



Arizona Department of Real Estate (ADRE)
Development Services Division
www.azre.gov

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SUBDIVISION DISCLOSURE REPORT
(PUBLIC REPORT)

FOR

Homestead at Marley Park Phase 4 & 5 – Parcel 2
aka Beacon Hill at Marley Park

Registration No. DM22-061235

SUBDIVIDER

HBT of Marley Park II LLC,
an Arizona limited liability company
706 E. Bell Road, Suite 212
Phoenix, Arizona 85022

Effective Date: August 23, 2022

First Amendment Effective Date: November 21, 2022

PROPERTY REPORT DISCLAIMER

This report is NOT A RECOMMENDATION NOR AN ENDORSEMENT by the State of Arizona of this land. The application and public report have not been subjected to a detailed examination by the Department. The report was prepared by the subdivider and none of the information in this report has been verified by the Department; all information has been accepted by the Department as true and accurate based on attestation of the subdivider/or the subdivider's agents. The purchaser should verify all facts before signing any documents. The Department assumes no responsibility for the quality or quantity of any improvement in this development.

THIS DEVELOPMENT IS LOCATED WITHIN TERRITORY IN THE VICINITY OF A MILITARY AIRPORT. THE DEPARTMENT MAINTAINS A REGISTRY OF INFORMATION PROVIDED BY THE MILITARY AIRPORT. THE REGISTRY INCLUDES MAPS OF MILITARY FLIGHT OPERATIONS AND A MAP SHOWING THE EXTERIOR BOUNDARIES OF EACH TERRITORY AND HIGH NOISE OR ACCIDENT POTENTIAL ZONE. THIS INFORMATION IS AVAILABLE TO THE PUBLIC ON REQUEST.

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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 CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.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 171, inclusive.

The map of this subdivision is recorded in Book 1589 of Maps, page 10, Maricopa County, Arizona.

The subdivision is approximately 27.2667 gross acres in size. It has been divided into 171 Lots and 16 Tracts (A through P, inclusive). Lot boundaries will be staked at the corners and radii.

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: The subdivision is located on the southeast corner of Old Oak Lane and Bullard Avenue, south of Waddell Road, within the City of Surprise, Maricopa County, State of Arizona.

UTILITIES

Electricity: Arizona Public Service (APS), (602) 371-7171, website: www.aps.com. The facilities have been completed to the lot lines. Cost to complete facilities from lot line to dwelling is included in the purchase price. Purchaser's cost to receive service includes a service activation fee of \$25.00, plus tax. A security deposit may be required. Deposit amounts are based on usage from the new address. Once service is established, direct user charges will apply. Fees and/or deposits are subject to change, please contact the utility provider for further details.

Telephone: Cox Communications, (623) 594-1000 or (866) 867-7644, website: www.cox.com. The facilities have been completed to the lot lines. Cost to complete facilities from lot line to dwelling is included in the purchase price. Purchaser's cost to receive service may include a one-time installation fee of \$75.00 and a credit check and/or deposit may be required. Purchasers should check with the utility provider for additional information regarding types of services available as well as installation fees and monthly costs associated with that service. Once service is established, direct user charges will apply. Fees and/or deposits are subject to change; please contact the utility company for further details.

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

Cable: Cox Communications, (623) 594-1000 or (866) 867-7644, website: www.cox.com. The facilities have been completed to the lot lines. Cost to complete facilities from lot line to dwelling is included in the purchase price. Purchasers will be required to pay an installation fee of \$20.00 (self-connect) or \$75.00 (professional connect). A credit check and/or deposit may be required. Purchasers should check with the utility provider for additional information regarding types of services available as well as installation fees and monthly costs associated with that service. Once service is established, direct user charges will apply. Fees and/or deposits are subject to change; please contact the utility company for further details.

NOTE: IT IS POSSIBLE THAT YOU MAY NOT HAVE CABLE SERVICE AT THE TIME OF CLOSING. YOU ARE ADVISED TO CONTACT YOUR SERVICE PROVIDER TO DETERMINE THE STATUS OF CABLE SERVICE. YOU MAY ALSO WANT TO CONSIDER TEMPORARY ALTERNATIVES, I.E., A SATELLITE ANTENNA.

Internet or Fiber Optic: Cox Communications, (623) 594-1000 or (866) 867-7644, website: www.cox.com. The facilities have been completed to the lot lines. Cost to complete facilities from lot line to dwelling is included in the purchase price. Purchasers will be required to pay an installation fee of \$20.00 (self-connect) or \$75.00 (professional connect). A credit check and/or deposit may be required. Purchasers should check with the utility provider for additional information regarding types of services available as well as installation fees and monthly costs associated with that service. Once service is established, direct user charges will apply. Fees and/or deposits are subject to change; please contact the utility company for further details.

NOTE: IT IS POSSIBLE THAT YOU MAY NOT HAVE INTERNET SERVICE AT THE TIME OF CLOSING. YOU ARE ADVISED TO CONTACT YOUR SERVICE PROVIDER TO DETERMINE THE STATUS OF INTERNET SERVICE. YOU MAY ALSO WANT TO CONSIDER TEMPORARY ALTERNATIVES, I.E., A SATELLITE ANTENNA.

Natural Gas: Southwest Gas Corporation, (877) 860-6020, website: www.swgas.com. The facilities have been completed to the lot lines. Cost to complete facilities from lot line to dwelling is included in the purchase price. Purchaser's cost to receive service includes a service establishment charge of \$35.00, plus tax. A deposit of \$80.00 may be required. Once service is established, direct user charges will apply. Fees and/or deposits are subject to change, please contact utility company for further details.

Water: City of Surprise, (623) 222-1900, website: www.surpriseaz.gov. The facilities have been completed to the lot lines. Cost to complete facilities from lot line to dwelling is included in the purchase price. Purchaser's cost to receive service includes a service establishment charge of \$32.00. A deposit may be required. Once service is established, direct user charges will apply. Fees and/or deposits are subject to change, please contact utility company for further details.

Sewage Disposal: City of Surprise, (623) 222-1900, website: www.surpriseaz.gov. The facilities have been completed to the lot lines. Cost to complete facilities from lot line to dwelling is included in the purchase price. Purchaser's cost to begin receive service is included in the water establishment fee and a deposit may be required. Once service is established, direct user charges will apply. Fees and/or deposits are subject to change, please contact utility company for further details.

Garbage Services: City of Surprise, (623) 222-1900, website: www.surpriseaz.gov. Purchaser's cost to receive service includes a monthly fee of approximately \$16.63 per can. Customer also has the option to pay a Single Annual Advance Payment (5% Prepayment Discount) amount of approximately \$189.58. Fees are subject to change; please contact utility company for further details.

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: Subdivider has completed the asphalt paved public streets to the minimum standards of the City of Surprise, which have been accepted by the City for maintenance. Costs to purchasers for maintenance are included in the property taxes.

Access within the Subdivision: Subdivider has completed the asphalt paved public streets to the minimum standards of the City of Surprise, which have been accepted by the City for maintenance. Costs to purchasers for maintenance are included in the property taxes.

Street Lights: Subdivider to complete the street light facilities by February 13, 2023. Costs to purchasers for maintenance are included in the property taxes.

Flood and Drainage: Subdivider has completed the typical street drainage and retention tracts, which will be maintained by the City of Surprise (for typical street drainage) and the Homeowners Association (for retention tracts). Costs to purchasers are included in the property taxes (for typical street drainage) and the Homeowners Association fees (for retention tracts).

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.azland.gov, or call (602) 542-4631.

LOCAL SERVICES AND FACILITIES

Elementary: Rancho Gabriela Elementary School (Grades K-8) located at 15272 W. Gabriela Drive, Surprise, Arizona 85379, (623) 523-8500, approximately 1 ¼ miles southwest of the subdivision.

High School: Dysart High School (Grades 9-12) is located at 11425 N. Dysart Road, El Mirage Road, Arizona 85335, (623) 876-7500, approximately 2 miles southeast of the subdivision.

SCHOOL BUS TRANSPORTATION WILL ONLY BE PROVIDED TO STUDENTS RESIDING OUTSIDE THE SCHOOLS DESIGNATED WALKING DISTANCE. PURCHASERS SHOULD CONTACT THE SCHOOLS TO DETERMINE THE AVAILABILITY OF SCHOOL BUS TRANSPORTATION.

Legacy Traditional School, 14506 West Sweetwater Avenue, Surprise, Arizona 85379, (623) 299-9820, adjacent to the east and adjacent to the south of the subdivision.

NOTE: School boundaries, assignments and school bus transportation are subject to change. Prospective Purchasers should contact the Dysart Unified School District at (623) 876-7000 or visit their website at www.dysart.org for verification of schools, current location of schools and bus service. Additional information regarding schools and districts can be found at the following websites: www.greatschools.net and www.sfb.state.az.us.

Shopping Facilities: Marley Park Plaza, which includes Bashas', located at 15367 W. Waddell Road, Surprise, Arizona, is approximately 1 mile northwest. Fry's Food Store, located 13982 W. Waddell Road, Surprise, Arizona, is approximately ½ mile northeast; Safeway Grocery Store, located at 13828 W. Waddell Road, Surprise, Arizona is approximately ¾ mile northeast; Wal-Mart Neighborhood Market, located at 15431 W. Greenway Road, Surprise, Arizona, is approximately 1 ¾ miles northwest; The Surprise Town Center shopping facility is located at the northeast corner of Bell Road and Litchfield Road, Surprise, Arizona, is approximately 2 ¼ miles northeast and includes a Wal-Mart Super Center and a Home Depot and it features more than 40 locally and nationally known stores, banks and restaurants. Target is located within Surprise Marketplace located at the southwest corner of Bell Road and Grand Avenue, approximately 2 ½ miles northeast. Kohl's department store is located approximately 1 mile southwest at 15357 West Cactus Road, Surprise, Arizona.

Village at Prasada is to open Fall of 2022 – located off Loop 303 and Waddell Road, this area is a 700,000 square foot shopping and entertainment district that will include bowling, shopping, and restaurants. Projected chains include Barrio Queen, Sprouts, OHSO Brewery + Distillery, Walgreens, Walmart, Big O Tires, Burger King, Papa Johns and more.

On the East side of the 303, Costco has just opened at 16385 W Waddell Road, Surprise Arizona, approximately 1 ½ miles northeast of the subdivision along with Whataburger, Red Rock and more.

Public Transportation: There is no public transportation available to the Marley Park Community at this time. The closest Valley Metro bus stop to the community is located along 111th Avenue, between Peoria Avenue and Thunderbird Road, approximately 5 miles east of the subdivision.

NOTE: Bus routes and schedules are subject to change. For additional information, please contact the Valley Metro Transit System at (602) 253-5000, or visit the website at www.valleymetro.org.

Medical Facilities: Adelante Healthcare and Sonora Quest Laboratories are located at 15351 W. Bell Road, Surprise, Arizona, approximately 2 ½ miles northwest of the subdivision. Total Wellness Medical Center is located at 14991 West Bell Road approximately 2 ¼ miles northwest of the subdivision. Banner - Del E. Webb Medical Center is located at 14502 West Meeker Boulevard, Sun City, Arizona, approximately 3 ½ miles north of the subdivision. Banner Boswell Medical Center, 10401 West Thunderbird Avenue, approximately 4 ¾ miles southeast of the subdivision. Banner Thunderbird Medical Center, 5555 West Thunderbird Avenue approximately 10 ¾ miles east of the subdivision.

Fire Protection: Provided by the City of Surprise Fire Department, (623) 583-8225 with costs to purchasers included in the property taxes.

Ambulance Service: Ambulance service is available by dialing 911.

Police Services: Provided by the City of Surprise Police Department, (623) 583-1085

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: Subdivider to complete the two parks and landscaped retention area by February 13, 2023, which will then be maintained by the Homeowners Association. Cost to purchasers for maintenance is included in the Homeowners Association fees.

Within the Master Planned Community: The Community of Homestead at Marley Park (Marley Park Phases 4 & 5) consists of approximately 224 acres that will include single family detached, high density residential, and may include residential rental community and to be determined additional uses. The amenities include a community center, fitness center, half basketball court, a heated pool (heating schedule will vary), ramadas, outdoor fireplace, communal outdoor table, miscellaneous recreational areas such as bocce ball court, horseshoe court, shaded seating area, tot lots, parks and community open space. Homestead at Marley Park will be completed in phases and when completed may consist of approximately 850-1,000 homes.

Use of the outdoor facilities at the schools and recreational facilities within the Community may result in increased light, noise, dust, lack of privacy and pedestrian and vehicular traffic. Residents living adjacent to or near these public use areas may experience interference and disturbance associated with such uses. For example, such proposed amenities may have ball fields or other facilities that, if built, may be illuminated with light fixtures that will cast light that may be visible from lots in the vicinity of such facilities.

Certain facilities and areas within the Community may be open for use and enjoyment of the general public. Such facilities and areas may include, by way of example: greenbelts, trails and paths, parks and other neighborhood open areas, roads, sidewalks and medians. However, feature amenities such as the Community Center, pool and amenity areas will not be open to public use unless non-owners are invited as guests, to be described in the Community Guidelines once finalized.

There is one 13-acre retail site at the corner of Reems and Waddell (“Marley Park Plaza”), one 15-acre proposed retail site at the corner of Reems and Cactus (“Marley Park Promenade”), one 32-acre proposed retail site at the corner of Litchfield and Waddell (“Marley Park Square”) and one 27-acre proposed retail site adjacent to and south of Marley Park Square.

The commercial sites are not anticipated to be developed until a residential population threshold is met to support such businesses. The Master Developer makes no representation as to the exact timing of such development or as to the type/names of future tenants. Neither the Neighborhood Builder nor the Master Developer, nor any of their respective agents, employees, or affiliates, has made any representation concerning the timing, location, configuration or existence of any non-residential (including commercial) use on or about the Community.

THE SUBDIVISION IS LOCATED WITHIN THE VICINITY OF A PUBLIC PARK AND A PUBLIC SCHOOL, ONE OR BOTH OF WHICH MIGHT HAVE BALL FIELDS OR OTHER FACILITIES THAT, IF BUILT, MAY BE ILLUMINATED WITH LIGHT FIXTURES THAT WILL CAST LIGHT THAT IS VISIBLE FROM THE LOT.

ASSURANCES FOR COMPLETION OF IMPROVEMENTS

Assurances for Completion of Subdivision Facilities: Subdivider has posted a Bond to assure completion of all subdivision improvements.

Assurances for Maintenance of Subdivision Facilities: As stated in the recorded Community Charter and as stated in the Articles of Incorporation and Bylaws of the Community Association, utility companies shall maintain their respective utilities. The City of Surprise shall maintain the public streets.

PROPERTY OWNERS ASSOCIATIONS

Name and Assessments: **Marley Park Community Association, Inc.** (the “Neighboring HOA”). Homestead at Marley Park Community Association has no affiliation and is not controlled by the Neighboring HOA, other than the following: The Neighboring HOA maintains certain perimeter landscape strips that benefit Homestead at Marley Park community. As part of the acquisition of phases 4 and 5 and in accordance with the CCRs for Marley Park Phase 4-5, Article 3.2.2(i), it was agreed that Homestead at Marley Park will reimburse the Neighboring HOA for the costs incurred to maintain, repair and replace certain perimeter landscape strips. Per that agreement, Homestead at Marley Park Community Association has included in the operating budget, the cost to reimburse the above described expenses for the perimeter landscape strips. The cost will be included in the Homestead at Marley Park Community Association monthly assessment.

Homestead at Marley Park Community Association, Inc. Property Owners will be required to pay association assessments in an amount not to exceed \$121.00 per month for the first operating year.

Control of Association:

Homestead at Marley Park Community Association, Inc.: Control of the Association will be turned over to Lot Purchasers ninety (90) days following the date upon which Declarant no longer owns any portion of the Property. Notwithstanding the foregoing, Declarant may at any time relinquish its Class B membership by giving written notice thereof to the Association.

Title to Common Areas: Title to the improvements that are completed within the common areas will be transferred to the Association upon acceptance of the completed improvements by the Association.

Membership: All Lot Purchasers will be members of the Association.

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

SUBDIVISION CHARACTERISTICS

Topography: Land is flat.

Flooding and Drainage: This subdivision is not subject to known flooding or drainage problems. In a letter dated February 25, 2021, Chandra McCarty, P.E., of EPS Group, has cited, in part:

“This letter is to certify that, to the best of my knowledge, the drainage conditions for the above referenced lots within the above referenced project are as follows:

1. This site is located within FEMA Flood Zone Shaded X as shown on FEMA Flood Insurance Rate Map numbers 04013C1680L and 04013C1660L dated October 16, 2013. Areas classified as Zone "X" (Shaded) are areas of the 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood.
2. As described in the "Final Drainage Report for Marley Park Phase 4 & 5 - Parcel 2" prepared in December 2020 by EPS Group the following drainage conditions have been satisfied:
 - a. All finish floor elevations are set a minimum of 12-inches above the adjacent high-water surface elevations and 18-inches above the low adjacent top of curb, and the finished floors of all proposed building will be set a minimum of 14-inches above the ultimate outfall of the drainage basin subarea.
 - b. Basins in the Project will be dewatered by drywells and will be designed to drain within 36 hours per the City of Surprise's standards
 - c. The local streets within the project were designed to convey the 10-year storm event between the curbs and the 100-year storm event within the right-of-way per the City of Surprise's requirements. Where the event exceeds the capacity of the above requirements, catch basins will be provided to intercept the excess flow. The streets were designed to convey the flow to various retention basins. Storm drain catch basins and pipes will be used to convey the flow to the retention basins at the street outlets.Flood insurance is not required for the owners of these lots, though it is encouraged and may be required by public or private lending institutions or other parties.”

Soils: Subdivider advises that the soils have very low expansion potential. In a letter, dated July 17, 2019, Garrett Clatanoff, PE, Geotechnical Engineer, and Stephen V. Hargus, PE, Senior Geotechnical Engineer, of Alpha Geotechnical & Materials, Inc., has cited, in part:

“The purpose of this investigation was to evaluate the general surface and subsurface conditions at the referenced site, and to present geotechnical design recommendations for foundations, slab-on-grade, and on-site pavements for the proposed development.

Project Description

The proposed project is located on the northeast corner of Sweetwater Avenue and Bullard Avenue in Surprise, Arizona. The site consists of approximately 27 acres of vacant land. The proposed construction will consist of a residential community with 1-bedroom and 2-bedroom units, garages and a clubhouse. The structure will be supported on shallow spread-type footings, post tension and/or other conventional shallow foundation system. Alpha has not been provided with structural loads. However, based on our previous experience with similar structures, we estimate the maximum column and wall loads for the structures will be about 20 kips and 1.5 kips per linear foot, respectively.

Surface Conditions

The project site is bound by Sweetwater Avenue to the south, Bullard Avenue to the west, the Legacy Traditional School to the southeast and vacant land to the north and east. A residential subdivision is under construction to the north. The site is vacant with light to moderate vegetation across the site. Site topography was relatively flat.

Subsurface Conditions

The subsurface soils encountered during the exploration consisted of two layers. The upper 12 feet consisted primarily of sandy silt (ML) and silty sand (SM) with occasional to trace gravel. Fines contents (material passing the No. 200 sieve) in this layer ranged between 26 and 53 percent based on laboratory testing. The layer below 12 feet and down to 15 feet consisted primarily of sand with silt (SP-SM). Both layers were typically non-plastic. There were isolated zones of weakly to moderately cemented material below 8 feet. Relative densities in the upper 12 feet typically ranged between soft to very firm. Below 12 feet the relative densities were generally moderately firm to firm. No bedrock was encountered.

Site Drainage

Positive drainage is essential to the successful performance of any foundation or slab-on-grade. Good surface and subsurface drainage should be established during and after construction to prevent the soils below or adjacent to the building areas from becoming wet. Desert-type landscaping is advisable near buildings and pavement areas. Plants, which require more water, should be located and drained away from the structural and pavement areas.

Foundations

Laboratory testing has determined the site soils have expansion indices of 0.. Soils with expansion indices greater than 20 are considered to have very low expansion potential per ASTM D4829. The collapse potential for the site soils is slight to moderate. However, the potential for damage due to the collapse of the site soils is considered negligible provided that the soil improvement measures are implemented in accordance with the recommendations presented in this report. The site is considered to be Non-Active given the expansion potential. Spread type footings, conventional slabs and/or post-tensioned slabs bearing on properly compacted engineered fills may be used to support the structures. We anticipate that total and differential settlements for foundations designed in accordance with the recommendations provided in the attached report, will be within generally acceptable tolerance as presented in the attached report. Additional foundation movements could occur if water from any source infiltrates the foundation soils.

Land Subsidence and Earth Fissures

The project site is located less than one mile northeast of documented earth fissures located within the Luke Study Area based on information accessed at the Arizona Geologic Survey (AZGS) website (2019). The project site is in an area with a measured land subsidence of 4 to 6 centimeters over a 7.9 year period (May 8, 2010 – March 27, 2018) based on information accessed at from the Arizona Department of Water Resources (ADWR) e-Library (2019).

Conclusion

Based on our findings, the site is considered suitable for the proposed construction, provided foundation systems are properly designed, specified site grading recommendations are used, and foundation bearing soils are not exposed to moisture infiltration or moisture content fluctuation.”

Adjacent Lands and Vicinity:

North: PAD
South: School; PAD
East: School; PAD
West: PAD

NOTE: Owners of the adjacent land described above may seek to rezone their property, may seek zoning variances for their property or may modify their site plan within existing zoning. Consequently, no assurance can be given that the zoning or uses for the adjacent lands will not change from that described above. Purchasers should contact the City of Surprise Planning & Zoning Department at (623) 222-3000 or the Maricopa County Planning & Development Department at (602) 506-3301 for up-to-date information.

Distances have been taken from the intersection of 142nd Lane and Waddell Road.

North:

- 69kV transmission lines, adjacent (at Waddell Road)
- Southwest Gas 6” steel high pressure transmission line (275 lb), adjacent (at Waddell Road)
- County Buildings, approximately 1 ¼ miles
- Community Park, approximately 1 ¼ miles
- Rio Salado College, approximately 1 ¼ miles
- Surprise Tennis & Racquet Complex, approximately 1 ¼ miles
- Municipal Buildings, approximately 1 ½ miles
- Fire Station, approximately 1 ½ miles
- Law Enforcement Buildings, approximately 1 ½ miles
- Sun Village Golf Course, approximately 2 miles
- Surprise Main Branch Postal Service approximately 2 miles
- Palo Verde Westwing 500 kV overhead transmission lines approximately 2 miles (at Bell Road)
- Burlington Northern – Santa Fe Railroad, approximately 3 ¼ miles
- Banner Del E. Webb Medical Center approximately 3 ½ miles

Northeast:

- El Mirage, Maricopa County Sheriffs and City of Surprise Law Enforcement Buildings, approximately 1 ¼ miles, approximately 2 ½ miles and approximately 3 miles
- Surprise Town Center, approximately 2 miles
- Grand Avenue (US 60), approximately 2 miles
- Sunwest Cemetery, approximately 2 miles
- Burlington Northern – Santa Fe Railroad, approximately 2 miles
- Post Office, approximately 2 ¼ miles
- Rio Salado College, approximately 2 ¾ miles
- Agua Fria River, approximately 3 ¼ miles

Northwest:

- Surprise Recreation Campus, approximately 1 mile
- Surprise Recreation Campus, approximately 1 mile
- Surprise Stadium, approximately 1 ¼ miles
- Fire Station, approximately 1 ¼ miles and approximately 3 miles
- Library, approximately 1 ½ miles
- Post Office, approximately 2 miles
- Palo Verde Westwing 500kV overhead transmission lines, approximately 2 miles (at Bell Road)
- Granite Falls Golf Club approximately 2 ½ miles
- APS Greenway Substation (at Greenway and Sarival Roads), approximately 2 ½ miles
- Granite Falls Golf Club, approximately 2 ½ miles
- Bob Stump Memorial Parkway (303), approximately 3 miles

East:

- Legacy Traditional School, adjacent
- Surprise Pointe is a proposed 290-acre commercial and business park, approximately 1 mile
- Burlington Northern – Santa Fe Railroad, approximately 1 ½ miles
- Library, approximately 2 ½ miles
- Agua Fria River, approximately 3 ½ miles

Southeast:

- Veramonte Park, within ¾ mile
- Burlington Northern – Santa Fe Railroad, approximately 1 mile
- Pueblo El Mirage Country Club, approximately 2 ¾ miles
- Agua Fria River, approximately 3 ¼ miles
- Municipal Buildings, approximately 3 ½ miles
- Law Enforcement Buildings, approximately 3 ½ miles
- El Mirage Fire Station approximately 4 miles

South:

- Legacy Traditional School, adjacent
- 69kV transmission lines, approximately $\frac{3}{4}$ mile (at Cactus Road)
- Burlington Northern – Santa Fe Railroad, approximately 2 $\frac{1}{2}$ miles
- Luke Air Force Base, approximately 3 $\frac{3}{4}$ miles

Southwest:

- Fire Station, approximately 2 $\frac{1}{4}$ miles
- Bob Stump Memorial Parkway (303), approximately 2 $\frac{3}{4}$ miles
- Burlington Northern – Santa Fe Railroad, approximately 3 miles
- APS Waddell Substation (Cactus Road and Cotton Road), approximately 3 $\frac{1}{4}$ miles
- Falcon Dunes Golf Course approximately 3 $\frac{1}{2}$ miles
- Luke Air Force Base, approximately 4 miles

West:

- Southwest Gas 2” high pressure feeder line, approximately $\frac{1}{4}$ mile (at Reems Road) and a 6” line is presently being constructed.
- Bob Stump Memorial Parkway-State Route 303 Loop (SR303L) (“**Loop 303**”) approximately 2 $\frac{3}{4}$ miles

The Surprise Recreation Campus: includes the Surprise Stadium, Surprise Aquatic Center, Surprise Regional Library, multi-purpose fields, lake and park, and the Cactus League Spring Training facility. The City intends to use the facilities for adult and youth recreation programs, community/special events and meeting facilities. For more information please contact the Surprise Community and Recreation Service Department at (623) 266-5400 or view the City of Surprise website at www.surpriseaz.com. **Purchasers may experience possible noise relating to events at the major league baseball practice ground stadium.**

Luke Air Force Base: As disclosed on the plat for the respective Subdivisions within Marley Park, Luke Air Force Base is the nearest military airport and is located approximately three (3) miles to the south of the Community. Luke Air Force Military Base is an active fighter pilot training, practice grounds, with potential daily missions. The Community is located in a high noise or accident zone according to A.R.S. § 28-8461. Due to the proximity to the military airport, this Community is subject to increased noise and accident potential as a result of military operation and military jet overflights. Luke Air Force Base Auxiliary Airfield #2 is located approximately seven (7) miles from the northwestern boundary of the Community, and Luke Air Force Base Auxiliary Airfield #1 is located approximately ten and one-half (10½) miles from the northwestern boundary of the Community. Military overflights may produce aircraft noise within the Community at varying times of the day and night, as a result of military jet flight operations outside of the control of the Founder. The Subdivider, Founder and the Association have no control over flight patterns and operations, which are subject to change, and are not liable for injury or damage of any kind to persons or property that may arise at any time in the future in connection with the operation of aircraft over the Community, or aircrafts landing at or taking off from, or aircraft operating at or on, Luke Air Force Base. Residents within the Community may experience increased noise, vibration, fumes, dust, fuel and lubricant particles or other disturbance or interference resulting from the operation of military aircraft landing at, or taking off from, or operating at or on Luke Air Force Base. All homes within this Community will be constructed in compliance with the sound attenuation standards adopted by the City of Surprise. A map depicting the 1988 MAG Noise Contour Lines in relation to the plats for the respective neighborhoods are displayed in each Neighborhood Builder's Sales Office. Please contact the City of Surprise Community Development Department or see the map of Luke Air Force Base attached to this Public Report and provided by your Neighborhood Builder as referenced above for additional details. For further information regarding current and future flight patterns, aircraft volume, and flight operations, contact Luke Air Force Base at their web site at www.luke.af.mil, or the Luke Air Force Base Department of Public Relations at (623) 856-8182. Please also consult your Neighborhood Builder's Sales Office for a copy of the map required by the City of Surprise that depicts the noise contour lines in relation to your respective plat.

City Potable Water Treatment Facility (Arsenic): The City of Surprise Rancho Gabriella Arsenic Treatment Facility located approximately two (2) miles from the southeastern boundary of Marley Park at the southwest corner of Cactus Road and 136th Avenue treats raw water pumped from City groundwater wells to reduce naturally occurring arsenic levels through a series of treatments. For further information, contact the City of Surprise Water Services Department at (623)-222-7000,

City Wastewater Treatment Plant and Wastewater Lines: Major wastewater lines exist within Reems, Cactus and Bullard Roads. As disclosed on the recorded final plat for the community, the South Wastewater Reclamation Plant is located approximately three (3) miles from the southeastern boundary of Marley Park at 11401 North 135th Avenue.

THE LOTS ARE LOCATED WITHIN THE VICINITY OF THE CITY OF SURPRISE'S WASTEWATER TREATMENT PLANT LOCATED SOUTH OF CACTUS ROAD APPROXIMATELY ONE-HALF (½) MILE EAST OF LITCHFIELD ROAD, AND MAY BE SUBJECT TO ODORS, FUMES, SMELLS AND PHYSICAL AIRBORNE PARTICULATES CAUSED BY THE LAWFUL OPERATION AND MAINTENANCE THEREOF.

Wells Sites: Well sites that will produce potable water may be located in the Homestead at Marley Park community. If well sites are installed, they may cause noise.

State Route Loop 303-SR303L (Estrella Freeway): The Loop 303 (Estrella Freeway) is located within the vicinity of the subdivision, which could cause nuisances such as noise, vibration, fumes, dust, fuel particles, and other effects from construction and use of the freeway. For further information, please contact the Arizona Department of Transportation at (602) 712-7524.

Marley Park is located in an area that includes industrial businesses and manufacturing plants. Such businesses and manufacturing plants may produce noise, odors, dust, hazardous air pollutants or other potential nuisances or hazards. For more information, contact Maricopa County Environmental Services Department at (602) 506-6611.

Burlington Northern Santa Fe Railroad: Burlington Northern Santa Fe Railroad tracks run parallel to Grand Avenue. Due to the proximity of the railroad, the operation, repair and/or replacement of railroad line may result in noises, odors, dust, vibrations, derailments or other potential nuisances or hazards. The railroad may operate 24 hours a day, 7 days per week. For more information contact the Burlington Northern Santa Fe Railroad Public Affairs Office at (909) 386-4140.

Purchasers are advised that utility providers maintain generating plants throughout the areas that they service. Purchasers should contact the utility provider for further information regarding any changes to existing facilities or any new facilities that might be planned.

MARLEY PARK IS A MASTER PLANNED COMMUNITY WHEREIN SOME SUBDIVISIONS ARE IN THE PROCESS OF BEING DEVELOPED AND, THEREFORE, THE DUST, NOISE AND TRAFFIC THAT GOES WITH BUILDING IS PRESENT AND WILL EXIST UNTIL THE COMMUNITY IS FULLY DEVELOPED.

Utility easements containing transmission lines for electricity are located along Waddell Road and within and along streets within the Community. The question of whether proximate exposure to electromagnetic fields generated by such electric lines presents long term health risks is being examined by the scientific community, within which there is significant disagreement. Master Developer, Subdivider and Association disclaim any special knowledge or expertise on this issue. Each person who desires to purchase a Unit should conduct his or her own investigation concerning any possible health risks before signing a purchase contract.

Public Schools and Park: Due to the proximity of public schools and a public park, one or both of which may have ball fields or other facilities that may be illuminated with light fixtures, lots situated adjacent to or in the vicinity of the one or both may experience an increased amount of vehicular and pedestrian traffic, noise, lighting or other effects typically resulting from activities associated with events held at the facility that may be of concern to some individuals.

THE LOTS ARE LOCATED WITHIN THE VICINITY OF A PUBLIC PARK AND PUBLIC SCHOOL, BOTH OF WHICH HAVE BALL FIELDS OR OTHER FACILITIES THAT ARE ILLUMINATED WITH LIGHT FIXTURES THAT WILL CAST LIGHT THAT MAY BE VISIBLE FROM THE LOTS.

Fire Station: Due to the proximity of fire stations, this subdivision may experience an increased amount of noise, and other effects associated with this type of facility that may be of concern to some individuals.

Bodies of Water: Purchasers are advised that canals, creeks, channels, rivers, floodways, man-made lakes, levees, washes, and wells may be hazardous to unsupervised children and adults. Purchasers are advised to independently investigate this matter. For further information, please contact the Flood Control District of Maricopa County at (602) 506-1501 or visit their website at www.fcd.maricopa.gov.

Natural Gas Lines: Southwest Gas 2" high pressure feeder line (at Reems Road) and a 6" line is presently being constructed. As a result of natural gas facilities available to lots within this subdivision, major natural gas lines in the vicinity of this community are necessary in order to service the surrounding areas. For further information regarding natural gas lines, purchasers should contact Southwest Gas Corporation at (877) 860-6020 or log onto their website at www.swgas.com. Additional information may be obtained by contacting the Pipeline and Railroad Safety Department of the Arizona Corporation Commission at (602) 262-5601 or visit the Corporation Commission web site at www.azcc.gov.

In addition, there is a proposed natural gas pipeline approximately three miles south of the Community, which is outside the control of the Master Developer or Subdivider. For more information regarding the natural gas pipeline, please contact the El Paso Natural Gas Company at (713) 420-3039.

APS Electrical Facilities: APS Javelina Substation is located approximately 2 1/2 miles from the Community. APS Greenway Substation is located approximately 2 1/2 miles (at Greenway and Sarival Roads). APS Waddell Substation (Cactus Road and Cotton Lane) is located approximately 3 miles from the Community. For more information, you are advised to contact Arizona Public Service (APS) at (602) 371-7171 or their web site at www.aps.com.

High Voltage Lines: Several electrical transmission lines are located along Cactus Road and Bullard Avenue. Palo Verde HUB 500 kV line running along Sun Valley Parkway (approximately Bell Road). In the future, additional high voltage power lines may be constructed near the Community. **Subdivider advises that transmission lines may create health risks and may have financial or other adverse impacts on the homes or residents within the Community.** The size, nature, voltage and location of such power lines are not within Subdivider's control and are subject to change. For more information, you are advised to contact Arizona Public Service (APS) at (602) 371-7171 or their web site at www.aps.com.

INFORMATION ON A PROPOSED OR EXISTING TRANSMISSION LINE AND SUBSTATION MAY BE AVAILABLE FROM THE ARIZONA CORPORATION COMMISSION OR FROM THE UTILITY COMPANY. IN ADDITION TO THE ABOVE DISCLOSED INFORMATION, BUYER SHOULD CONTACT THE UTILITY COMPANY FOR FURTHER AVAILABLE INFORMATION WHICH MAY INCLUDE STRUCTURE HEIGHTS, SCHEMATICS OF WHAT THE STRUCTURES WILL LOOK LIKE AND CONSTRUCTION SCHEDULES.

Termites: Prior to pouring finished floors, each home will be treated for termites with certain chemicals, as permitted by law. The termite protection warranty that is provided with the home does not guarantee that termite infestation will not occur during the warranty period. The chemicals dissipate over time and other events may occur that will require the home to be retreated. Certain actions to the home, such as excessive watering and landscaping around the foundation of the home, may void the warranty.

Agricultural: The community is located adjacent area historically used for agricultural purposes and agricultural activities are ongoing in the surrounding area. Purchasers are advised that the types of agricultural operations are subject to change. These activities may include without limitation, management and harvesting of agricultural produce, air and ground application of pesticides and other chemicals, may be subject to chemical treatment, including aerial spraying of chemicals, defoliants, pesticides and fertilizers, and the use of farm equipment, which may produce dust, pollen, insects, smoke, chemicals and particles in the air (chemical spray vapor), unpleasant odors and noise that may be of concern to an owner's use and enjoyment of property. Irrigation ditches around the site and on neighboring property will remain while those areas continue in agriculture production. Irrigation ditches on surrounding properties may pose a safety hazard to unsupervised children, pets and adults.

Views: Views and/or scenes that may be visible from particular portions of the community or any of its lots will change over time and may be wholly or partially obstructed as development activity continues and landscape matures. **SUBDIVIDER MAKES NO REPRESENTATIONS OR WARRANTY REGARDING THE FUTURE PROTECTION OF VIEWS THAT MAY BE A FACTOR IN THE PURCHASER'S DECISION TO PURCHASE IN THIS COMMUNITY.**

Scorpions and Other Pests: Cockroaches, snakes, black widow spiders, scorpions and other pests and animals are common in parts of Arizona. Fortunately, most pests can be controlled with pesticides. Scorpions, on the other hand, may be difficult to eliminate. Purchasers with concerns should seek the advice of a pest control company. If these or any other creatures are a concern, purchaser may contact the Arizona Game and Fish Department at (602) 942-3000, or visit their website at www.azgfd.com. For additional information, please visit www.desertusa.com.

Native Desert Wildlife: Purchasers are advised that the Marley Park master planned community is situated in a desert area where native wildlife exists. Wildlife includes, but is not limited to, desert cottontail, desert tortoise, black-tailed jackrabbit, birds, bees, javelina, coyotes, mule deer, various rodents, lizards, scorpions, black widow spiders and snakes that are common in this part of Arizona which many be of concern to certain individuals. Wildlife may enter into residential portions of Marley Park, may use roadways to travel from location to location and may present danger to persons and pets. You should also be aware that there is a need for residents to confirm valuable plants and flowers that may be a potential food source to wildlife. Valuable plants and flowered should be fenced to avoid damage or destruction. It is advised to (i) securely cover all food and trash located outside of your home to avoid attracting wild animals, (ii) keep pets from straying outside of your Lot unattended; (iii) eliminate sources of standing water on your Lot than can support mosquito breeding; (iv) vaccinate your pets from mosquito born viruses and (v) properly protect yourself and your children when outdoors. If these or any other creatures are a concern, contact Maricopa County Extension Service at 602-827-8200 or visit their webpage at www.extension.arizona.edu/maricopa or www.desertusa.com.

Public Paths and Trails: You may encounter increased light, noise, dust and loss of privacy as a result of the public's use of paths and trails throughout the Community.

McMicken Irrigation District: Prospective Buyer's subdivision is within the service area of the McMicken Irrigation District and is subject to assessments by the District. Assessments are included in the property taxes. Prospective Buyers should contact the McMicken Irrigation District at (623) 935-6253 for further information.

Construction Traffic: During the construction of additional roads, widening of existing roads, and construction of houses, additional vehicle traffic (including heavy construction vehicles), dust, noise (including construction noise in the early mornings), etc. may exist.

Construction and Master Plan Disclosures: The subdivision and community will be developed in a series of phases and by multiple homebuilders. There is likely to be significant amount of construction-related activity such as heavy construction vehicles, just and noise until the community is fully developed. Subdivider does not control the architectural styles, designs and sizes of the residences to be built or built on lots owned by others. During construction of additional roads, widening of existing roads, construction of houses in Marley Park, additional vehicle traffic (including heavy construction vehicles), dust, noise (including construction noise in the early mornings), etc. may exist.

Model Homes: The Homestead at Marley Park Model Homes for the various Neighborhood Builders will remain open during the active sales period. Homes or individuals in or around the Community's Model Homes or other Sales Office maintained by one of the Neighborhood Builders may expect to experience additional pedestrian and vehicular traffic, lighting, trap-fencing, additional landscaping, bathrooms, parking areas, events, signage and other improvements typically associated with such facilities. At any time during the sales of this Community, the Master Developer and the Neighborhood Builders reserve the right to make or permit changes in the use or configuration of the model and sales facilities, including the right to sell, redesign, relocate, add to or tear down any current or future such marketing facilities, model home park, landscaping serving the Model Park area or parking areas and to build additional houses or other facilities on any lots not currently utilized for such purposes in accordance with all applicable plans, zoning and governmental approvals. Such changes may include the construction of homes or other facilities on lots included within such model home and sales facilities and not currently utilized for such purposes.

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

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

SUBDIVISION USE AND RESTRICTIONS

Use: This offering is for improved lot.

Zoning: PAD

Conditions, Reservations and Restrictions: As stated in the recorded Declaration of Covenants, Conditions and Restrictions and as stated in the Articles of Incorporation and Bylaws of the Homeowners' Association.

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

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

AIRPORTS

Military Airport: Luke Air Force Base is located at 13960 West Eagle Street, Glendale, Arizona, approximately 3 ¾ miles south of the subdivision.

AS DISCLOSED ON THE FINAL PLAT FOR THE SUBDIVISION, THE LOTS ARE LOCATED WITHIN TERRITORY IN THE VICINITY OF LUKE AIR FORCE BASE MILITARY AIRPORT AND MAY BE SUBJECT TO OVERFLIGHTS BY MILITARY JET AIRCRAFT. ALL HOMES WITHIN THIS PLAT SHALL BE CONSTRUCTED IN COMPLIANCE WITH THE SOUND ATTENUATION STANDARDS ADOPTED BY THE CITY OF SURPRISE. A MAP DEPICTING THE 1988 MAG NOSE CONTOUR LINES IN RELATIONS TO THIS PLAT SHALL BE DISPLAYED IN ALL SALES OFFICES. ADDITIONAL INFORMATION MAY BE OBTAINED BY CONTACTING THE CITY OF SURPRISE COMMUNITY DEVELOPMENT DEPARTMENT. MILITARY FLIGHTS MAY PRODUCE AIRCRAFT NOISE AS A RESULT OF MILITARY FLIGHT OPERATIONS. ALTHOUGH THE SUBDIVISION IS CURRENTLY NOT LOCATED IN A HIGH NOISE OR ACCIDENT POTENTIAL ZONE, AS DEFINED IN A.R.S. §28-8461, THIS COULD CHANGE IN THE FUTURE SHOULD THE BOUNDARIES EXPAND OR CHANGE.

LUKE AFB VICINITY MAP IS ATTACHED AS EXHIBIT "B".

Airport: Glendale Municipal Airport is located at 6801 North Glen Harbor Boulevard, Glendale, (623) 930-2188 approximately 6 ¼ miles southeast of the subdivision.

Phoenix-Goodyear Airport is located at 1658 South Litchfield Road, which is approximately 11 miles south of the Community.

The subdivision is located within an AF Overlay District and classified by the FAA as an Airport Overflight Area One ("AOA 1). This area classification is defined such that the subdivision as being located in an area within the 65 DNL (Day-Night Level) and is subject to zoning use limitations, and aircraft overflights which are expected to generate noise levels and odors that may be of concern to some individuals.

AIRCRAFT TAKING OFF AND LANDING AT ANY OR ALL OF THE ABOVE AIRPORTS MAY RESULT IN AIRCRAFT OVERFLIGHTS, NOISE, VIBRATIONS OR OTHER EFFECTS OF AIRCRAFT ACTIVITY.

TITLE

Title to this subdivision is vested in HBT of Marley Park II LLC, an Arizona limited liability company.

Subdivider's interest in this Subdivision is evidenced by Fee Title.

Title is subject, among other things, to all taxes, assessments, covenants, conditions, restrictions, limitations, reservations, rights, obligations, powers, easements, rights of way, liens, and charges of record. **YOU SHOULD INVESTIGATE THE TITLE AND SATISFY YOURSELF AS TO WHAT EFFECT, IF ANY, THESE MATTERS MAY HAVE ON THE USE OF THE LAND.** Title exceptions affecting the condition of title are listed in the Preliminary Title Report dated November 4, 2022, issued by FIRST AMERICAN TITLE INSURANCE COMPANY. **You should obtain a title report and determine the effect of the listed exceptions.**

EXCEPTIONS: SEE EXHIBIT "A" ATTACHED

METHOD OF SALE OR LEASE

Sales: Your vested interest/ownership in the property will be evidenced by the Subdivider delivering a recorded Special Warranty Deed to you and by your signing a Promissory Note and Mortgage or Deed of Trust for the unpaid balance. You should read these documents before signing them.

Cash sales are permitted. Purchaser's deposits and earnest monies will be deposited into Seller's general account and can be used by Seller prior to the close of escrow.

PROSPECTIVE PURCHASERS ARE ADVISED THAT EARNEST MONEY DEPOSITS, DOWN PAYMENTS AND OTHER ADVANCED MONEY WILL NOT BE PLACED IN A NEUTRAL ESCROW. THIS MONEY WILL BE PAID DIRECTLY TO THE SELLER AND MAY BE USED BY THE SELLER. THIS MEANS THE PURCHASER ASSUMES A RISK OF LOSING THE MONEY IF THE SELLER IS UNABLE OR UNWILLING TO PERFORM UNDER THE TERMS OF THE PURCHASE CONTRACT.

Release of Liens and Encumbrances: Subdivider has advised that arrangements have been made with the lender in the below mentioned deed of trust for the release of an individual lot upon completion of all payments and performance of all the terms and provisions required of the purchaser under the purchase contract between Subdivider and such purchaser.

Use and Occupancy: Purchasers will be able to use and occupy their lot upon close of escrow and recordation of Special Warranty Deed.

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 2022 is \$10.0802 per \$100.00 assessed valuation. The estimated property tax for an improved lot (lot with dwelling), based on the above tax rate and average sales price of \$430,000.00, is \$3,684.31.

Special District Tax or Assessments: As disclosed in the Community Association documents (i.e., Charter, Articles of Incorporation and Bylaws), there may be other special assessments, taxes or fees to be paid by purchaser. Please refer to Community Association documents for additional information.

Marley Park Communities Facilities District (CFD): The Community is located within the boundaries of the Marley Park Communities Facilities District (the "**District**" or "CFD"), which was formed to finance the construction and acquisition of public infrastructure that benefits the Community. The District includes all of the residential land within the Community. The District finances public infrastructure through the issuance of general obligation bonds. The existence of the District has had a beneficial impact on property owners in the District because the ability to utilize bond proceeds allows the construction of infrastructure to occur earlier than would otherwise be possible and, in some cases, provides infrastructure amenities that otherwise might not be available. The proceeds of previous bond issuances and any future bond issuance have been and are expected to be utilized to purchase previously engineered, designed and constructed water, wastewater, paving, curb/gutter, sidewalks, drainage and street landscape for City arterials and collector streets designed located adjacent to and within Marley Park and the 25-acre Heritage Park. In addition, the proceeds of the bond issuances can be used to finance the engineering, design and construction of water, wastewater, paving, curb/gutter, sidewalks, drainage and street landscape for City arterials and collector streets. Each Owner will participate in the repayment of the bonds in the form of an addition to each owner's annual property tax bill. This added tax, like your other property tax liability, may be deductible from federal and state income taxes. The Debt Service Tax rate is subject to change on an annual basis depending on market conditions (see attached exhibit). For further information, purchasers may contact the Maricopa County Assessor's Office at (602) 506-3406.

SEE EXHIBIT "C" ATTACHED

Maricopa Water District Assessments and Water Delivery (“MWD”): A portion of the Community is within the service area of the Maricopa Water District (“MWD”) and is subject to assessments by the MWD (“MWD Assessments”), even if there is no water delivery to the entire Community. MWD shall bill the Association for the MWD Assessments and water use, if any, for the Community. The Association is appointed and authorized by the Owners of the Units in the community to act on behalf of the Owners and be responsible for the payment of the MWD Assessments for all Units and Common Areas located within the Community and for the payment and coordination of any MWD water orders, deliveries, and water usage reporting for the Units and Common Areas. No Owner shall have the right to request water directly from MWD for a Unit. To the extent that the Association fails to pay MWD Assessments on behalf of all Owners, each Owner shall remain obligated for the payment of such MWD Assessments for his or her Unit.

West Maricopa Education Center District (“West-MEC”): The Community is located within the West Maricopa Education Center District (“West-MEC”) and all lot owners are subject to assessments by West-MEC. These assessments are included in your property taxes and will be reflected on your annual tax statement from the Maricopa County Treasurer’s Office. Property owners may contact the Education District at (623) 738-0022 for further information.

Street Light Improvement District (“SLID”): The electricity and maintenance of the street lights will be paid by the individual lot owners through a SLID. As further described in Resolutions adopted by the City of Surprise from time to time. The intended purpose is to fund the purchase of energy for lighting the public streets within the SLID. This assessment will be collected as part of the annual property tax bill. The creation of additional districts is anticipated in connection with the future development of parcels.

Central Arizona Groundwater Replenishment District (“CAGR”) (“CAGR”)

The subdivision is part of the Member Service Area of the Central Arizona Groundwater Replenishment District (“CAGR”) pursuant to A.R.S. §48-3774. The CAGR is obligated by statute to replenish the groundwater served to its members. The CAGR is managed and operated by the Central Arizona Water Conservation District (“CAWCD”), which manages and operates the Central Arizona Project. The CAGR collects assessments, set each year by the CAWCD Board, based on the estimated cost of performing the CAGR’s groundwater replenishment obligations. In the event that the City of Surprise would not be able to supply the water necessary for this subdivision, there may a future assessment by CAGR to pay the replenishment obligations. Your water provider, the City of Surprise, pays the CAGR assessment amounts each year based on the estimated cost of performing the CAGR’s groundwater replenishment obligations. A portion of your water bill will likely be intended to reimburse the City of Surprise for a portion of the assessment that the City of Surprise pays to CAGR. The amount paid by the City of Surprise will change from time-to-time. For further information, you may contact the City of Surprise at (623) 222-1000 or the CAGR at 623-869-2380 or visit the website at www.cagr.com.

CAGR FPN Number: MSA070A-20210712-01

THE AMOUNTS 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 AND BYLAWS FOR THIS SUBDIVISION TO DETERMINE THE RIGHTS OF LOT 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. FURTHER, YOU SHOULD DETERMINE FOR YOURSELF IF SUBDIVIDER'S ARRANGEMENTS AND PLANS FOR THE PAYMENT OF ASSESSMENTS ON UNSOLD LOTS WILL BE SUFFICIENT TO FULFILL THE NEEDS, DEMANDS AND FINANCIAL OBLIGATIONS OF THE ASSOCIATION, AS SET FORTH IN THE DECLARATION AND BYLAWS.

EXHIBIT “A”

1. Second installment of 2022 taxes, a lien, payable on or before March 1, 2023, and delinquent May 1, 2023.
2. Any charge upon said land by reason of its inclusion in Homestead at Marley Park Community Association, Inc..
3. Any charge upon said land by reason of its inclusion in McMicken Irrigation District.
4. Restrictions, dedications, conditions, reservations, easements and other matters shown on the plat of Marley Park Legacy Charter School, as recorded in Plat Book 1211 of Maps, Page(s) 27 and Certificate of Correction recorded May 8, 2017 as 2017-0333041 of Official Records, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).
5. Restrictions, dedications, conditions, reservations, easements and other matters shown on the plat of Marley Park Legacy Charter School Expansion, as recorded in Plat Book 1298 of Maps, Page(s) 16 and Certificate of Correction recorded May 8, 2017 as 2017-0333079 of Official Records, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).
6. Easements, restrictions, reservations, conditions and set-back lines as set forth on the plat recorded as Book 1589 of Maps, Page 10, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).
7. Declaration of Covenants, Conditions and Restrictions recorded in 2017-0729650, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).
8. Declaration of Covenants, Conditions and Restrictions recorded in 2018-0242207 and a Tract Declaration recorded as 2020-0185649, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

9. The terms and provisions contained in the document entitled "Pre-Annexation and Development Agreement" recorded November 03, 2000 as 2000-0849683 of Official Records; First Amendment recorded April 22, 2002 as 2002-0405166 of Official Records; Second Amendment recorded October 08, 2002 as 2002-1041419 of Official Records; and Third Amendment recorded September 19, 2003 as 2003-1321232 of Official Records and as 2003-1321233 of Official Records; Fourth Amendment recorded July 09, 2012 as 2012-598110 of Official Records and Fifth Amendment recorded June 24, 2015 as 2015-0452610 of Official Records.
10. The obligation to pay a Cash Donation per Section 6 in the document entitled "Donation Agreement" as disclosed by "Memorandum of Agreement" recorded June 05, 2003 as 2003-0728793 of Official Records.
11. The terms and provisions contained in the document entitled "Declaration of Covenants, Conditions, Restrictions and Easements Relating to Telecommunications" recorded April 23, 2004 as 2004-0440663 of Official Records.
12. All matters as set forth in District Development, Financing Participation and Intergovernmental Agreement (Marley Park Community Facilities District) recorded September 22, 2004 as 2004-1105445 of Official Records, First Amendment recorded October, 6 2016 as 2016-0734081 and Second Amendment recorded October 3, 2019 2019-0787665.
13. The terms, provisions and easement(s) contained in the document entitled "Memorandum of Joint Development, Cost Sharing and Escrow Agreement and Notice of Easement" recorded March 30, 2018 as 2018-0243008 of Official Records.
14. Water rights, claims or title to water, whether or not shown by the public records.
15. Deed of Trust to secure an indebtedness of \$20,000,000.00, and any other amounts or obligations secured thereby, recorded March 17, 2021 as 2021-0298235 and Amended and Restated April 18, 2022 as 2022-0338393, both of Official Records.

Dated:	March 11, 2021
Trustor:	HBT of Marley Park II LLC, an Arizona limited liability company
Trustee:	Zilber LTD.
Beneficiary:	Zilber LTD.

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

EXHIBIT “B”

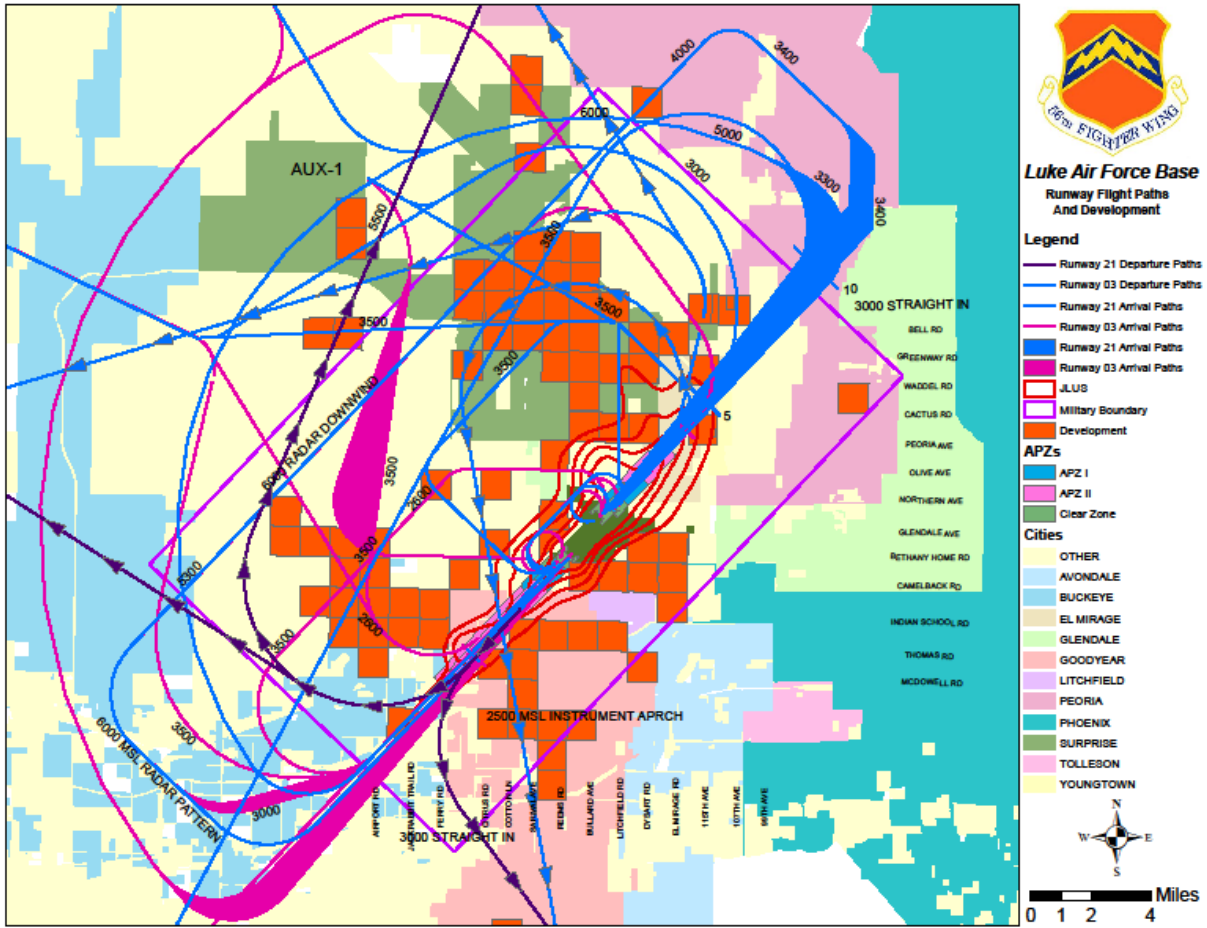


EXHIBIT “C”*District Disclosure Statement
Marley Park Community Facilities District*

Marley Park LLC, an Arizona limited liability company (the “Developer”), in conjunction with the City of Surprise, Arizona (the “City”), have established a community facilities district (“CFD”) at the development known as “Marley Park.” The CFD has financed and will finance certain public infrastructure improvements, which will result in a property tax liability for each property owner of Marley Park resulting from being in the CFD.

Background. On September 30, 1988, the Arizona Community Facilities District Act became effective. This provision in State law was created to allow Arizona municipalities to form CFDs for the primary purpose of financing the acquisition, construction, installation, operation and maintenance of public infrastructure improvements.

How the CFD Works. On February 12, 2004, the Mayor and Council of the City approved the formation of the CFD, which includes all the residential and commercial property in Marley Park. An election was held on December 7, 2004, at which time the owners of the property within the CFD voted to authorize up to \$80,000,000 of general obligation bonds (“GO Bonds”) to be issued over time by the CFD to finance the acquisition or construction of public improvements. The improvements are dedicated or transferred to the City, which will operate and maintain such improvements.

What Has Been Financed? The CFD was formed to finance, initially, the improvement of certain public amenity improvements, including Heritage Park, as well as roads and related improvements benefiting Marley Park and its residents. The land required for these improvements is provided by the Developer or, in the case of Heritage Park, donated by the Marley family. The initial GO Bonds, in the amount of \$1,365,000, were issued in 2006. In 2007, the amount of GO Bonds issued was \$3,950,000, and in 2008, the amount was \$3,300,000. Over time, up to \$40,000,000 of GO Bonds will be issued for these improvements.

Benefits to Residents. The use of a CFD allows property owners within Marley Park to enjoy both a higher level of public improvements (for example, Heritage Park) and have those improvements early in the life cycle of the community. Additionally, CFD property taxes - similar to the balance of each property owner’s remaining property tax liability - are currently deductible for purposes of calculating federal and state income taxes.

Property Owners Tax and Assessment Liability. The obligation to repay the bonds will become the responsibility of any property owner in the CFD through the payment of property taxes collected by the Maricopa County Treasurer in conjunction with other property tax payments.

Beginning in fiscal year 2004-05, the CFD levied a property tax not to exceed \$.30 per \$100 of assessed value to cover CFD operational expenses the (“O/M Tax”). The O/M Tax remained unchanged at \$0.30 per \$100 of assessed value for fiscal year 2014-15. A separate tax is levied to pay debt service on bonds that have been issued by the CFD (the “Debt Service Tax”). Beginning in fiscal year 2014-2015, the CFD decreased the Debt Service Tax from \$3.75 to \$3.44 per \$100 of assessed value. The resulting combined property tax rate is \$3.74 per \$100 of assessed value. For fiscal year 2015-2016, the O/M Tax is unchanged at \$0.30 per \$100 of assessed value and the Debt Service Tax was decreased from \$3.44 to \$3.40 per \$100 of assessed value. The combined property tax rate is \$3.70 per \$100 of assessed value. The Debt Service Tax rate is subject to change on an annual basis depending on market conditions. Impact of Additional CFD Property Tax and Assessment. The following illustrates the estimated annual additional CFD tax liability to be imposed by the CFD, in the future, based on varying residential values within Marley Park and a combined \$3.74 per \$100 O/M Tax and Debt Service Tax rate:

Impact of Additional CFD Property Tax and Assessment. The following illustrates the estimated annual additional CFD tax liability to be imposed by the CFD based on varying residential values within Marley Park and the current combined \$3.74 per \$100 O/M Tax and Debt Service Tax rate:

Value of Residence	Estimated Annual Additional CFD Tax Liability*
\$100,000	\$374
200,000	\$740
300,000	\$1,110
400,000	\$1,480