SUBDIVISION DISCLOSURE REPORT
(PUBLIC REPORT)
FOR
Parolo Vista Estates

Registration No. DM17-058537

SUBDIVIDER
HBT of Parolo LLC,
an Arizona limited liability company
706 E. Bell Road, Suite 212
Phoenix, Arizona 85022

Effective Date: June 22, 2017
Corrected Date: June 26, 2017

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.
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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 CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.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 2 through 11, inclusive.

The map of this subdivision is recorded in Book 1009 of Maps, Page 29, records of Maricopa County, Arizona.

The subdivision is approximately 15.049 acres in size. It has been divided into 11 Lots and 9 Tracts (A – I, inclusive). Lot boundaries will be staked with metal rebar prior to closing.

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 south side of Pinnacle Vista Drive at 66th Street, within the City of Scottsdale, Maricopa County, State of Arizona.

UTILITIES

Electricity: Arizona Public Service (APS), (602) 371-7171, website: www.aps.com. Facilities are complete to the lot lines. Cost to purchaser to complete facilities to the lot line 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: CenturyLink, (800) 244-1111, website: www.centurylink.com or Cox Communications, (623) 594-1000 or (866) 867-7644, website: www.cox.com. Facilities are complete to the lot lines. Cost to complete facilities from lot line to dwelling is included in the purchase price. For CenturyLink: Purchaser’s cost to receive service is a one-time service activation fee of $27.50; a credit check and/or deposit may be required. For Cox Communications: 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: CenturyLink, (DirecTV service through CenturyLink), (800) 244-1111, website: www.centurylink.com or Cox Communications, (623) 594-1000 or (866) 867-7644, website: www.cox.com. Facilities are complete to the lot lines. Cost to complete facilities from lot line to dwelling is included in the purchase price. For CenturyLink: Purchaser’s cost to receive DirecTV service through CenturyLink includes an activation fee of $35.00, plus tax. A credit check and/or deposit may be required. For Cox Communications: 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. PURCHASER IS ADVISED TO CONTACT THEIR SERVICE PROVIDER TO DETERMINE THE STATUS OF CABLE SERVICE.

Internet or Fiber Optic: CenturyLink, (800) 244-1111, website: www.centurylink.com or Cox Communications, (623) 594-1000 or (866) 867-7644, website: www.cox.com. Facilities are complete to the lot lines. Cost to complete facilities from lot line to dwelling is included in the purchase price. For CenturyLink: Purchaser’s cost to receive service is a one-time service activation fee of $19.95, plus tax. A credit check and/or deposit may be required. For Cox Communications: 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. PURCHASER IS ADVISED TO CONTACT THEIR SERVICE PROVIDER TO DETERMINE THE STATUS OF INTERNET SERVICE.

Natural Gas: Southwest Gas Corporation, (877) 860-6020, website: www.swgas.com. Facilities are complete 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 Scottsdale, (480) 312-2461, website: www.scottsdaleaz.gov. Facilities are complete to the lot lines. Cost to purchaser to complete facilities to the lot line is included in the purchase price. Purchaser’s cost to receive services includes an account establishment fee (on your first bill) of $34.00. A deposit may be required unless you provide your Escrow information. Monthly water base fee is determined by size of meter. 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**: All homes furnished with standard septic system. Dry sewer connection installed per city with future service available at discretion of City of Scottsdale, (480) 312-3111, website: [www.scottsdaleaz.gov](http://www.scottsdaleaz.gov). Monthly fees based on usage, minimum $14.87 - $50.00.

**Garbage Services**: City of Scottsdale, (480) 312-2461, website: [www.scottsdaleaz.gov](http://www.scottsdaleaz.gov). Purchaser’s cost to receive service is included in the water activation fees. Once service is established, direct user charges will apply. 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**: The asphalt paved public streets have been completed to the minimum standards of the City of Scottsdale, which have been accepted by the City of Scottsdale for maintenance. Cost to purchasers for maintenance is included in the property taxes.

**Access within the Subdivision**: The asphalt paved private streets have been completed to the minimum standards of the City of Scottsdale, which have been accepted by the Homeowners Association for maintenance. Cost to purchasers for maintenance is included in the Homeowners’ Association fees.

**Street Lights**: Street light facilities are not available within the subdivision.

**Flood and Drainage**: The typical street drainage and drainage tracts have been completed which have been accepted by the Homeowners Association for maintenance. Cost to purchasers for maintenance is included in the Homeowners’ Association fees.

**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](http://www.azland.gov), or call (602) 542-4631.
LOCAL SERVICES AND FACILITIES

Schools:

Elementary: Desert Sun Academy (K-6), 27880 N. 64th Street, Scottsdale, Arizona, (480) 575-2900, approximately within ½ mile northwest of the subdivision.

Junior High: Sonoran Trails Middle School (7-8), located at 5555 E. Pinnacle Vista, Phoenix, Arizona, (480) 272-8600, approximately 1 ¼ miles west of the subdivision.

High School: Cactus Shadows High School (9-12), located at 5802 E. Dove Valley Road, Scottsdale, Arizona, (480) 575-2400, approximately 3 ½ miles northwest of 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. School bus transportation is subject to change and is outside the control of subdivider.

NOTE: Purchasers are advised that school boundaries, school assignments and school bus transportation are subject to change. Prospective Purchasers should contact the Cave Creek Unified School District #93 at (480) 575-2000 or visit their website at www.ccusd93.org for verification of schools, the current location of schools and bus service. Additional information regarding schools and districts can be found at the following websites: www.greatschools.org and www.sfb.state.az.us.

Shopping Facilities: Fry’s Food, 29455 N. Cave Creek Road, Cave Creek, Arizona, approximately 3 ¼ miles northeast of the subdivision. Safeway, 29834 N. Cave Creek Road, Cave Creek, Arizona, approximately 3 ½ miles northeast of the subdivision.

Public Transportation: Subdivider advises there is no public transportation available to this 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: Honor Health Scottsdale Thompson Peak Medical Center, 7400 E. Thompson Peak Parkway, Scottsdale, Arizona, approximately 4 ½ miles southeast of the subdivision.

Fire Protection: Provided by the City of Scottsdale Fire Department, 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 Scottsdale Police Department.
LOCATIONS AND COSTS OF THE ABOVE SERVICES AND FACILITIES MAY CHANGE. YOU SHOULD VERIFY THEIR CURRENT LOCATIONS AND COSTS PRIOR TO PURCHASE.

COMMON, COMMUNITY AND RECREATIONAL FACILITIES

Within the Subdivision: The common areas have been completed and have been accepted by the Homeowners Association for maintenance. Cost to purchasers for maintenance is included in the Homeowners’ Association fees.

ASSURANCES FOR COMPLETION OF IMPROVEMENTS

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

Assurances for Maintenance of Subdivision Facilities: CC&Rs provide for the Homeowners’ Association to maintain all common areas and private streets. Utility companies to maintain their respective utilities. The City of Scottsdale to maintain public streets.

PROPERTY OWNERS ASSOCIATIONS

Name and Assessments: Parolo Vista Estates Homeowners Association, Inc. Property Owners will be required to pay assessments in the amount of approximately $125.00 per month.

Control of Association: Control of the Association will be turned over to lot purchasers upon (a) the date that the Declarant conveys its last Lot so that Declarant no longer owns any Lot in the Project; or (b) such earlier date as determined by Declarant in its sole discretion in a written notice delivered to the Association.

Title to Common Areas: Title to the common areas has been previously transferred to 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 his letter dated October 1, 2014, Kenneth M. Tarr, P.E., of Olsson Associates, has cited, in part:

“Referencing the current FEMA Flood Plain Maps and the Final Drainage Report for Parolo Vista Estates, dated May 12, 2014 and approved by the City of Scottsdale on or around June 03rd 2014, our summary is as follows:

1. The project site is located in Zone "X" according to FEMA's Flood Insurance Rate Map (FIRM), Panels 04013C1305L, and 04013C1310L, dated October 16, 2013.

Zone "X" is defined as:

Zone 'X": Areas of 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.

Congress has mandated federally regulated or insured lenders to require flood insurance on properties that are located in areas at high risk of flooding.

Flood insurance is not mandatory in Zone "X" according to US Department of Housing and Urban Development. A lender can require flood insurance, even if it is not federally required.

**Project Drainage Concepts**

- Flows will enter and depart the site in substantially the same manner as under predevelopment conditions.

- The 100-year, 2 hour volume will be detained onsite. A storm water waiver was not be requested. In addition, the detention is such that post-development flows do not exceed predevelopment flows.

- Finished floors will be set a minimum of one foot above the 100-year water surface elevations, as established by the HEC-RAS analysis in the drainage report.

- Water overtopping Pinnacle Vista Drive, 67th Street and Red Bird Road will continue to do so as under predevelopment conditions. Flow levels will be at or below predevelopment conditions.

- Onsite streets will comply with drainage requirements set forth in the Floodplain Ordinance of the City of Scottsdale (wash crossings will be dry for the 100-year storm) and (street flow depth will be less than eight inches on the 100-year storm.
• Washes proposed for rerouting thru the site's interior have been located to keep the predicate development slope and avoid sharp angle. This will help reduce scour on the realigned channels. A HEC-RAS analysis is included in the drainage report.

Resident Maintenance Issues:

A. Keep Drainage Tracts Clean from debris by the site's Homeowners Association.
B. Adjacent open space drainage structures and grading will be maintained by the site's Homeowners Association.
C. Keep Storm Drain Inlets and Outlets Clean from debris.”

Soils: Subdivider advises that the soils have very low expansive characteristics. In his letter, dated January 15, 2014, Scott R. Smith, P.E., Senior Geotechnical Engineer, of Alpha Geotechnical & Materials, Inc., has cited, in part:

“The purpose of this exploration 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.

Geotechnical Site Reconnaissance
The project is located proximal to Pinnacle Vista Drive and 64th Street in Scottsdale, Arizona. Pinnacle Vista Drive was a dirt road, and 64th Street was paved with asphaltic concrete. At the time of our study, the area of the proposed development had a light to heavy growth of native desert vegetation.

Site Soils
The naturally occurring coarse grained site surface and subsurface soils encountered during our exploration consisted of silty, clayey sand with and without gravel (SC-SM), clayey sand with gravel (SC), and silty sand (SM). The relative densities of these soils ranged from very loose to very dense. The soils sampled during our exploration had very low expansive characteristics. See attached report for details. Carbonate cementation levels of the borings ranged from none to moderate.

Project Description
The project is a 15-acre vacant parcel of desert land proposed for development as single family residential located on the south side of Pinnacle Vista Drive at 66th Street in Scottsdale, Arizona. The proposed construction will include one and/or two story development without basements. We have 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 KLF, respectively. The project also includes associated utilities and roadways. Vehicular traffic within the parcel is expected to be a relatively light volume of mainly passenger cars and light trucks.

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 the building and pavement areas. Plants, which require more water, should be located and drained away from the structural and pavement areas.
Foundations
Conventional footings 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 in an area without nearby documented earth fissures. Measured land subsidence as of 1974 was between zero and one foot (Land Subsidence and Earth Fissures in Alluvial Deposits in Phoenix area, Arizona by H.H. Schumann, 1974, and http://www.azgs.az.gov/EFC.shtml).

Conclusion
Based on our findings, the site is considered suitable for the proposed residential development, imposing relatively light foundation loads provided slab/foundation systems are properly designed, specified compaction for fill material is used, and foundation bearing soils are not exposed to moisture infiltration or moisture content fluctuation.”

Adjacent Lands and Vicinity:

North: Saguaro Highlands Community R1-43
South: Single Family Residences, R1-43
East: Single Family Residences, R1-43 and Vacant Lots R1-43
West: Single Family Residences, R1-43

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 Scottsdale Planning and Development Department at (480) 312-6500 or Maricopa County Planning and Development, (602) 506-7310 or visit their Web sites at www.scottsdaleaz.gov or www.maricopa.gov.

North
• Terravita Golf & Country Club, approximately 3 ¾ miles

Northeast
• McDowell Sonoran Preserve, approximately 1 ½ miles
• Whisper Rock Golf Club, approximately 2 ¼ miles
• Fire Station, approximately 4 miles

East
• McDowell Sonoran Preserve, approximately 1 ¾ miles
• The Estancia Club, approximately 3 ½ miles
Southeast
- McDowell Sonoran Preserve, approximately ¾ mile
- Fire Station, approximately 2 ½ miles
- Library, approximately 2 ¾ miles
- Pinnacle Peak Country Club, approximately 3 miles
- Desert Highlands Golf Club, approximately 3 miles
- Post Office, approximately 3 miles

South
- Pinnacle Cemeteries, approximately 2 miles
- APS Pinnacle Peak Substation, approximately 2 ¼ miles

Southwest
- Wildfire Golf Club, approximately 3 miles
- Cave Buttes Recreation Area, approximately 3 ¾ miles
- Desert Ridge Marketplace, approximately 4 ¼ miles
- City North, approximately 4 ¼ miles
- APS Desert Ridge Substation, approximately 4 ½ miles
- National Memorial Cemetery of Arizona, approximately 4 ½ miles

West
- Cave Buttes Recreation Area, approximately 4 ½ miles

Northwest
- Tatum Ranch Golf Club, approximately 2 ½ miles
- Library, approximately 3 ¼ miles
- Fire Station, approximately 3 ¼ miles and approximately 4 miles
- Law Enforcement Buildings, approximately 4 ¼ miles
- Paradise Valley Community College at Black Mountain, approximately 4 ¼ miles

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.

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

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.
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.gov. For additional information, please visit www.desertusa.com.

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.

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

Model Homes: Lots situated adjacent to or in the vicinity of the model home may experience an additional amount of noise, lighting, signage, and vehicular and pedestrian traffic typically associated with such activities.

Natural Gas: 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/divisions/safety.

Subdivider has researched the surrounding area land uses and has made every attempt to disclose information allowing purchaser to make the most informed purchase decision. It is the responsibility of each prospective purchaser to conduct independent research to determine if this property is acceptable. 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 (with dwelling).

“Improved lot or parcel” means a lot or parcel of a subdivision upon which lot or parcel there is a residential, commercial or industrial building or concerning a contract that has been entered into between a subdivider and a purchaser that obligates the subdivider directly or indirectly through a building contractor, to complete construction of a residential, commercial or industrial building on the lot or parcel within two years from the date on which the contract of sale for the lot is entered into.

Zoning: Single family residential.

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, existing zoning and any other effects resulting from Schedule B items as shown on the Title Report.

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 Scottsdale Planning and Zoning Department. Restrictions are recorded as cited in the following title exceptions and per the subdivision plat.

AIRPORTS

Airport: Scottsdale Airpark Municipal Airport, 15000 North Airport Drive, Scottsdale, Arizona 85260, approximately 7 ½ miles southeast of the subdivision.
TITLE

Title to this subdivision is vested in HBT of Parolo 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 June 16, 2017 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 there are no blanket liens and encumbrances recorded against the subdivision.

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 2016 is $7.2913 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 $850,000.00, is $5,267.96.

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

Central Arizona Groundwater Replenishment District (“CAGRD”): The subdivision is part of the Member Service Area of the Central Arizona Groundwater Replenishment District (“CAGRD”) pursuant to A.R.S. §48-3774. The CAGRD is obligated by statute to replenish the groundwater served to its members. The CAGRD is managed and operated by the Central Arizona Water Conservation District (“CAWCD”), which manages and operates the Central Arizona Project. The CAGRD collects assessments, set each year by the CAWCD Board, based on the estimated cost of performing the CAGRD’s groundwater replenishment obligations. In the event that the City of Scottsdale would not be able to supply the water necessary for this subdivision, there may be a future assessment by CAGRD to pay the replenishment obligations. In this event, each resident may be required to pay an assessment, which would then be set forth and included in the home’s annual property tax statement and collected by the Maricopa County Treasurer’s Office. This potential, future assessment amount is not included in the tax estimates given above. The assessment is based upon the assessment rate established by the CAWCD Board in the event the City of Scottsdale ceases to provide water, and actual water consumption reported by the water provider, so the actual assessment amount will vary. Furthermore, the Common Elements may be subject to CAGRD assessments and such assessments could affect the HOA dues. For further information, you may contact the CAGRD at (623) 869-2380 or visit their website at www.cagrd.com.

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

YOU ARE ADVISED TO READ THE RECORDED COVENANTS, CONDITIONS AND RESTRICTIONS, ARTICLES OF INCORPORATION, 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 LOTS. 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.
1. Second Half of 2016 taxes, now delinquent, plus penalties and interest.

2. Taxes for the full year of 2017.
(The first half is due October 1, 2017 and is delinquent November 1, 2017. The second half is due March 1, 2018 and is delinquent May 1, 2018.)

3. Any charge upon said land by reason of its inclusion in Parolo Vista Estates Homeowners Association, Inc.

4. Easements, restrictions, reservations, conditions and set-back lines as set forth on the plat recorded as Book 1009 of Maps, Page 29, 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. Covenants, conditions and restrictions in the document recorded as 2017-259327 of Official Records, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes.

6. An easement for water mains and lines and incidental purposes, recorded as Docket 12717, Page 987.

7. Water rights, claims or title to water, whether or not shown by the public records.

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