



**Arizona Department of Real Estate (ADRE)  
Development Services Division**

[www.azre.gov](http://www.azre.gov)

2910 N. 44<sup>th</sup> STREET STE-100  
PHOENIX, AZ 85018

DOUGLAS A. DUCEY  
GOVERNOR

JUDY LOWE  
COMMISSIONER

## **SUBDIVISION DISCLOSURE REPORT**

(PUBLIC REPORT)

FOR

**Rancho North Condos  
aka Rancho North**

Registration No. DM18-058906

### **SUBDIVIDER**

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

Effective Date: April 5, 2018

### **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 CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)\* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.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:** Units 1001 through 1090, inclusive, and Units 2001 through 2090, inclusive.

**The map of this subdivision** is recorded in Book 1346 of Maps, page 28, records of Maricopa County, Arizona.

The subdivision is approximately 20 gross acres in size. It has been divided into 150 units with Common Elements.

**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 northeast side of Rancho Paloma Road and Cave Creek Road, within the City of Phoenix, Maricopa County, State of Arizona.

## **UTILITIES**

**Electricity:** Arizona Public Service (APS), (602) 371-7171, website: [www.aps.com](http://www.aps.com). Subdivider to complete the facilities to the lot lines by May 31, 2018. 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](http://www.cox.com). Subdivider to complete the facilities to the lot lines by May 31, 2018. 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](http://www.cox.com). Subdivider to complete the facilities to the lot lines by May 31, 2018. 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.

**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](http://www.cox.com). Subdivider to complete the facilities to the lot lines by May 31, 2018. 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.

**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](http://www.swgas.com). Subdivider to complete the facilities to the lot lines by May 31, 2018. 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 Phoenix, (602) 262-6251, website: <http://phoenix.gov>. Subdivider to complete the facilities to the lot lines by May 31, 2018. Cost to complete facilities from lot line to dwelling is included in the purchase price. Costs to purchasers to receive this service include an account activation fee of \$33.00, plus tax. An additional deposit may be required based on your previous payment history. Fees and/or deposits are subject to change; please contact the utility company for further details. Once service is established, direct user charges will apply.

**Sewage Disposal:** City of Phoenix, (602) 262-6251, website: <http://phoenix.gov>. Subdivider to complete the facilities to the lot lines by May 31, 2018. Cost to complete facilities from lot line to dwelling is included in the purchase price. Cost to purchasers to receive this service is included in the water activation fee. Fees and/or deposits are subject to change; please contact the utility company for further details. Once service is established, direct user charges will apply.

**Garbage Services:** City of Phoenix, (602) 262-7251, website: <http://phoenix.gov>. Cost to purchasers to receive this service is included in the water activation fee. Fees and/or deposits are subject to change; please contact the utility company for further details. Once service is established, direct user charges will apply.

**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 are completed to the minimum standards of the City of Phoenix. The streets have been accepted by the City of Phoenix for maintenance. Costs to purchasers for maintenance are included in the property taxes.

**Access within the Subdivision:** Subdivider to complete the asphalt paved private streets to the minimum standards of the City of Phoenix by May 31, 2018, which will then be accepted by the Homeowners Association for maintenance. Costs to purchasers for maintenance are included in the Homeowners Association assessment.

**Street Lights:** Subdivider to complete the street light facilities by May 31, 2018. Costs to purchasers to receive this service are included in the Homeowners Association assessment.

**Flood and Drainage:** Subdivider to complete the typical street drainage, drainage easements and wash revetment by May 31, 2018, which will then be accepted by the Homeowners Association for maintenance. Costs to purchasers for maintenance are included in the Homeowners Association assessment.

**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:** Black Mountain Elementary School (K-6), 33606 N. 60<sup>th</sup> Street, Scottsdale, Arizona, (480) 575-2100, approximately 1 mile northeast of the subdivision

**Middle School:** Sonoran Trails Middle School (7-8), 5555 E. Pinnacle Vista, Phoenix, Arizona, (480) 272-8600, approximately 3 ½ miles southeast of the subdivision.

**High School:** Cactus Shadows High School (9-12), 5802 E. Dove Valley Road, Scottsdale, Arizona, (480) 575-2400, approximately ¾ mile east 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. School bus transportation is subject to change and is outside the control of subdivider.

**NOTE: School assignments 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](http://www.ccusd93.org) for verification of schools. Additional information regarding schools and districts can be found at the following websites: [www.greatschools.net](http://www.greatschools.net) and [www.sfb.state.az.us](http://www.sfb.state.az.us).**

**Shopping Facilities:** Safeway is located at 29834 N. Cave Creek Road, approximately 2 miles southwest 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](http://www.valleymetro.org).

**Medical Facilities:** Paradise Valley Hospital is located at 3929 E. Bell Road, Phoenix, Arizona, 85032, (602) 923-5000, approximately 9 miles southwest of subdivision.

**Fire Protection:** Provided by the City of Phoenix Fire Department. Purchaser's cost is included in their property taxes.

**Ambulance Service:** Ambulance service is available by dialing 911.

**Police Services:** Provided by the City of Phoenix 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:** Subdivider to complete the pool, spa, exercise room, landscaping and riprap by June 1, 2020, which will then be maintained by the Homeowners Association. Costs to purchasers for maintenance are included in the Homeowners Association assessments.

## **ASSURANCES FOR COMPLETION OF IMPROVEMENTS**

**Assurances for Completion of Subdivision Facilities:** Subdivider has provided a bond and Certificate of Occupancy Hold Agreement with the City of Phoenix to assure completion of the subdivision improvements.

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

## **PROPERTY OWNERS ASSOCIATIONS**

**Name and Assessments:** Rancho North Condominium Association. Purchasers will be required to pay assessments in the amount of \$250.00 per month.

**Control of Association:** Control of the Association will be turned over to Lot Purchasers on the earlier of: (a) one hundred twenty (120) days after the date by which seventy-five percent (75%) of the Units have been conveyed to Purchasers; or (b) four (4) years after all Declarants have ceased to offer Units for sale in the ordinary course of business.

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

**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 generally rolling.

**Flooding and Drainage:** This subdivision is not subject to known flooding or drainage problems. In his letter dated February 12, 2018, Matthew Mancini, P.E., Vice President, of 3 Engineering, has cited, in part:



“Rancho North (the site) is a 23-acre residential condominium development that is located in Phoenix, Arizona. HBT of Rancho North, LLC requested 3 engineering, llc to provide this certified flood letter for their public report for Units 1-150 (150 condominium units) within the development.

Based on current FEMA Flood Insurance Rate Maps (FIRMs), the site is located within the boundaries of MAP 04013C0890L, dated October 16, 2013 and lies within Zone “X” (Shaded) flood zone. Zone “X” (Shaded) is defined as follows:

Zone ‘X” (Shaded) – 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.

Based on requirements of FEMA, and Maricopa County, developments within Zone “X” (Shaded) flood hazard areas do not require flood insurance.”

**Soils:** Subdivider advises that the soils have very low expansive characteristics. In his letter, dated November 1, 2017, Scott R. Smith, P.E., Senior Geotechnical Engineer, of Alpha Geotechnical & Materials, Inc., has cited, in part:

“The purpose of this post-grading geotechnical exploration was to evaluate the general surface and subsurface conditions at the referenced site, and to present post-grading geotechnical design recommendations for the foundations and slabs for the proposed structures.

### **Geotechnical Site Reconnaissance**

The project consists of 30 graded multifamily building pads within the Rancho North multi-family residential development in Phoenix, Arizona. The Rancho North development is located at the northeast corner of Cave Creek Road and Rancho Paloma Drive. Mass grading had recently been completed and underground utility installation was underway.

### **Site Soils**

The naturally occurring coarse grained site surface and subsurface soils encountered during our exploration consisted of silty sand (SM), silty clayey sand (SC-SM), and clayey sand (SC). The relative densities of these soils ranged from medium dense to dense in the soil borings within the graded building pads. The soils sampled during our post-grading exploration tested as having very low expansive characteristics. See attached report for details. No bedrock was encountered during our field investigation.

### **Project Description**

Based on information provided by our client, we understand the proposed new construction will consist of one or two-story multi-family residential structures. The earthwork for the building pads for the structures was completed. Proposed construction will include post-tension slabs for the proposed residential structures. 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.

**Site Drainage**

Positive drainage is key 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. Watering of plants should be avoided adjacent to the buildings. 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**

Post-tension foundation slabs bearing on properly compacted engineered fills are recommended to support the residential structures. Conventional spread footings may be used to support secondary structures. We anticipate that total and differential settlements for foundations designed in accordance with the above recommendations, will be within generally acceptable tolerance as presented in the attached report. Additional foundation movements are possible if saturation of foundation soils occurs.

**Land Subsidence and Earth Fissures**

The project site is located in an area without nearby documented earth fissures and in an area with a measured land subsidence of between zero and one foot (Land Subsidence and Earth Fissures in Alluvial Deposits in Phoenix area, Arizona by H.H. Schumann, 1974, and <http://azmap.org/fissures>).

**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:** Fire Station and Church Properties, Zoned S-1  
**South:** KB Home Rancho Paloma, Zoned R-3  
**East:** City Park, Zoned S-1  
**West:** Dove Valley Ranch vacant land, Zoned S-1

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

**North:**

- Fire Station, adjacent
- Law Enforcement Offices, approximately ¼ mile
- Cave Creek, approximately 2 ¼ miles

**Northeast:**

- Paradise Valley Community College at Black Mountain, approximately 1 mile
- Terravita Golf & Country Club, approximately 1 ¼ miles
- Go John Canyon Preserve, approximately 2 miles
- Black Mountain Summit Preserve, approximately 2 ½ miles
- El Pedregal, approximately 2 ½ miles
- The Boulders Club, approximately 2 ¾ miles

**East:**

- Terravita Golf & Country Club, approximately 2 miles
- Whisper Rock Golf Club, approximately 3 miles

**Southeast:**

- Whisper Rock Golf Club, approximately 2 ¾ miles

**South:**

- Tatum Ranch Golf Club, approximately 1 ¾ miles

**Southwest:**

- Tatum Ranch Golf Club, approximately 1 ½ miles
- Library, approximately 2 ¼ miles

**West:**

- Sonoran Preserve, approximately 1 ¼ miles
- Cave Creek, approximately 2 miles

**Northwest:**

- Dove Valley Ranch Golf Course, approximately ½ mile
- Cave Creek, approximately 1 ½ miles
- Cave Creek Landfill, approximately 1 ½ miles
- Sonoran Preserve, approximately 1 ½ miles
- Cave Creek Regional Park, approximately 2 miles

**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](http://www.fcd.maricopa.gov).

**Natural Gas Lines:** 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](http://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.state.az.us](http://www.azcc.state.az.us).

**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.

**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.gov](http://www.azgfd.gov). For additional information, please visit [www.desertusa.com](http://www.desertusa.com).

**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.

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

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 (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:** Multi- 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 Phoenix Planning and Zoning Department. Restrictions are recorded as cited in the following title exceptions and per the subdivision plat.

### **AIRPORTS**

**Airport:** Phoenix Deer Valley Airport, 702 West Deer Valley Road, Phoenix, Arizona 85027, approximately 8 miles southwest of subdivision.

**TITLE**

**Title to this subdivision** is vested in HBT of Rancho North 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 March 19, 2018 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 aforementioned deeds 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 2017 is \$7.9371 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 \$350,000.00, is \$2,361.29.

**Special District Tax or Assessments:** 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.

**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.**

**EXHIBIT "A"**

1. Taxes for the full year of 2018.  
(The first half is due October 1, 2018 and is delinquent November 1, 2018. The second half is due March 1, 2019 and is delinquent May 1, 2019.)
2. Any charge upon said land by reason of its inclusion in Rancho North Condominium Association.
3. Easements, restrictions, reservations, conditions and set-back lines as set forth on the plat recorded as Book 1336 of Maps, Page 14 and an Affidavit of Correction recorded as 2018-03490, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).
4. Easements, restrictions, reservations, conditions and set-back lines as set forth on the plat recorded as Book 1346 of Maps, Page 28, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).
5. All matters set forth in Condominium Declaration recorded as 2017-0908506 and a Declaration of Annexation recorded as \_\_\_\_\_ 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.  
(Affects Lot No. 1001-1003, 1006, 1009, 1012, 1015, 1018, 1020, 1021, 1024, 1027, 1030, 1033, 1036, 1039, 1042, 1045, 1048, 1050, 1054, 1057, 1058, 1060, 1063, 1066, 1069, 1072, 1075, 1078, 1081, 1084, 1089, 1090, and 2001-2003)
6. An easement for communication facilities and incidental purposes in the document recorded as 83-414676 of Official Records.  
(Affects Common Area)
7. An easement for water line and incidental purposes in the document recorded as 92-201647 of Official Records.  
(Affects Common Area)
8. An easement for water line and incidental purposes in the document recorded as 92-201648 of Official Records.  
(Affects Common Area)



9. An easement for water line and incidental purposes in the document recorded as 92-201649 of Official Records.  
(Affects Common Area)
10. A drainage easement for constructing and maintaining a channel and incidental purposes in the document recorded as 2000-262817 of Official Records.  
(Affects Common Area)
11. The terms, provisions and easement(s) contained in the document entitled "Grant of Easement and Memorandum of Agreement" recorded October 05, 2017 as 2017-0739507 of Official Records.
12. An easement for ingress, egress, and utilities and incidental purposes, recorded as 2018-028624 of Official Records.
13. A Deed of Trust to secure an indebtedness in a Revolving Loan Agreement with a credit limit in the principal amount of \$20,000,000.00, together with any and all other obligations secured thereby, recorded February 8, 2017 as 2017-0096546 and a First Amendment to Deed of Trust recorded February 28, 2018 as 2018-0153495 of Official Records.
 

Dated:	February 8, 2017
Trustor:	HBT of Rancho North LLC, an Arizona limited liability company
Trustee:	U.S. Bank National Association, a national banking association
Beneficiary:	U.S. Bank National Association, a national banking association
14. 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.