G&SR B&M, Apache County, Arizona. The subdivision is located east of Whiting Knoll, approximately 12 miles west of the town of Springerville and 6 miles south of Highway 60.

Water for domestic use will be provided to each of the 52 lots in the subdivision by the yet to be formed *Owner's Association for the Club at Hidden Meadow Ranch*.

The Department reviewed the adequacy of the water supply with regard to physical, legal and continuous availability, and quality. At the time of this review no information has been provided concerning the legal availability of the water supply. The proposed home owner's association has not yet received a designation from the Arizona Corporation Commission as being not for public service, and as such the legal availability of the water supply is not established, therefore, the Department must find the water supply to be inadequate to meet the subdivision's projected needs.

A.R.S. §32-2181.F. requires a summary of the Department's report for dry lot subdivisions or those with an inadequate water supply to be included in all promotional material and contracts for sale of the lots in the subdivision. We suggest the following synopsis:

"Hidden Meadow Ranch, is a residential subdivision consisting of 52 lots being sold with the domestic water supply to be provided by the yet to be formed *Owner's Association for the Club at Hidden Meadow Ranch*. Depth to water in the area ranges from 108 to about 171 feet below land surface. Information regarding the quantity of groundwater available for the proposed subdivision has been proven via wells drilled on the property. The groundwater quality should be suitable for domestic use. At the time of this review, information required to evaluate the legal

Page 2
May 13, 2002
Mr. Roy Tanney
Hidden Meadow Ranch, Apache County
Water Adequacy Report #22-400654

availability of the supply through the home owner's association has not been provided, therefore, the Department of Water Resources must find the subdivision's water supply to be inadequate."

The developer, pursuant to A.R.S. §32-2181.F., may suggest a different summary of this report, but it must contain the above elements and/or the Department's findings. Any change to the subdivision or its water supply plans may invalidate this decision.

This letter, which constitutes the Department's report on the subdivision's water supply, is being forwarded to your office as required by A.R.S. §45-108. This law requires the developer to hold recordation of the subdivision's plat until receipt of the Department's report on the subdivision's water supply. By copy of this report, the Apache County recorder is officially being notified of the developer's compliance with the law.

This is an appealable agency action. The applicant is entitled to appeal this action. Rights to appeal are described in the *Notice of Right of Appeal*.

If you have any questions regarding this report, please contact Andy Kurtz at (602) 417-2448.

Sincerely



Greg Wallace
Chief Hydrologist

GW/AJK/rd
202254

cc: AM Ranch Company, LLC
Southwest Ground-water Consultant,
Jeanne Udall, Apache County Recorder,
Martin Moore, Apache County Planning and Zoning
Christa McJunkin, ADWR

EXHIBIT C



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
CERTIFICATE OF APPROVAL OF SANITARY FACILITIES FOR SUBDIVISION
INCORPORATING INDIVIDUAL ON-SITE SEWAGE SYSTEMS

SUBDIVISION: The Club at Hidden Meadow Ranch Lots 1 - 52		ADEQ SITE CODE: 504439-00 ENGINEERING REVIEW FILE NO.: 20020011
LOCATION: 10 miles NW of Greer, 6.5 miles N of State Highway 280 along Forest Service Road 118		
TOWN: Greer		COUNTY: Apache
SECTION 30	TOWNSHIP 9N	RANGE 26E
SUBDIVIDER: A M Ranch Co., LLC		
Water Supply By: Hidden Meadow Ranch Water (PWS No. NEW)		
Sewage Disposal By: On-site Wastewater Treatment Facilities		
Garbage Disposal By: Waste Management (To Lone Pine Transfer Station Landfill)		

The sanitary facilities of water supply and garbage disposal and the conceptual design for on-site wastewater treatment facilities, as represented by the approved plan documents on file with the Arizona Department of Environmental Quality are hereby approved in accordance with Arizona Administrative Code R18-5-402.

Provisions 1. thru 3.c appear on Pages 2 and 3

This APPROVAL does NOT constitute an INDIVIDUAL OR GENERAL AQUIFER PROTECTION PERMIT for any of the specific individual sanitary facilities in any of the lots in this subdivision.

GHB:shl

Jacqueline E. Schafer, Director
 Arizona Department of Environmental Quality

By: *Gregory H. Brown* 3/22/00
 Gregory H. Brown, P.E., Manager Date Approved
 Wastewater Design Review Unit
 Water Permits Section, Water Quality Division

DISTRIBUTION

Original Approval and Plat:
 Engineering Review File No: 20020011
 Approval Copy
 County Agency: Apache County Health Dept.
 Subdivider: A M Ranch Co., LLC
 Engineer: Fred Goldman, P.E.

SUBDIVISION APPROVAL: The Club at Hidden Meadow Ranch Subdivision, Lots 1 - 52
 ENGINEERING REVIEW File No: 20020011
 PAGE 2 OF 3 Provisions, Continued

1. No "discharge" to the "waters of the United States" pursuant to Sections 301, 309, 402, 404, and 502 of the federal Clean Water Act (CWA) are authorized by this approval. If this project results in discharge to these waters, CWA permits are necessary before commencing the discharge, pursuant to the Code of Federal Regulations Titles 33 and/or 40. Any construction in a watercourse shall comply with all terms and conditions of the Section 404 Permit program which is administered by the U.S. Army Corps of Engineers.
2. The Public Report must include, but shall not be limited to, items 2.a. thru 2.f:
 - a. The Subdivider or his/her agent shall disclose prior to sale of each approved lot of these ADEQ provisions and those of the ADEQ ATC for Drinking Water Facilities (Initial Lot owner).
 - b. The owner of an approved lot shall obtain site-specific permits for construction and operation from **Apache County Health Department** before constructing any on-site wastewater treatment facility or Arizona Department of Environmental Quality, if Apache County is not delegated authority to approve the on-site wastewater treatment system.
 - c. If any approved lot is determined to be not suitable for construction and operation of a conventional septic disposal system, the lot owner shall obtain site-specific construction and operating permits for an alternative on-site wastewater treatment facility from ADEQ or from the local agency authorized by ADEQ to issue such permits. The cost of an alternative on-site wastewater treatment facility may be in excess of \$15,000.

 Based on the results of percolation tests, soil borings, and the comments/conclusions contained in the geological report, it is probable that conventional septic systems will not be an acceptable means of sewage disposal for the majority of lots within The Club at Hidden Meadow Ranch subdivision. Given the information contained in the geological report, it must be assumed that alternative on-site systems will be required for each and every lot within the subdivision.
 - d. At the time of this ADEQ approval for The Club at Hidden Meadow Ranch subdivision Lots 1 - 52, the following lots share a boundary with unsubdivided land:

 Lots 1 through 16, 32, 33, 40 - 47, 48, 51, 52.

 The required setback for on-site sewage systems (including the reserved disposal area) from unsubdivided land is 50 feet minimum unless the dwellings and other future improvements on the unsubdivided land will be served by a community water system, or an appropriate waiver has been obtained from the adjacent property owner(s).
 - e. This approval is based upon ADEQ evaluation of sanitary facilities for a single family dwelling with four bedrooms on each lot. Some lots may accommodate larger sewage disposal capacities, subject to local approvals.

SUBDIVISION APPROVAL: The Club at Hidden Meadow Ranch Subdivision, Lots 1 - 52
ENGINEERING REVIEW File No: 20020011
PAGE 3 OF 3 Provisions, Continued

3. This approval is based on the following approved documents:
- a. Plan Sheet(s) titled "Final Plat for The Club at Hidden Meadow Ranch ", sealed by Gene C. Harrison, Registered Land Surveyor, Certificate No. 22762, on 12/21/01 (5 sheets, including roadways, and easements).
 - b. "The Club at Hidden Meadow Ranch Site Investigation" prepared/sealed by Gary L. Miller, P.E., Certificate No. 18161, on 08/17/01, summarizing soil testing for on-site waste disposal systems (14 pages).
 - c. "Example Engineering Design Report: On-site Wastewater Management System in Support of The Club at Hidden Meadow Ranch Subdivision", sealed by Fred Goldman, P.E., Certificate No. 11580, on 01/03/02 (13 pages, including plot plan, profile and design calculations for a septic tank with textile filter, disinfection, and pressure distribution to shallow trenches).

EXHIBIT D



July 31, 2002

Project No. 00548

To whom it may concern:

Civil Engineering
Land Surveying
Planning
Construction Staking
Water Resources
Environmental Sciences

The undersigned certifies that the following conditions were used as a basis for design of grading and drainage facilities in:

The Club at Hidden Meadows

- A. The site lies in a Zone C which is on the Flood Insurance Rate Map for Apache County, Arizona, Map No. 040001 2400B, effective July 5, 1982. "Zone C" is defined as: "Area of minimal flooding."
- B. Channels and culverts are designed to convey the 50-year/6-hour frequency storm.
- C. Finished floor elevations for lots will be free from inundation by a 100-year frequency storm.
- D. Grading is to comply with Apache County requirements, the grading and drainage plans prepared by GeoDimensions, Inc and the grading design letter prepared by GeoDimensions, Inc dated July 31, 2002.

Sincerely,

GEODIMENSIONS, INC.



David B. Logan, P.E.
Principal

Y:\Docs\GDI-Jobs\00548\FLOODCRT.DOC