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DISTINCTIVE RESIDENCES BY OLD WORLD COMMUNITIES

BERKANA
TOWNHOMES

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COMPANY OVERVIEW

DISTINCTIVE RESIDENCES BY OLD WORLD COMMUNITIES

BERKANA
TOWNHOMES

Old World Communities, developer of the Berkana communities, had one goal in mind when creating Berkana communities. We wanted to develop neighborhoods that provide a sense of place in an urban environment.

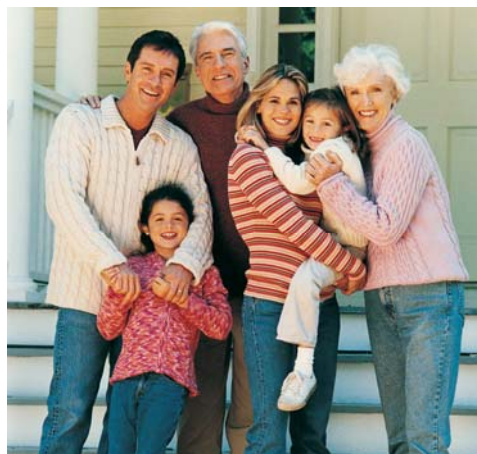
Each community combines exceptional value and affordability.

Old World Homes is a Phoenix-based company focused on land acquisition, development, and real estate investment opportunities in the Arizona market. The company and its members have substantial experience in all aspects of the Arizona real estate market, including land, entitlements, infrastructure, and development.

Paul Johnson, CEO of Old World Homes, has founded several multimillion-dollar companies and owns or controls large real estate holdings. Paul served as Phoenix Mayor from 1990-1994 and as a member of the Phoenix City Council from 1985-1990. He also served as chairman of the Arizona League of Cities and Towns, and on several regional planning committees. These positions have given him a special understanding of the real estate regulatory, development, and entitlement process.

Each of the principals of Old World Homes brings unique expertise to the team. Each team member shares the goal of developing neighborhoods that provide a sense of place and affordable living, located close to employment centers, social activities, entertainment venues, attractions, and other conveniences.

We have created this book as a informational guide for you that will walk you through the purchasing process. Thank you for visiting Old World Homes, Berkana, we look forward to handing you the keys to your new home!

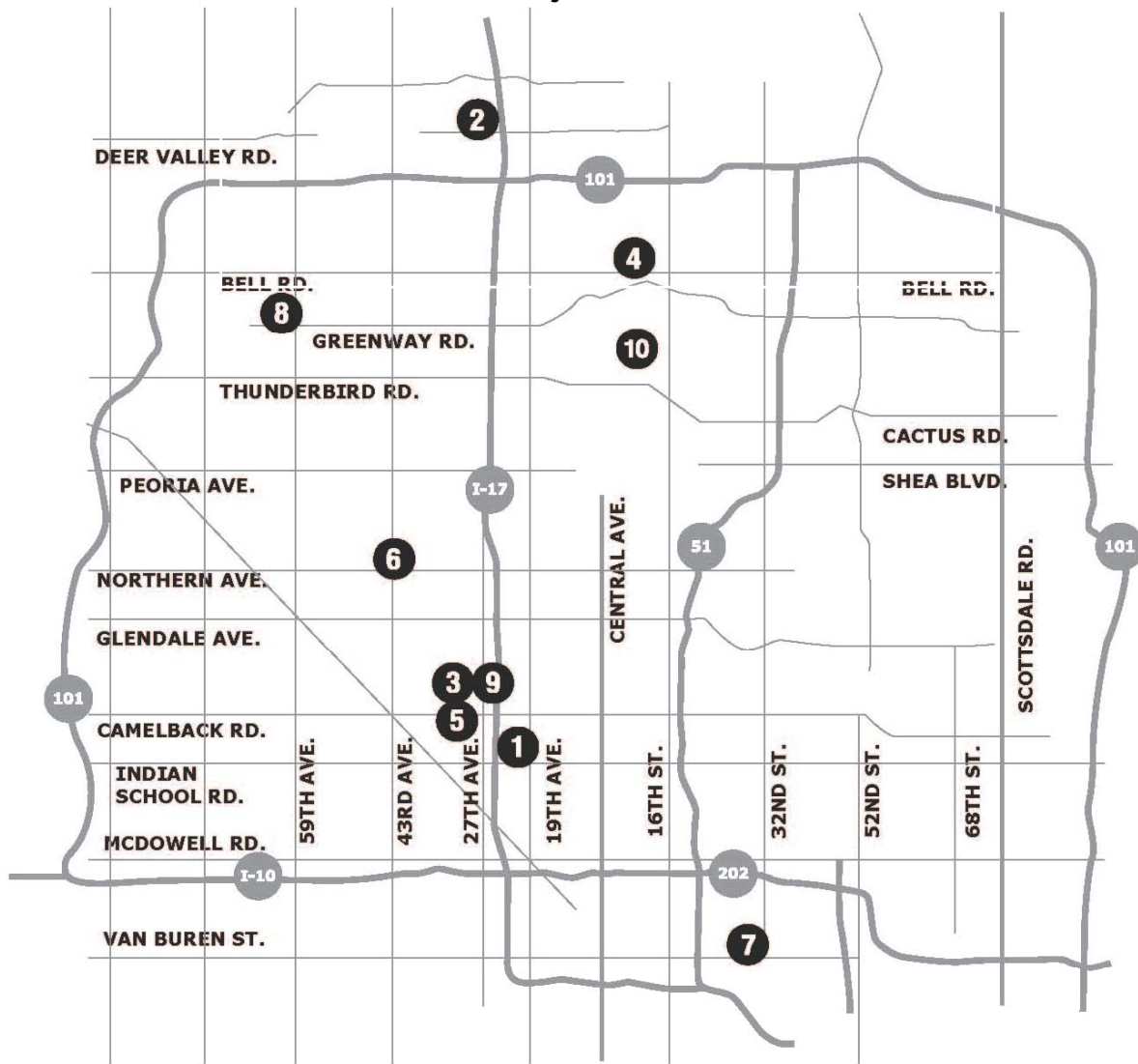


CHOOSE YOUR COMMUNITY

DISTINCTIVE RESIDENCES BY OLD WORLD COMMUNITIES

BERKANA
TOWNHOMES

1. Berkana on Glenrosa - Glenrosa & Black Canyon
2. Berkana at Hidden Mountain - Sands & 29th Avenue
3. Berkana on Colter - Colter & 39th Avenue
4. Berkana on Bell - Bell & 12th Street
5. Berkana on Camelback - Camelback & 30th Avenue
6. Berkana on Northern - Northern & 43rd Avenue
7. Berkana on 32nd Street - Van Buren & 32nd Street
8. Berkana at Arrowhead - Greenway & 67th Avenue
9. Berkana on Georgia - Georgia & 27th Avenue
10. Berkana at Moon Valley - Roberts & 7th Street



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Y O U R H O M E

T E A M

DISTINCTIVE RESIDENCES BY OLD WORLD COMMUNITIES

BERKANA
TOWNHOMES

Sales Team Member:

Phone: _____

Fax: _____

Email: _____

Loan Officer:

Phone: _____

Fax: _____

Email: _____

Escrow Officer:

Phone: _____

Fax: _____

Email: _____

Title Company - Title Management Agency:

Phone: _____

Fax: _____

Email: _____

Insurance Company:

Agent:

Phone: _____

Fax: _____

Email: _____

Home Inspection Company:

Phone: _____

Fax: _____

Email: _____

IMPORTANT BUSINESS CARDS

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Affix Business Card Here

Affix Business Card Here

Affix Business Card Here

Affix Business Card Here

Affix Business Card Here

Affix Business Card Here

Affix Business Card Here

Affix Business Card Here

UNDERSTANDING THE OFFER PROCESS

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In all states in the United States, as well as every province in Canada, all real estate contracts must be in writing. This includes the offer to purchase and receipt for deposit, which will be used in making an offer on a property.

Even if you have given your agent permission to bargain for a property on your behalf, that agent must have a signed Purchase Contract before they can actually present your offer (only if an agent has a signed Power of Attorney to act for you can they make written offers in your name).

When you have found a home you wish to buy, the offer process will go something like this:

1. Your agent may prepare an Estimated Closing Cost form that will give you an estimate of what it will cost you to purchase the home. This will include all closing costs and your down payment (based on the amount which you have decided to offer for the home).
2. You and your agent will prepare the actual Purchase Contract which is your offer to purchase and will be presented to the seller. The Arizona standard form is eight pages and there are other forms, such as the Agency Disclosure, which you will also need to sign.
3. Your agent will then contact the sellers' agent and set an appointment to present the offer. In Arizona, it is permissible for the buyers' agent to present the offer to the seller (in the presence of the sellers' agent, of course).
4. The sellers will then usually take a short period of time to evaluate the offer, discuss the information and decide if they wish to accept what the buyers have offered. The sellers' agent may also prepare a Net Proceeds Statement for the sellers which will detail the estimated costs to sell the home and how much the sellers will actually receive under the terms of your offer.
5. The sellers will then either accept the offer or prepare a counter offer.
6. If the sellers accept your offer, you begin the closing process. If the sellers give you a counter offer, the ball is back in your court and you must decide if you will accept, reject, or counter the counter offer.
7. Since you want to gain the right to buy the home before other offers are presented, this process often moves along quickly. It is important to be available to your agent!



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THE LOAN PROCESS

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Pre Qualification / Interview:

- Application Interview
- Lender obtains all pertinent documentation

Order Documents:

- Credit report, appraisal on property, verification of employment, mortgage or rent, and funds to close, landlord ratings, preliminary title report.

Loan Submission:

- The loan package is assembled and submitted to the underwriter for approval.

Documentation:

- Supporting documents come in.
- Lender checks on any problems.
- Request for any additional items are made.

Loan Approval:

- Parties are notified of approval and prior to funding documentation conditions.

Documents are Drawn:

- Loan documents are completed and sent to Title.
- Borrowers come in for final signatures.

Funding:

- Lender reviews the loan package.
- Funds are transferred by wire.

Recording Documents:

- Title company records the Note and Deed of Trust at the County Recorder's office Escrow is now officially closed.



WHO'S WHO IN LENDING?

DISTINCTIVE RESIDENCES BY OLD WORLD COMMUNITIES

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There are four main sources from which borrowers will obtain their home loan: savings and loan associations, commercial banks, mortgage bankers and mortgage brokers.

- **Savings and Loan Associations:**

Historically, Savings and Loans (S&L's) have concentrated their lending activities toward the home loan business. However, in recent years, with major deregulation by the government, the savings and loan organizations have expanded their services to virtually match the activities of banks. The S&L's offer checking accounts, savings accounts, personal, commercial, and business loans and safe deposits as well as home loans. Though S&L's offer all of these services, their primary lending concentration is still on the housing industry.

- **Commercial Banks:**

Generally speaking, commercial banks are the most diverse and active of all finance institutions or entities. These banks offer all types of services including: savings accounts, many specific investment options, charge cards, as well as commercial, personal, residential, agricultural and business loans, plus all other banking related services. Commercial banks are definitely the leaders of the lending industry.

- **Mortgage Bankers:**

Mortgage Bankers usually will use their own money to fund mortgages, however, they ultimately sell the loans to another entity such as a bank, a savings and loan association, pension or retirement funds, private investors or one of the government agencies like FNMA or GNMA who purchase residential mortgages.

When mortgage bankers sell a block of mortgages to an investor, they will often retain the servicing of these loans. This means that the mortgage banker will continue to be responsible for the collection of the payments from the individual borrowers. The mortgage banker is paid a small percentage of the interest (usually 1/4% to 1/2%) for this servicing agreement.

- **Mortgage Brokers:**

Unlike mortgage bankers, mortgage brokers do not actually loan their own money. For a fee, mortgage brokers will actually arrange financing for a borrower from a lender. This lender could be a banks, a savings and loan, a private individual or another entity such as a credit union or pension fund.

Mortgage brokers act as a middleman between the borrower and the lender by arranging the financing for which they are paid a commission or a fee. The borrower, the seller or even the lender may be paid this fee.



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TIPS ON CREDIT FOR BUYERS

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- Avoid making large credit purchases until after you have closed escrow and the transaction has been recorded. This includes the purchase of cars, boats, furniture, etc. The large payment obligation may PRECLUDE you from QUALIFYING for your home loan.
- Always be aware of your credit balances.
- Do not skip payments. If you cannot make payments consistently, seek professional assistance to help you get on track.
- If you have a problem, contact your creditors immediately.
- Save money on a regular basis. It is wise to have at least three to six months income put away in case of a financial emergency.

Your credit report is a very important part of your loan approval. It is vital for you to send for a copy of it now during the early stage of the home buying process. The cost of the report is about \$9.00 for a single copy. Here is a list of the three national credit bureaus:

EQUIFAX P.O. Box 740241, Atlanta, Georgia 30348
(888) 685 - 1111
www.equifax.com

EXPERIAN P.O. Box 2104, Allen, Texas 75013
(888) 397 - 3742
www.experian.com

TRANS UNION P.O. Box 1000, Chester, Pennsylvania 19022
(800) 888 - 4213
www.transunion.com



Information Needed At Loan Application

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Picture ID with proof of Social Security number

Residence address – past 2 years

Names and addresses of each employer – past 2 years

Gross monthly salary. Base only: Overtime and bonus list separately

Names, addresses, account numbers and balances of all checking
and savings accounts – last 2 months of bank statements

Names, account numbers, balances and monthly payments of all credit cards

Addresses and values of other real estate owned

Loan information on other real estate owned

Estimated value of furniture and personal property

Certificate of Eligibility and DD214's (V.A. only)

Money for credit report and appraisal

W2's (2 years) and current check stub

Full divorce decree, if applicable



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Listed below are some typical closing costs you may incur as part of your loan transaction. When you apply for a loan, you will receive a Good Faith Estimate of closing costs and settlement charges, and a booklet that will explain these costs.

Appraisal:

- This is a one-time fee that pays for an appraisal. The appraisal is made by an independent fee appraiser.

Credit Report:

- A fee that covers the cost of the credit report.

Document Preparation:

- There may be a separate fee that covers the preparation of the final legal papers.

Loan Discount:

- A fee used to adjust the yield on the loan to what market conditions demand. It is often called "points."

Loan Origination:

- The lender's administrative costs in processing the loan. This fee covers the loan.

Title Charges:

- The Title company charges fees for a title search, title examination, recording fees, endorsements fees, a settlement or closing fee and notary fees.

Prepaid Interest:

- Depending on the time of the month your loan closes this per diem charge may vary from a full month's interest to that of a few days. If your loan closes at the end of the month, you will have to pay interest only for a few days or so.



WHY YOU NEED TITLE INSURANCE

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Title Insurance Protects one of the most important investments you'll ever make - the investment of your home.

A lender goes to great lengths to minimize the risk of lending you the money you need to buy a home. First, your finances, past and present are checked to ensure your ability to re-pay. Then, your lender goes a step further. He or she makes sure that the quality of the title to the property you are about to buy and which you will pledge as security for the loan is satisfactory. The lender does this by obtaining a lender's policy of title insurance (often referred to as the ALTA policy).

The Lender's Policy Doesn't Protect You

The Lender's policy protects the lender against loss due to unknown title defects at the time of the sale and in the future. This policy only protects the lender's interest. **It does not protect you!** This is why you need an owner's policy. This policy will be issued at the same time as the lender's policy for a one time fee.

How Can There be a Title Defect if the Title Has Been Searched and a Loan Policy Issued?

Title insurance is issued after a careful examination of copies of the public records but even the most thorough search cannot absolutely ensure that no title hazards are present, despite the knowledge and expertise of professional title examiners. In addition to matters shown by public records, other title problems may exist that cannot be disclosed in a search.

What Title Insurance Protects Against?

Here are just a few of the most common hidden risks that can cause a loss of title or create an encumbrance on title:

- False impersonation of the true owner of the property
- Forged deeds, releases of wills
- Undisclosed or missing heirs
- Mistakes in recording legal documents
- Deeds by persons of unsound mind
- Deeds by minors
- Deeds by persons supposedly single, but in fact married
- Liens for unpaid inheritance, income or gift taxes
- Fraud

What Protection Does Title Insurance Provide Against Defects and Hidden Risks?

Title insurance will pay for defending against lawsuits attacking your title as insured, and will clear up title problems or pay the losses. By combining expertise in risk elimination at the time of issuing a policy and protection against hidden risks as long as the policy remains in effect, your title insurance protects against title loss.



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WHAT IS TITLE INSURANCE?

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In Arizona, most real estate transactions are closed with a title insurance policy. Many home buyers just assume that when they purchase a piece of property, possession of the deed to the property is all they need to prove ownership. This is not true! Hidden hazards may be attached to real estate. A property owner's greatest protection is a policy of title insurance.

Title Insurance

It is a contract of indemnity which guarantees that the title is as reported and, if not reported, the owner is damaged, the title policy covers the insured for their loss up to the amount of the policy. Title Insurance assures owners that they are acquiring marketable title. Title Insurance is designed to eliminate risk or loss caused by defects in title from the past. Title insurance provides coverage only for title problems which were already in existence at the time the policy was issued.

The Title Search

Title companies work to eliminate risks by performing a search of the public records or through the title company's own title plant. The search consists of public records, laws and court decisions pertaining to the property, to determine the current recorded ownership, any recorded liens or encumbrances, or any other matters of record, which might affect the title to the property. When a title search is complete, the title company issues a preliminary report detailing the current status of title.

The Preliminary Report

A preliminary report contains vital information which can affect the close of escrow. Ownership of the subject property; where the current owner holds title; matters of record that specifically affects the subject property or the owners of the property; a legal description of the property and an informational plat map.



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WAYS TO TAKE TITLE IN AZ

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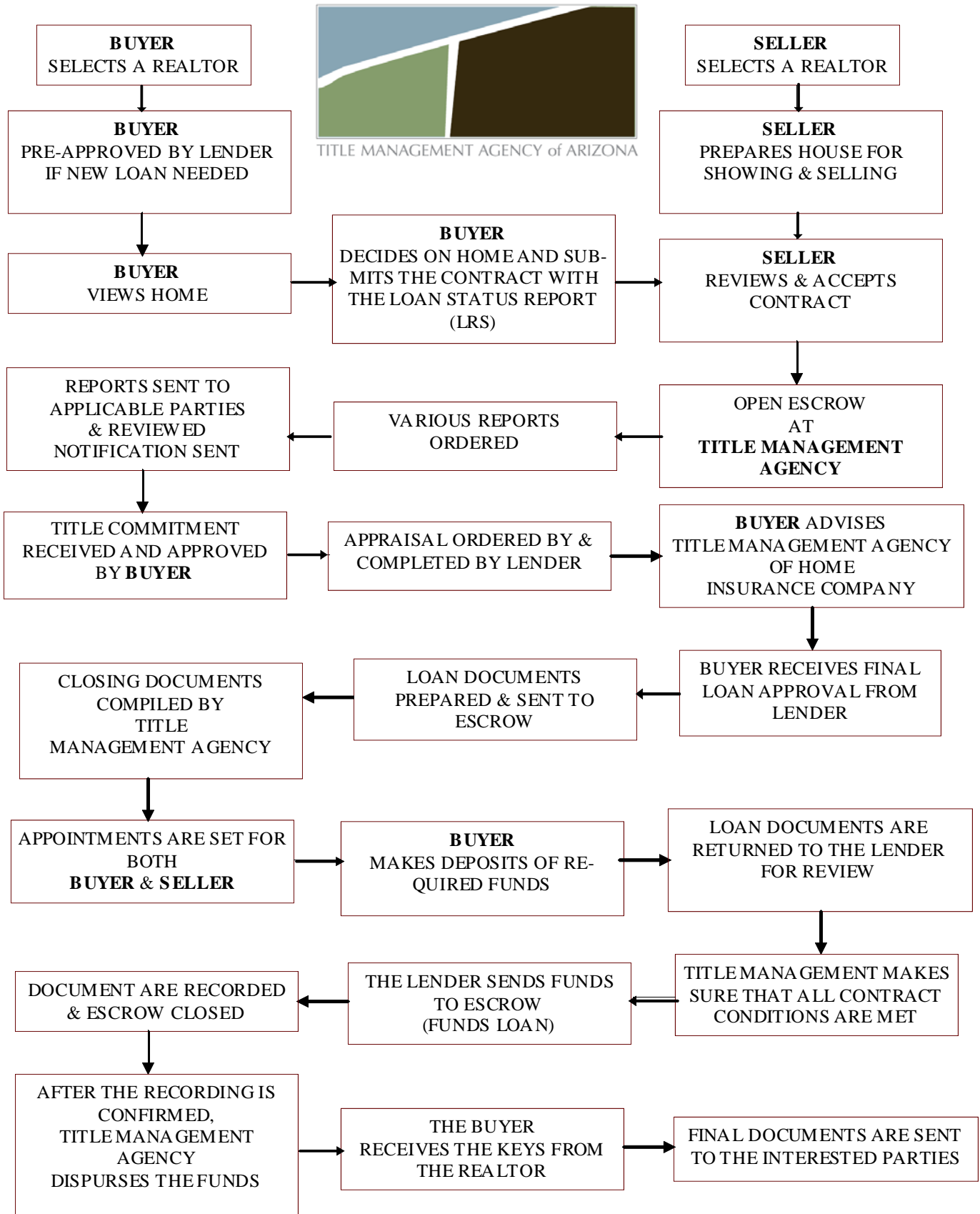
COMMUNITY PROPERTY	JOINT TENANCY WITH RIGHT OF SURVIVORSHIP	COMMUNITY PROPERTY WITH RIGHT OF SURVIVORSHIP	TENANCY IN COMMON	SOLE AND SEPARATE
Requires a valid marriage between two persons.	Parties need not be married; May be more than two joint tenants	Requires a valid marriage between two persons	Parties need not be married; May be more than two joint tenants	See note at Bottom of page
Each spouse holds an undivided one-half interest in the estate.	Each joint tenant holds an equal and undivided interest in the estate, unity of interest.	Each spouse holds an undivided one-half interest in the estate.	Each tenant in common holds an undivided fractional interest in the estate. Can be disproportionate, e.g., 20% and 80%; 60% and 40%; 20%, 20%, 20% and 40%; etc.	See note at bottom of page
One spouse cannot partition the property by selling his or her interest	One joint tenant can partition the property by selling his or her joint interest.	One spouse cannot partition the property by selling his or her joint interest.	Each tenant's share can be conveyed, mortgaged or devised to a third party.	See note at Bottom of page
Requires signatures of both spouses to convey or encumber	Requires signature of all joint tenants to convey or encumber the whole.	Requires signatures of both spouses to convey or encumber	Requires signatures of all tenants to convey or encumber the whole.	See note at Bottom of page
Each spouse can devise (will) one-half of the community property.	Estate passes to surviving tenant(s) outside of probate	Estate passes to the surviving spouse outside of probate.	Upon death the tenant's proportionate share passes to his or her heirs by will or intestacy.	See note at Bottom of page
Upon death the estate of the decedent must be "cleared" through probate, affidavit or adjudication.	No court action required to "clear" title upon the death of joint tenant(s).	No court action required to "clear" title upon the first death.	Upon death the estate of the decedent must be "cleared" through probate, affidavit or adjudication.	See note at Bottom of page
Both halves of the community property are entitled to a "stepped up" tax basis as of the date of death.	Deceased tenant's share is entitled to a "stepped up" tax basis as of the date of death.	Both halves of the community property are entitled to a "stepped up" tax basis as of the date of death.	Each share has its own tax basis.	See note at Bottom of page

NOTE: Arizona is a community property state. Property acquired by a husband and wife is presumed to be community property unless legally specified otherwise. If a married person acquires title as sole and Separate, his or her spouse must execute a disclaimer deed to avoid the presumption of community property. Parties may choose to hold title in the name of an entity, e.g., a corporation; a limited liability company; a partnership (general or limited), or a trust. Each method of taking title has certain legal and tax consequences. Therefore, you are encouraged to obtain advice from an attorney or other qualified professional.

ESCROW FLOW CHART

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TITLE MANAGEMENT'S SERVICE AREAS

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Market Research

- Dependable and fast turnaround time of your specific requests.
- Close to 40 years of experience makes your unique situations a pleasant and enjoyable task. No-hassle rushes are all part of the day-to-day operations.

Residential Escrow

- Convenient locations with offices throughout the valley.
- Care and attention to detail are guaranteed.

Commercial Escrow

- Over 333 years of combined commercial escrow experience.
- Our offices can handle escrows throughout the United States.
- We provide names and labels to owners for 300-foot re-zoning purposes.

1031 Exchange

- 1031 Exchange accommodations.
- 100% guarantee on all funds.
- Built to suit, reverse, and personal property exchanges are available.

Builder Services

- Experienced subdivision processing.
- Professional and timely response to problem solving.
- Fostering key homebuilding industry relationships.

Accounting

- Total electronic network for money banking with all major banks.
- Autonomous branch accounting allowing for immediate access to disburse funds at close. State of the art accounting system with daily balancing of escrow funds for added security.

Title

- Continuously adding state of the art technology to facilitate and expedite the process of title reports. A manager with thirty years of title plant experience ensures accuracy and proficiency.

Foreclosure

- Please contact your Escrow Officer for information on these services.



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NOT YOUR AVERAGE TITLE COMPANY

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Our focus is simple: we constantly strive to outperform our best performance. This standard of excellence is the measure of everything we are – from our service and products, to our people and thinking.

As a Title Management Agency client, you have the opportunity to:

☒Receive Personal Attention

- Our dedication to customer service comes from the belief that our business is more about people, than paperwork.

☒Enjoy Financial Security

- As an approved issuing agent, we provide a Closing Protection Letter, which offers you the peace of mind knowing that your transaction is completely protected by the full reserves of our underwriters.

Conduct Transactions Nationwide or Worldwide

- In addition to local escrow/closing services, we work within our network to manage national and/or international transactions from beginning to end from a single point of contact.

☒Rely On Experts

- Our escrow and title experts bring years of invaluable industry experience and knowledge to every transaction.

☒Close Deals Regardless Of Complexity

- From multifaceted to multi-state/international, we have the capabilities to handle every kind of real estate transaction. Our expertise, financial capacity, technical capability, and focus on service enable us to custom design solutions to meet our clients' needs.

“OUR PEOPLE - YOUR RICHEST RESOURCE”



TITLE MANAGEMENT AGENCY of ARIZONA

GLOSSARY OF TERMS

DISTINCTIVE RESIDENCES BY OLD WORLD COMMUNITIES

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- Amendment** An alteration, addition, or correction to an agreement that does not change the principal idea or essence of the original agreement.
- Amortized Loan** A loan that is completely paid off, interest and principal, by a series of regular payments that are equal or nearly equal. Also called a Level Payments Loan.
- Appraisal** An opinion of value based upon a factual analysis.
- Appreciation** An increase in value of real estate.
- C.C.&R's** The Covenants, Codes, and Restrictions of a sub-division or master planned community. These regulations grant the association the right to enforce certain aspects of the community. (Example: Exterior colors or plantings)
- Chain Of Title** A summary or digest of the conveyances, transfers, and any other facts relied on as evidence of title, together with any other elements of record that may affect the marketability of the title.
- Closing** The final settlement of a real estate transaction between the buyer and seller.
- Condominium** A system of individual fee ownership of units combined with joint ownership of common area of the structure and the land.
- Conventional Mortgage** A mortgage securing a loan made by investors without governmental underwriting.
- Counter Offer** A rejection of an offer by a seller along with an agreement to sell the property to the potential buyer on terms differing from the original offer.
- Deed** Written instrument which, when properly executed and delivered, conveys title.
- Deed Of Trust** An instrument used in Arizona in place of a mortgage to secure the lender's rights.
- Discount Points** Additional charges made by a lender at the time a loan is made. Points are measured as a percent of the loan, with each point equal to one percent. These additional interest charges are paid at the time a loan is closed to increase the rate of return to the lender so as to approximate the market level.
- Earnest Money** Down payment made by a purchaser of real estate as evidence of good faith.
- Easement** Created by grant or agreement for a specific purpose, an easement is the right, privilege or interest which one party has in the land of another. (example: rights of way, utility companies)
- Equity** The interest or value that an owner has in real estate over and above the liens against, real property.

GLOSSARY OF TERMS

CONTINUED

DISTINCTIVE RESIDENCES BY OLD WORLD COMMUNITIES

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Escrow	The deposit of instruments and funds with instructions (the Contract) to a third neutral party (Escrow Agent) to carry out the provisions of an agreement or contract; when everything is deposited to enable carrying out the instructions, it is called a complete or perfect escrow.
FMA Loan	A loan guaranteed by the Federal Housing Administration.
Impound Account	Account held by the lender for payment of taxes and /or insurance against the real property.
Legal Description	A description of land that complies with government surveys to thoroughly identify a specific parcel so that it, and its boundaries, cannot be mistaken for any other.
Lien	A form of encumbrance that usually makes property security for the payment of a debt or discharge of an obligation. (Example: Judgments, taxes, mortgages, deeds of trusts, etc.)
Mortgage	An instrument recognized by law by which property is hypothecated to secure the payment of a debt or obligation; procedure for foreclosure in the event of default is established by statute.
Origination Fee	A fee charged the borrower by the lending institution.
Personal Property	Any property which is not real property, e.g. money, appliances, cars, boats, furniture, etc. In real estate, anything not permanently attached to the building is considered personal property.
PITI	A payment that included Principal, Interest, Taxes, and Insurance.
Power Of Attorney	A legal "instrument" whereby a principal gives authority to another to act for them. A specific form must be used in Arizona to create a Power of Attorney.
Promissory Note	Following a loan commitment from the lender, the borrower signs a note promising to repay the loan under stipulated terms. The promissory note establishes personal liability for its repayment.
Quit Claim Deed	A deed operating as a release.
Recording	The official filing of documents with the County Recorder, making the transfer of property.
Special Assessment	Legal charge against real estate by a public authority to pay cost of public improvements such as: Streetlights, sidewalks, street improvements, etc. Also referred to as "SPUDS," is the Seller's Property Disclosure Statement. Sellers are required to disclose any problems that they are aware of that affect the property.

BENEFITS OF HOME OWNERSHIP

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Buying A Home is a Good Investment

There are many advantages to owning your own home. Many people do not realize the benefits of owning versus renting so we would like to outline some of those benefits for you so that you will have a better understanding and be able to make the wisest decision for you and your family.

The first one we will look at is:

Investment Appreciation:

When you own a home all of the equity in belongs to you. As your home appreciates in value, your financial portfolio increases. Even if your home only appreciates a small amount during the time you own it, it gives you investment money to put towards a bigger home in the future. If you buy and sell over a matter of years you can build an equity investment that can contribute nicely to your retirement. Even if you intend to stay in your home for several years, the amount of equity you can build during that time can be quite sizeable.

Tax Benefits:

One thing to really consider when looking at renting verses buying is the tax benefits that come to home buyers. The majority of your monthly payment in the early years of ownership can be very beneficial. In essence your housing cost becomes a deductible expense. You can deduct the interest paid on the mortgage from your gross income on your federal tax return. As you can see this can be a big savings and can make your money begin to work for you. If you are renting you do not get these tax advantages.

Pride of Ownership:

We realize that "Pride of Ownership" is a key to satisfied home buyers. At Berkana, we have built an environment where you will be proud to call home. We have designed our developments with you in mind and we offer a quality of life that suits your style in every way. Living at Berkana offers you a feeling of being in a secluded retreat in the heart of the city.

Security:

Every Berkana development offers a secured, gate guarded entry. You can feel safe coming home to Berkana. If you have a family you can feel secure in knowing the neighborhood where your children are playing. Building a safe environment is a top priority for us.



THE FIRST-TIME HOME BUYER

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At Berkana we understand the First - Time Home Buyer. We have developed our communities to make your first experience with home buying a very positive one. We know there is an emotional component that comes with home ownership as opposed to being a renter. With this in mind, we have assembled a team of professionals who are dedicated to making your first home purchase a success!

One of the biggest benefits to you as a home owner is that you become in control of your finances and you start to build a financial investment for your future instead of building one for a landlord. This investment gives you the opportunity to build your credit and to purchase the things you've wanted when you take advantage of the tax benefits of home ownership.

At Berkana we walk you through the process and we are here for you every step of the way. You may be fearful thinking that you will discover that you can't afford the home you buy. Be assured this is not likely to happen. When you pay rent your landlord does not investigate your financial stability to see if your rent is a balanced portion of your monthly expenses. A mortgage lender has the responsibility to make sure that you stay within a budget that you can afford. They will not lend you more money than you can comfortably pay back.

It is important to always get pre-approved before getting emotionally attached to a home. At Berkana we do have lenders who will sit down with you and go over your finances to ensure that buying at Berkana is a good investment. Due diligence in the beginning is a key to component to any successful investment.

One mistake many first-time home buyers make is they become attached to a house but often times do not see the neighborhood surrounding the house. Though the home is very important, the neighborhood is also a key element to successful living. Every Berkana development is located in the heart of the city and close to shopping, entertainment, schools, and work. We know that once you discover the security of the neighborhoods, the beauty of the homes, and the convenient locations, you will make your decision to become a home buyer in a Berkana community.

Urban living offers you the best of all worlds!



OVERCOMING HOME BUYING FEARS

DISTINCTIVE RESIDENCES BY OLD WORLD COMMUNITIES

BERKANA
TOWNHOMES

Home Buyers Fears

Buying a home can be a fearful and intimidating experience, particularly if it is your first home. There are new terms you are unfamiliar with, you are spending more money than you have ever spent before, and it feels so permanent. However, by learning everything you can about purchasing a home you can do so with confidence and assurance. This guide is written to help you gain a better working understanding of the home buying process. By knowing what to expect you can overcome your fears and the feeling of being overwhelmed by the whole process.

There are three primary common concerns that most home buyers may experience:

Concern 1: What About The Economy?

This is a valid concern in our day. While the economy goes through ups and downs over the course of time, history shows us that the total economic collapse predicted by some economists has never occurred. Statistics show that homes generally are not as volatile as the ups and downs of the stock market or other segments of the economy. Home prices do rise and fall like everything else in our economy but not as quickly as other factors.

While it is prudent to keep your eyes on the economy it is just as important to not allow the periodic economic downturns to fool you into thinking it is all going to come crashing down. Be aware of what is going on in the economy but do your due diligence in investigating the reality of the market as it pertains to real estate.

Concern 2: I May Be Denied A Home Loan

According to Mortgage lenders, 85 percent of all applicants are approved for home loans. Even in difficult economic times lenders are looking for ways to get people financed, though they do require more information and better credit ratings during economically stressed times. If you do find yourself facing a bad credit scenario, lenders will work with you to help repair your credit. It is important to follow their instructions closely so that you will be able to qualify for a loan once your credit is repaired.

Concern 3: I May Not Have Enough Money For The Down Payment

Although the general amount usually required for a down payment is 10 to 20%, all down payments vary from property to property. Talk to your real estate agent and they will help you determine how to handle the down payment process. If you can afford the monthly payments on a home, being short a few thousand dollars should not set you back in the home buying process. Check with your representative for their guidelines.

Fear 5: What do I Do About Home Maintenance And Repair?

The beauty of living at Berkana is that you have outdoor maintenance - free living! Your time is valuable and we understand that. We want you to enjoy your home and the environment so we take care of those costly and time consuming projects for you in the complex. While you do take care of the problems within your home, we take care of everything else. This is a benefit that most people appreciate when they choose a condominium over a single family home.

Whatever your fears may be we are here to help quiet them. We have assembled a team of professionals who will walk you through the home buying process and help you achieve your dream of being a home owner. Whether this is your first, second, or even your fifth home, we are confident that the service we provide will far exceed anything you could imagine.

If you have any questions or fears just give us a call.

YOUR HOME BUYING SUCCESS IS OUR GREATEST REWARD!

CREDIT CHALLENGE ASSISTANCE PROGRAM

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Berkana Homes has a unique program that provides assistance to credit challenged buyers. The Rent-To-Own program allows prospective buyers to rent a new home, with the option to purchase the property at the end of their one-year lease, and have their net monthly rent of that year, applied to their purchase. This is a great way to save for your down payment, and buy your own home!

Participants of the program typically make payments lower than the cost of a home mortgage, providing the opportunity for savings and credit repair. These consistent monthly payments will help raise the buyer's credit score. In addition, the Rent-to-Own Program provides participants with the advantage of securing today's purchase price, thus the having the opportunity to build equity with the home upon closing. Also, successful program participants receive the total net monthly rent payment (excluding monthly HOA fees), which will be applied towards a down payment for the purchase of their own Berkana home.

The Rent-to-Own program is available at two Berkana communities: Berkana at Glenrosa, located at I-17 and Glenrosa, just north of Indian School Road; and Berkana at Hidden Mountain, west of the I-17 at 29th Avenue, just north of Happy Valley Road.

**For additional information about the Rent-To-Own program,
please call 602-377-0013 and ask for the desired community.**



JULY 26 2007

FOR IMMEDIATE RELEASE PHOENIX

HOMES AND SCHOLARSHIPS FOR COMMUNITY CHAMPIONS

Rio Salado College and Berkana Homes have joined together to honor community champions. The program, Community Champions Home-buyer Incentive Program (CCHIP), is designed to make it easier for public servants to own their own homes and encourage them, a spouse or children to attain a college degree. Wednesday, August 1 at 4 p.m. former Phoenix Mayor Paul Johnson of Berkana Homes will give Rio Salado College President Dr. Linda Thor a check for \$5,000. The donation will be used for Berkana Homeowners to use to attend college at Rio Salado. Cartwright Elementary School District teacher Patricia Bryant is one of Berkana's first home buyers purchasing a home at Berkana on Glenrosa. Already a supporter of Rio Salado's online learning,

Bryant just completed four education classes at Rio and plans to take more. She is thrilled with her new home as well as the neighborhood. It's tough to find a home near the downtown in her price range, said Bryant. All Berkana locations are located "In the City" convenient to employers, entertainment venues and transit. To participate in the program, community champions must sign up for CCHIP at the time they purchase a Berkana Home and live in the community during the time they participate in the CCHIP grant program.

The mortgage grants includes six months of free principal and interest and a \$2,500 education grant to pay for tuition, fees, and books at Rio Salado College. The grant may be used by the homebuyer, spouse, or dependent family members within two years after close of escrow. Additional information is available at the Rio Salado Web site at www.riosalado.edu or <http://berkanahomes.com/Incentives.aspx>

Contact: EJ. Anderson (480) 517-8472 Linda Bird (480) 517-8462

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Incentive Program Guidelines

What is the program?

- Up to 12 months free principal and interest
- Zero down available
- Tuition Grants
- Currently available at Berkana on Glenrosa

Who is eligible?

- City of Phoenix Police*
- United Phoenix Firefighters*
- Teachers and Nurses
- Students enrolled in college programs for law enforcement, nursing, or teaching
- ***Additional incentives available to Phoenix Firefighters and Police**

How do I qualify?

- Proof of eligibility
- Participant must live in the community during the time they are receiving the grant.
- Participation is limited and based upon home availability.
- Grantee must use a qualified lender and Grantee must qualify for a loan.
- No other discounts available with this grant.
- No commissions will be paid to any outside real estate brokers or agents.



CHOOSING THE RIGHT SCHOOL

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When making the decision on which school you should send your child to consider the following questions:

1. Do we want a private or public school?
2. Does size matter?
3. Do we agree with the curriculum being taught?
4. Do they offer the extra curricular activities that are important to our family?
5. Does the school provide an environment that will encourage my child to reach his/her learning potential?
6. What are the schools values?
7. Does the school provide a balanced education that includes academics, sports, performance arts, and community spirit?
8. Is it a welcoming environment that encourages parents to be a part of the system?
9. Is the principal approachable, knowledgeable, and willing to help?
10. How secure is the school?
11. How will I be kept informed of my child's progress and school events?

If at all possible visit the school and talk with the principal and the teachers. Also, speak to other parents whose children attend the school? Find out if the school is accredited. Remember that certification is not the same thing as accreditation. Find out what the national testing scores are for the school . Remember that in the United States your child has the right to a quality education! Doing your homework before enrolling your child in school will be the most beneficial for your family.

As parents we have the right to get involved and to ensure that our schools are meeting the needs of our children. There are many ways to get involved through the school and the local school boards. Take advantage of every offering that the schools make for parent involvement. This will give you a sense of peace in knowing that you are an intricate part of your child's education.

The schools need parents who are willing to participate and they should welcome your input. Studies have shown that children who have parents involved in their educational process are more likely to succeed in school. Studies also show that the family unit is stronger in families where the parents are involved with their children's education.

The Internet is a great tool to use for investigating schools and local school agencies.



TITLE MANAGEMENT AGENCY of ARIZONA

CHECK LIST FOR MOVING

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DREAMING

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Four to Six Weeks Before Move

- Decide if you will hire a professional moving company or if you will do it yourself.
- Set a date for a garage sale.
- Arrange for school records to be transferred.
- Notify insurance companies of your move.
- If using a moving company, set a date for an estimate and walk through.
- Notify post office of address change.

Two to Four Weeks Before Move

- Cancel newspaper subscriptions and notify magazine companies of move.
- Schedule disconnect date with utility, phone, and cable companies.
- Drain all power equipment of oil and gasoline.
- Transfer or close checking accounts and order new checks.
- Send out change of address cards to all friends and family.

One Week Before Move

- Confirm connection dates with utilities, phone, and cable companies.
- If you have children throw a small going away party for the kids in the neighborhood.
- Have a family meeting to discuss responsibilities each person will have during the move.
- Double check to make sure that everything is in order at your new residence so that it is a seamless transition.

Moving Day

- If using a moving company, make sure that they know what items they are taking.
- Carry family heirlooms with you. This will ensure their safety.
- Make sure to specify a "DO NOT MOVE" area where you place items you do not want them to take.
- Make sure to do a final walk through before the movers leave, to make sure they got everything.
- Review & sign the bill of lading & inventory. Keep your copy in a safe place until you ensure a successful move.

If you are working with a moving company, it is very important to be involved with the process. Check out several companies and get at least three quotes before deciding on which one to use. Every moving company has different guidelines and policies when it comes to replacement on items lost, stolen, or destroyed. Make sure to review their policies closely to ensure that you are protected in the event of loss.

If you will be packing yourself make sure to use the right boxes, paper, and equipment for your items. Most moving companies have a packing booklet that will tell you which boxes to choose for different items. It is better to spend the money and have your items arrive safely, then to cut corners on the front end of your move, only to find that your belongings have been damaged when you arrive at your destination. Please note that most moving companies will not insure items packed by the shipper, unless extra insurance is purchased. Consult your moving company for their specific policies.

The Subdivision Public Report

www.azre.gov/PUBLIC_INFO/Documents/Property_Buyer_Checklist.html
<http://159.87.254.2/publicdatabase/>

Seller's Property Disclosure Statement ("SPDS")

www.azre.gov/PUBLIC_INFO/Documents/Property_Buyer_Checklist.html

Covenants, Conditions and Restrictions ("CC&Rs")

www.azre.gov/PUBLIC_INFO/Documents/Property_Buyer_Checklist.html
www.realtor.com/BASICS/condos/ccr.asp

Homeowner's Association ("HOA") Governing Documents

www.azre.gov/PUBLIC_INFO/Documents/Purchasing_A_Home_Read_This.html#LINK11
www.dfbls.az.gov/UserFiles/File/administration/HOA%20Package04012007.pdf

HOA Disclosures

www.azleg.state.az.us/ars/33/01260.htm
www.azleg.state.az.us/ars/33/01806.htm

Title Report or Title Commitment

www.alta.org/consumer/questions.cfm

Loan Documents

Ginnie Mae: www.ginniemae.gov/2_prequal/intro_questions.asp?Section=YPTH

HUD: www.hud.gov/

Mortgage Bankers Association: www.mbaa.org/

National Association of Mortgage Brokers: www.namb.org/

Affidavit of Disclosure

www.aaronline.com/documents/affidavit.aspx

Swimming Pools and Spas

www.aaronline.com/documents/pool_contacts.aspx
www.azleg.state.az.us/ars/36/01681.htm
www.hs.state.az.us/diro/admin_rules/pool_rules.htm

Square Footage

www.appraisal.state.az.us/Directory/directory.html
www.btr.state.az.us

Septic and Other On-Site Wastewater Treatment Facilities

www.adeq.state.az.us/environ/water/permits/wastewater.htm

Water/Well Issues

www.azwater.gov/dwr/Content/Find_by_Program/Wells/default.htm
www.azwater.gov/WaterManagement_2005/Content/OAAWS/default.asp
www.azwater.gov/dwr/Content/Find_by_Program/Adjudications/default.htm
www.verdevalleywaterusers.org/homepage.htm

WEB SITES CONTINUED

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Soil Problems

www.azwater.gov/dwr/Content/Hot_Topics/Earth_Fissures_in_Arizona/Eart
www.az.nrcs.usda.gov
www.azgs.az.gov
www.btr.state.az.us

Pests

www.desertusa.com/oct96/du_scorpion.html
www.maricopa.gov/EnvSvc/VectorControl/RR/RRInfo.aspx
www.sb.state.az.us/

Lead-Based Paint Disclosure Form

www.azre.gov/PUBLIC_INFO/Documents/Purchasing_A_Home_Read_This.html#LINK12
www.epa.gov/lead/

County Assessors/Tax Records

Coconino: www.coconino.az.gov/
Maricopa: www.maricopa.gov/assessor and <http://treasurer.maricopa.gov/parcels/>
Pima: www.co.pima.az.us/navigate.aspx?L1=1&L2=11
Yavapai: www.co.yavapai.az.us/
Other counties: www.az.gov/webapp/portal

Professional Home Inspection Report

www.ashi.com
www.realtor.com/basics/buy/inspnegot/hire.asp?gate=realtor&poe=propertystore

Termites and Other Wood Destroying Insects and Organisms

www.sb.state.az.us/Termitelnsph
www.sb.state.az.us

Repairs & New Construction

www.rc.state.az.us/Consumer_menu.htm
http://aznari.com/

Roof

www.rc.state.az.us/Consumer_menu.html
www.azroofing.org

Endangered and Threatened Species

www.fws.gov/southwest/es/arizona/

Deaths and Felonies on the Property

www.azleg.state.az.us/ars/32/02156.htm



Indoor Environmental Concerns

www.hs.state.az.us/phs/oeh/invsurv/air_qual/mold_contents.htm
www.epa.gov/iaq/molds/moldresources.html
www.cdc.gov/mold/default.htm
www.arra.state.az.us/radon.htm
www.azbtr.gov/listings/drug_lab_site_clean_up.asp
www.epa.gov/iaq/iaqinfo.html
www.epa.gov/iaq/pubs/index.htm

Property Boundaries

www.azpls.org
www.btr.state.az.us

Flood Plain Status

www.fcd.maricopa.gov/
Pima County: www.rfcd.pima.gov
Other parts of the state: www.azgs.az.gov/index.htm
FEMA's Flood Map Service Center: www.fema.gov/hazard/flood/index.shtm
www.polybutylene.com/selling.html or www.aaronline.com/documents/polyb.aspx

Insurance (Claims History)

www.choicetrust.com
www.aaronline.com/documents/insurance.pdf
www.id.state.az.us/

Other Property Conditions

www.pbpipe.com/index1.htm

Cooling/Heating

www.acca-az.org/

Environmental Concerns

www.adeq.state.az.us
www.adeq.state.az.us/environ/waste/solid/other.html
www.adeq.state.az.us/function/about/wildfire.html

Electromagnetic Fields

www.niehs.nih.gov/health/topics/agents/emf/
www.cancer.org/docroot/NWS/content/NWS_1_1x_Electromagnetic_Fields_and_Cancer_Risk_asp
<http://cfpub.epa.gov/ncea/cfm/recorddisplay.cfm?deid=31421>

WEBSITES CONTINUED

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Superfund Sites

www.adeq.state.az.us/environ/waste/sps/phx.html

www.epa.gov/superfund/spanish/index.htm

www.azdot.gov/Highways/

www.az511.com/

Crime Statistics

www.faxnet1.org

www.azleague.org

Sex Offenders

www.azsexoffender.org

www.glendaleaz.com/police/sexoffenderinfocenter.cfm

Military and Public Airports

www.azre.gov/PUBLIC_INFO/Airport_Maps/Territory_in_the_Vicinity_of_a_Military_Airport.html

www.azre.gov/PUBLIC_INFO/Airport_Maps/Territory_in_the_Vicinity_of_a_Public_Airport.html

Forested Areas

www.azsf.az.gov/

www.firewise.org/

<http://cals.arizona.edu/firewise/>

Other cities and towns: www.azleague.org

Zoning/Planning/Neighborhood Services

Phoenix: www.phoenix.gov/PLANNING/index.html

Scottsdale: www.scottsdaleaz.gov/Topics/Planning.asp

Tucson: www.ci.tucson.az.us/planning.html

www.ade.state.az.us

www.azre.gov/PUBLIC_INFO/Documents/Property_Buyer_Checklist.html

City Profile Report

www.homefair.com/find_a_place/cityprofile/

FOR INFORMATION ABOUT ARIZONA GOVERNMENT

www.az.gov

Maps and information based on address (Geographic Information System): www.az.gov/webapp/govinfo/main.do

FOR INFORMATION ABOUT FAIR HOUSING AND DISABILITY LAWS

HUD's Fair Housing/Equal Opportunity website at www.hud.gov/groups/fairhousing.cfm

www.usdoj.gov/crt/ada/adahom1.htm

Arizona Office for Americans with Disabilities, visit www.azada.gov

FOR ADDITIONAL INFORMATION

Arizona Association of REALTORS(AAR): www.aaronline.com

Arizona Department of Real Estate (ADRE): www.azre.gov/

(NAR): www.realtor.com

NAR's Ten Steps to Homeownership: <http://finance.move.com/homefinance/guides/buyers/default.asp?Inksrc=FIN>

Home Closing 101: www.homeclosing101.org/