

Arizona Department of Real Estate (ADRE)

Development Services Division

www.azre.gov

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SUSAN NICOLSON COMMISSIONER

SUBDIVISION DISCLOSURE REPORT

(PUBLIC REPORT)

FOR

Stonefield

Registration No. DM24-061849

SUBDIVIDER

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

Effective Date: April 11, 2024

PROPERTY REPORT DISCLAIMER

This report is NOT A RECOMMENDATION NOR AN ENDORSEMENT by the State of Arizona of this land. The public report reflects information provided by the subdivider and not all of the information in this report has been verified by the Department; certain information has been accepted by the Department as true and accurate based on attestation of the subdivider 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 CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.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 60, inclusive.

The map of this subdivision is recorded in Book 1576 of Maps, page 32, records of Maricopa County, Arizona.

The subdivision is approximately 18.5613 acres in size. It has been divided into 60 Lots and 5 Tracts (Tracts A through E, 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 north side of Peoria Avenue at 157th Avenue, within the City of Surprise, Maricopa County, Arizona.

<u>UTILITIES</u>

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 Establishment Charge of \$8.00 and may include a security deposit. 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. Subdivider has completed the facilities 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: EPCOR Water, (800) 383-0834, website: www.epcor.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 this service includes an establishment fee of \$30.00. A deposit may be required. Once service is established, direct user charges will apply. Fees and/or deposits are subject to change; please contact the utility provider 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 receive service includes a service establishment charge of \$60.00. 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.

Garbage Services: City of Surprise, (623) 222-7222, website: www.surpriseaz.com. Purchaser's cost to receive service includes a monthly fee of approximately \$23.70 per can. 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 Surprise, which have been accepted by the City of Surprise for maintenance. Cost to Purchasers for maintenance is included in the property taxes.

Access within the Subdivision: The asphalt paved public streets have been completed to the minimum standards of the City of Surprise, which have been accepted by the City of Surprise for maintenance. Cost to Purchasers for maintenance is included in the property taxes.

Street Lights: The street light facilities within the subdivision have been completed. Cost to purchasers to receive this service will be included in the property taxes.

Flood and Drainage: The typical street drainage and drainage tracts have been completed, which have been accepted by the City for maintenance (for typical street drainage) and the Homeowners Association for maintenance (for drainage tracts). Costs to purchasers are included in the property taxes (for typical street drainage) and in the Homeowners Association assessments (for drainage 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 <u>land.az.gov</u>, or call (602) 542-4631.

LOCAL SERVICES AND FACILITIES

Schools:

Elementary School: Rancho Gabriela Elementary School (K - 4), 15272 West Gabriela Drive, Surprise, Arizona 85379, (623) 523-8500, approximately $\frac{1}{2}$ mile northeast of the subdivision.

Middle School: Sonoran Heights Middle School (5 - 8), 11405 North Greer Ranch Parkway, Surprise, Arizona 85379, (623) 523-8550, approximately $\frac{1}{4}$ mile northwest of the subdivision.

High School: Shadow Ridge High School (9 - 12), 10909 North Perryville Road, Surprise, Arizona, 85388, (623) 523-5100, approximately 3 ³/₄ miles west 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.

NOTE: School boundaries, assignments and school bus transportation are subject to change. Prospective Purchasers should contact the Dysart Unified School District at (623) 876-7002 or visit website: 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.azed.gov.

Shopping Facilities: Basha's, 15367 West Waddell Road, Surprise, Arizona, approximately 1 ³/₄ miles northeast of the subdivision.

Public Transportation: There is no public transportation available to this subdivision at this time.

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 their website at www.ValleyMetro.org.

Medical Facilities: Abrazo Surprise Hospital, 16815 West Bell Road, Surprise, Arizona, (623) 244-2400, approximately 4 miles northwest of the subdivision.

Fire Protection: Provided by the City of Surprise 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 Surprise 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 tot lot and landscaping 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.

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. Utility companies to maintain their respective utilities. The City of Surprise to maintain public streets.

PROPERTY OWNERS ASSOCIATIONS

Name and Assessments: Stonefield Homeowners Association. Property Owners will be required to pay assessments in the amount of approximately \$105.00 per month.

Control of Association: Control of the Association will be turned over to Lot Purchasers on the later to occur of (a) the date the Declarant or a Designated Builder conveys the last Lot to a third-party purchaser or (b) the date that neither Declarant nor any Designated Builder owns any Lot or other portion of the property. The Declarant Control Period shall also terminate upon the date set forth in a written notice signed by Declarant to the Association stating that the Declarant Control Period has terminated.

Title to Common Areas: Title to the Common Areas will be turned over to the Homeowners Association upon first closing.

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 20, 2024, Andrew Jupp, PE, of Kimley Horn, has cited, in part:

"Stonefield Subdivision is a proposed residential development located within Surprise, Arizona. According to Flood Insurance Rate Map Number 04013C1660L, revised October 16, 2013, the development is located primarily within Flood Zone 'X' with a portion of the development along the south boundary located in Flood Zone "A". Federal Emergency Management Agency (FEMA) defines the flood zones for the site area as:

"Other Flood Areas" 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."

Zone A – Areas with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30-year mortgage, without base flood information.

All residential dwelling units proposed for Stonefield Subdivision are located wholly outside of the Zone "A" floodplain at or before the receipt of Certificate of Occupancy and should not require flood insurance. The development has been prepared in compliance with the Flood Control District of Maricopa County drainage policies."

Soils: Subdivider advises that the soils have relatively low shrink-swell (expansion) potential. In a letter, dated January 16, 2019, Gregg Alan Creaser, PE, of Speedie and Associates, has cited, in part:

"Analysis of the field and laboratory data indicates that subsoils at the site are generally favorable for the support of the proposed structures on shallow foundations and slab-on-grade subject to remedial earthworks.

The site has been under cultivation in the past. These farming activities usually result in the upper 12 to 18 inches being disturbed by plowing. Field and laboratory testing indicates that the upper soils are of low density and capable of post-construction settlement. This could cause excessive settlement resulting in cracking problems. Accordingly, recommendations are made to over-excavate and re-compact a limited depth of the bearing soils to increase density and reduce the potential for collapse. Attention must be paid to provide proper drainage to limit the potential for water infiltration of deeper soils.

A Post-Tensioned (P-T) slab-on-grade foundation system is also an option. The shrink-swell (expansion) potential of the upper soils was found to be relatively low. Settlement potential for shallow footings will control design. The (edge) settlement value presented in the "Foundation Design" section should be considered in the P-T slab design. Due to the soft/disturbed upper soils some over-excavation and re-compaction will still be required. A BRAB Type II or III may be used for design. This type of foundation system is more flexible than standard spread footings and may require special design and construction of the superstructure to allow for this flexibility.

Each of the above foundation options will provide suitable support for the proposed structures provided proper site grading and construction procedures are followed. The final selection of which foundation option to use will need to be determined by the owner/developer. Factors that may impact the option selected include the cost of construction and the familiarity of the various methods.

The swell potential of the fine portion of the upper clayey soils is a minor concern. While the swell test of one sample indicated a 2.1 percent potential, the other sample tested was less than 1.0 percent. In addition review of the PI data and expansion index result indicate the potential to be low. However, it is still paramount to provide proper drainage to limit the potential for water infiltrating under slabs.

Attention must be paid to provide proper drainage to limit the potential for water infiltration of deeper soils. A minimum slope of at least 5 percent for a distance of 10 feet away from the structure is recommended in accordance with the Residential Code requirements for unpaved landscaped areas. If this slope cannot be provided, other conveyances are recommended such as roof drains and gutter systems and/or yard drains to direct water away from the structure. Roof drains should not be allowed to discharge into planters adjacent to the structure and allowed to pond. Irrigated planters adjacent to the structures should be kept at a minimum and/or the use of low water use plants (xeriscape).

It is reiterated that shallow spread footings or P-T Slabs are recommended for the exterior walls and other light interior columns since this is the most economical system available. However, this shallow system relies on the dry strength of the unsaturated native soils. A limited depth of re-compaction is recommended to increase density of the near surface soils that are more likely to encounter seasonal moisture changes, or deeper foundations. The deeper native soils are moisture sensitive and could experience differential settlement if subjected to significant surface water infiltration. Recognizing the need to minimize significant water penetration adjacent to the building perimeter that could detrimentally impact the building foundation, the following additional recommendations are made to protect foundations:

- 1. Take extra precaution to backfill and compact native soil fill to 95 percent in all exterior wall locations.
- 2. Avoid utility trenches passing through retention basins leading to the building. If unavoidable, backfill the trench with MAG Section 728 ½-sack CLSM to cut off preferred drainage paths.
- 3. Create and maintain positive drainage away from the exterior wall for a minimum of 10 feet.
- 4. Avoid sidewalks, curbs or other elements that create a dam that could cause water to pond within 5 feet of the perimeter wall.
- 5. Include no irrigated landscape materials in the first 3 feet next to the building.
- 6. Between 3 feet and 5 feet, include only landscape materials that can be irrigated with a maximum of 1 gallon per hour emitter heads. Set and maintain irrigation controllers to prevent 24/7 flows.
- 7. Any landscape materials requiring greater than 1 gallon per hour irrigation, including turf, shall be at least 5 feet from the outside face of the building.
- 8. All irrigation feeder lines, other than those that supply individual emitters, shall not be placed closer than 5 feet to the building.

Groundwater is not expected to be a factor in the design or construction of shallow foundations and underground utilities. Excavation operations should be relatively straightforward although cemented soils may impede progress and require the use of heavier equipment.

For exterior slabs-on-grade, frequent jointing is recommended to control cracking and reduce tripping hazards should differential movement occur. It is also recommended to pin the landing slab to the building floor/stem wall. This will reduce the potential for the exterior slab lifting and blocking the operation of out-swinging doors. Pinning typically consists of 24-inch long No. 4 reinforcing steel dowels placed at 12- inch centers."

Adjacent Lands and Vicinity:

North: PAD South: R1-6 East: 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.

North:

• Granite Falls Golf Course, approximately 3 ¾ miles

Northeast:

- Rancho Gabriel Elementary, approximately ½ mile
- Surprise Recreation Campus, approximately 2 3/4 miles
- Fire Station, approximately 2 ³/₄ miles
- Burlington Northern Santa Fe Railroad, approximately 2 ³/₄ miles
- Surprise Stadium, approximately 3 ½ miles
- Library, approximately 3 ¼ miles
- Surprise Aquatic Center, approximately 3 ½ miles
- Dream Catcher Park, approximately 3 ½ miles
- Rio Salado College, approximately 3 ½ miles
- Surprise Tennis & Racquet Complex, approximately 3 ½ miles
- Community Park, approximately 3 ½ miles
- Municipal Buildings, approximately 3 ½ miles
- County Buildings, approximately 3 ½ miles

East:

• Burlington Northern Santa Fe Railroad, approximately 2 ½ miles

Southeast:

- Burlington Northern Santa Fe Railroad, approximately 1 mile
- Falcon Dunes Golf Course, approximately 1 ½ miles
- Luke Air Force Base, approximately 2 miles

South:

- Burlington Northern Santa Fe Railroad, approximately 1 mile
- Luke Air Force Base, approximately 3 ½ miles

Southwest:

- Burlington Northern Santa Fe Railroad, approximately 1 mile
- Bob Stump Memorial Parkway (303), approximately 1 ¼ miles
- Transmission Lines (along Bob Stump Memorial Parkway-303), approximately 1 1/4 miles
- Fertilazona, approximately 2 miles
- Wildlife World Zoo & Aquarium, approximately 2 1/4 miles

West:

- Bob Stump Memorial Parkway (303), approximately 1 mile
- Transmission Lines (along Bob Stump Memorial Parkway-303), approximately 1 mile
- Miedema Produce Company, approximately 1 ½ miles
- Rousseau Farming Company, approximately 1 3/4 miles
- Canal, approximately 2 ½ miles

Northwest:

- Sonoran Heights Middle School, approximately 1/4 mile
- Fire Station, approximately 3/4 mile and approximately 3 1/4 miles
- Bob Stump Memorial Parkway (303), approximately 1 1/4 miles
- Transmission Lines (along Cactus Road), approximately ¾ mile, and (along Bob Stump Memorial Parkway-303), approximately 1 ¼ miles
- APS Substation, approximately 3 miles

School Proximity: Due to the proximity of schools, lots situated adjacent to or in the vicinity of the schools 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.

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.

Bob Stump Memorial Parkway (Loop 303): The close proximity of Bob Stump Memorial Parkway (Loop 303) may be a safety hazard to unsupervised children, pets and adults. Purchasers are advised that the potential exists for the future widening of this freeway which may produce noise, vibration, fumes, dust, additional traffic, fuel particles and other effects from construction, which some individuals may find objectionable. For more information, visit the Arizona Department of Transportation website at www.azdot.gov.

Luke Air Force Base: Luke Air Force Base is located at Litchfield Road and Glendale Avenue, Glendale, Arizona. The subdivision may be subject to overflights by jet aircraft from Luke Air Force Base. This facility may produce noise, vibrations, fumes, dust, fuel and lubricant particles or other effects of air traffic that may be undesirable to prospective purchasers. For additional information, visit their website at www.luke.af.mil.

Burlington Northern Santa Fe Railroad: Railroads typically operate 24 hours a day, 7 days per week. Due to the proximity of the railroad, operation, repair and/or replacement of railroad line may result in noises, odors, dust, vibrations, derailments or other potential nuisances or hazards. For additional information, contact Burlington Northern Santa Fe Railway at (800) 795-2673 or visit their website at www.bnsf.com.

Transmission Power Lines: There are existing 69kV power lines along the Cactus Road and running north/south along the west side of Bob Stump Memorial Parkway (303). For more information, please contact APS, 400 North 5th Street, Phoenix, Arizona, (602) 371-7171, or visit the high voltage siting projects web site at http://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.

Agricultural: Property adjacent to or in the vicinity of the subdivision is currently agricultural or has been agricultural. Agricultural property 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, chemicals and particles in the air, unpleasant odors and noise. Irrigation ditches on surrounding properties may pose a safety hazard to unsupervised children and adults. For further information on the future uses of agricultural areas, purchasers should contact the City of Surprise Planning and Development Department.

Open Range: No portion of the subdivision is located in an open range or area in which livestock may roam at large.

Bodies of Water: Purchasers are advised that canals, creeks, channels, rivers, floodways, manmade 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: 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.

Fertilizer Plant: Fertizona, 26705 W. Baseline Road, Buckeye, Arizona 85326, operates and maintains a fertilizer plant. Due to the proximity of this fertilizer plant, purchasers may experience unpleasant odors, dust, noise, insects and other related nuisances as a result of operations associated with this plant. For more information, please contact Fertizona at (623) 386-4491.

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.

Desert Wildlife: The subdivision is situated in a desert area where native wildlife exists, including desert cottontail, desert tortoise, black-tailed jackrabbit, birds, bees, javelina, coyotes, mule deer, various rodents, lizards, scorpions and snakes. These animals may be of concern to some people and a danger to persons and pets.

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.

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.

Mailboxes: The location of the mailboxes may be inconvenient to some Purchasers. The location of the neighborhood group mailboxes and the assignment of the postal boxes to homeowners are determined by the US Postal Service. Subdivider makes no representation as to the future location of these structures or to whom specific mailboxes will be assigned. Lots located in the proximity of mailboxes may experience an increased amount of noise, dust, lighting, traffic, odors, glare from lights, signage and/or other nuisances associated with this type of facility that may be of concern to some individuals. Purchasers should carefully investigate in person the potential impact, as these conditions may be disturbing to some individuals. Purchaser should confirm that the possible nuisances are acceptable.

Non-Owner Occupied Homes: The potential exists that a portion of the homes sold within the subdivision may include investor (non-occupied) homes. An investor may lease the home for investment income, occupy the home while trying to resell, or leave the home vacant until resale.

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: 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.

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 2 miles southeast and approximately 3 ½ miles south of the subdivision.

SUBDIVISION IS LOCATED WITHIN TERRITORY IN THE VICINITY OF LUKE AIR FORCE BASE. MILITARY FLIGHTS MAY PRODUCE AIRCRAFT NOISE AS A RESULT OF MILITARY FLIGHT OPERATIONS.

SEE EXHIBIT "B" ATTACHED

NOTE: LUKE AIR FORCE BASE IS AN ACTIVE MILITARY BASE WITH ALL THE ACTIVITIES INVOLVED WITH A MILITARY BASE. PROSPECTIVE PURCHASERS ARE ADVISED TO INVESTIGATE FOR THEMSELVES TO DETERMINE WHAT IMPACT, IF ANY, THE MILITARY BASE MAY HAVE ON THE SUBDIVISION AND/OR THEIR PERSONAL WELL-BEING. FOR ADDITIONAL INFORMATION, CONTACT THE LUKE AIR FORCE BASE PUBLIC AFFAIRS OFFICE AT (623) 856-6011 OR VISIT THEIR WEBSITE AT www.luke.af.mil.

Airport: Glendale Airport is located at 6801 North Glen Harbor Boulevard, Glendale, Arizona, approximately 7 ½ miles southeast of the subdivision.

Due to the proximity of these airports and airstrip facilities and operations, this Subdivision may experience noise, odors, dust, traffic, and/or other effects that may be of concern to some individuals. Purchasers are urged to visit the Subdivision and their particular home-site at various times of day and night to experience the impact of current noise levels and other effects. Purchaser is advised to independently investigate this matter. Additional information about the flight paths, flight hours, type of aircraft and similar information may be obtained by contacting each airport directly. Present operations are subject to change and are not within the Subdivider's control.

TITLE

Title to this subdivision is vested in HBT of Stonefield 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 28, 2024, 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.

Designated Broker: Michael DuEll, Towne Brokerage Services, 706 East Bell Road, Suite 212, Phoenix, Arizona 85022.

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? \square Yes \boxtimes 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 2023 is \$9.6773. 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 \$560,000.00 is \$4,606.39.

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.

Central Arizona Groundwater Replenishment District ("CAGRD")

Central Arizona Groundwater Replenishment District ("CAGRD"): The subdivision is enrolled as a Member Land of the Central Arizona Groundwater Replenishment District ("CAGRD") pursuant to A.R.S. §48-3772 and 48-3774. The CAGRD is managed and operated by the Central Arizona Water Conservation District ("CAWCD"), which manages and operates the Central Arizona Project. The CAGRD is obligated by statute to replenish the excess groundwater delivered to its members' by the municipal water provider. CAGRD is required to levy an annual replenishment assessment against each parcel of Member Land to pay its replenishment costs and expenses, pursuant to A.R.S. §48-3778. The replenishment assessment is not included in the tax estimates given above. A parcel's replenishment assessment is based on an assessment rate established annually by the CAWCD Board of Directors, multiplied by the actual volume of excess groundwater reported to be delivered to the parcel in the previous year. Therefore, a parcel's replenishment assessment will vary from year to year and will likely increase over time. The assessment is included in each parcel owner's annual property tax statement and is collected by the County Treasurers Office. For further information, you may contact CAGRD at (623) 869-2243 or visit their website at www.cagrd.com.

CAGRD FPN Number: ML1404-20220825-01

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

YOU ARE ADVISED TO READ THE RECORDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, ARTICLES OF INCORPORATION 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 2023 taxes, a lien, payable on or before March 1, 2024, and delinquent May 1, 2024.
- 2. Taxes for the full year of 2024. (The first half is due October 1, 2024 and is delinquent November 1, 2024. The second half is due March 1, 2025 and is delinquent May 1, 2025.)
- 3. Any charge upon said land by reason of its inclusion in Maricopa County Municipal Water Conservation District.
- 4. Any charge upon said land by reason of its inclusion in Stonefield Homeowners Association.
- 5. All matters as set forth in Ordinance 02.15, recorded 12/24/2002 as 2002-1392213 of Official Records.
- 6. The terms and provisions contained in the document entitled "Agreement and Notice of Municipal Provider Reporting Requirements for Stonefield (ML# 003-14-1404) Regarding Membership in the Central Arizona Groundwater Replenishment District "recorded March 18, 2020 as 2020-0234360 of Official Records.
- 7. Covenants, Conditions and Restrictions as set forth in document recorded on March 18, 2020 as 2020-0234361, 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).
- 8. The terms and provisions contained in the document entitled "Resolution 2020-66" recorded June 17, 2020 as 2020-0530420 of Official Records.
- 9. Restrictions, dedications, conditions, reservations, easements and other matters shown on the plat of Northwest Corner of Peoria Avenue & Reems Road, as recorded in Plat Record Book 1550, Page(s) 46, 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).
- 10. Restrictions, dedications, conditions, reservations, easements and other matters shown on the plat of Stonefield, as recorded in Plat Record Book 1576, Page(s) 32, 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).

- 11. Declaration of Covenants, Conditions, Restrictions and Easements, recorded in 2023-0656219 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).
- 12. Water rights, claims or title to water, whether or not shown by the Public Records.
- 13. A deed of trust to secure an original indebtedness of \$3,062,500.00, and any other amounts or obligations secured thereby, recorded April 02, 2021 as instrument no. 2021-0372292 of Official Records.

Dated: April 01, 2021

Trustor: HBT of Stonefield LLC, an Arizona limited liability company

Trustee: Zilber LTD., a Delaware corporation

Beneficiary: Zilber LTD., a Delaware corporation

According to the public records, the beneficial interest under the deed of trust was collaterally assigned to U.S. Bank National Association, a national banking association by assignment recorded April 14, 2022 as 2022-0331057 of Official Records.

Amended and Restated Deed of trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing recorded April 18, 2022 as of 2022-0338395 Official Records

(Affects Lots 1 through 60 and Coves More Property)

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

EXHIBIT "B"

