



Arizona Department of Real Estate (ADRE)
Development Services Division

www.azre.gov

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SUBDIVISION DISCLOSURE REPORT

(PUBLIC REPORT)

FOR

Sky Crossing – Parcel 16

aka Sky Crossing Discovery Collection

Registration No. DM17-058733

SUBDIVIDER

TM Homes of Arizona, Inc.,
an Arizona corporation
9000 East Pima Center Parkway, Suite 350
Scottsdale, Arizona 85258

Effective Date: February 16, 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 CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.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: Lots 1 through 13, inclusive, and Lots 26 through 146, inclusive.

The map of this subdivision is recorded in Book 1353 of Maps, page 16, records of Maricopa County, Arizona.

The subdivision is approximately 37.400 gross acres in size. It has been divided into 146 lots and 18 Tracts (Tracts A through R, inclusive). Lot boundaries will be corner stakes and radii.

Prospective purchasers are hereby advised that the recorded plat for this subdivision contains the following, in part:

DEDICATION (in part):

TRACTS A THROUGH O, Q AND R ARE HEREBY DECLARED AS COMMON AREAS TO BE OWNED AND MAINTAINED BY THE COMMUNITY ASSOCIATION. AN EASEMENT FOR DRAINAGE IS HEREBY DEDICATED OVER TRACTS A THROUGH R.

TRACT P IS HEREBY DECLARED AS PRIVATE ACCESSWAY TO BE OWNED AND MAINTAINED BY THE COMMUNITY ASSOCIATION. AN EASEMENT FOR PUBLIC WATER AND SEWER, REFUSE COLLECTION, DRAINAGE AND EMERGENCY AND SERVICE TYPE VEHICLE ACCESS IS HEREBY DEDICATED TO THE PUBLIC OVER TRACT P.

NOTES:

1. NO STRUCTURE OF ANY KIND SHALL BE CONSTRUCTED ON, OVER, OR PLACED WITHIN A PUBLIC UTILITY EASEMENT, DRAINAGE EASEMENT, SANITARY SEWER EASEMENT, OR WATER EASEMENT EXCEPT AS NOTED BELOW. PAVING AND REMOVABLE TYPE FENCES, WITH NO CONTINUOUS FOOTING, ARE ALLOWED IN PUBLIC UTILITY EASEMENTS, SEWER EASEMENTS, AND WATER EASEMENTS WITH APPROVAL FROM THE PLANNING AND DEVELOPMENT DEPARTMENT. NO VEGETATION SHALL BE PLANTED WITHIN ANY EASEMENT WITHOUT PRIOR APPROVAL FROM THE PLANNING AND DEVELOPMENT DEPARTMENT LANDSCAPE ARCHITECT. PUBLIC SANITARY SEWER OR WATER MAINS SHALL BE PLACED IN THE APPROPRIATE WATER AND SEWER EASEMENT. WATER MAINS THAT ARE PLACED WITHIN AN EASEMENT ARE REQUIRED TO BE DUCTILE IRON PIPE PER THE WATER SERVICES DEPARTMENT “DESIGN STANDARDS FOR WATER DISTRIBUTION MAIN”. IT SHALL BE FURTHER UNDERSTOOD THAT THE CITY OF PHOENIX SHALL NOT BE REQUIRED TO REPLACE ANY OBSTRUCTIONS, PAVING, OR VEGETATION THAT BECOMES DAMAGED OR MUST BE REMOVED DURING THE COURSE OF MAINTENANCE, CONSTRUCTION, RECONSTRUCTION, OR REPAIR. THE CITY OF PHOENIX, MAY, BUT IS NOT REQUIRED TO, CONSTRUCT AND/OR MAINTAIN, AT ITS SOLE DISCRETION, DRAINAGE FACILITIES ON OR UNDER THE LAND IN THE DRAINAGE EASEMENTS.

2. DEVELOPMENT AND USE OF THIS SITE WILL CONFORM TO ALL APPLICABLE CODES AND ORDINANCES.
3. THIS SUBDIVISION IS LOCATED IN THE CITY OF PHOENIX WATER SERVICE AREA AND HAS BEEN DESIGNATED AS HAVING AN ASSURED WATER SUPPLY.
4. ALL NEW OR RELOCATED UTILITIES WILL BE PLACED UNDERGROUND.
5. ALL SIGNAGE REQUIRES SEPARATE APPROVALS AND PERMITS.
6. ANY LIGHTING WILL BE PLACED SO AS TO DIRECT LIGHT AWAY FROM THE ADJACENT RESIDENTIAL DISTRICTS AND WILL NOT EXCEED ONE CANDLE FOOT AT THE PROPERTY LINE. NO NOISE, ODOR OR VIBRATION WILL BE EMITTED SO THAT IT EXCEEDS THE GENERAL LEVEL OF NOISE, ODOR OR VIBRATION EMITTED BY USES OUTSIDE OF THE SITE.
7. OWNER'S OF PROPERTY ADJACENT TO PUBLIC RIGHTS-OF-WAY WILL HAVE THE RESPONSIBILITY FOR MAINTAINING ALL LANDSCAPING LOCATED WITHIN THE RIGHTS-OF-WAY, IN ACCORDANCE WITH APPROVED PLANS.
8. STRUCTURES AND LANDSCAPING WITHIN A TRIANGLE MEASURING 33' X 33' ALONG INTERSECTING PROPERTY LINES WILL BE MAINTAINED AT A MAXIMUM HEIGHT OF THREE (3) FEET.
9. THE SKY CROSSING COMMUNITY ASSOCIATION, AN ARIZONA NON-PROFIT CORPORATION, INCLUDING ALL PROPERTY OWNERS IN THE DEVELOPMENT, SHALL HAVE THE RESPONSIBILITY FOR MAINTAINING ALL COMMON AREAS NOTED AS "TRACTS OR "EASEMENTS", SUBJECT TO THE DIVISION OF RESPONSIBILITIES FOR SAID TRACTS AND EASEMENTS AS DEFINED BY THE PLAT DEDICATION INCLUDED HEREON, INCLUDING LANDSCAPED AREAS AND DRAINAGE FACILITIES IN ACCORDANCE WITH THE APPROVED PLANS.
10. EACH LOT IN THIS SUBDIVISION IS PERMITTED ONE DWELLING UNIT FOR A TOTAL OF 146 DWELLING UNITS WITHIN THE ENTIRE SUBDIVISION.
11. A MINIMUM 20' SETBACK (18' IF VERTICALLY OPENING GARAGE DOORS ARE PROVIDED) WILL BE PROVIDED FROM BACK OF SIDEWALK TO FACE OF GARAGE DOOR.
12. EACH LOT CONSTITUTES A BUILDING ENVELOPE AND ACCESSORY USES AND STRUCTURES SUCH AS POOLS, PRIVACY WALLS AND ACCESSORY STRUCTURES ARE PERMITTED EXCEPT AS OTHERWISE REGULATED BY OTHER CITY CODES OR ORDINANCES.
13. ADDITIONAL INDIVIDUAL LOT REQUIREMENTS (I.E. SETBACKS, WALL ELEVATIONS) ARE LOCATED ON THE APPROVED FINAL SITE PLAN.
14. THIS PROJECT HAS ADDITIONAL CONDITIONS OF APPROVAL (DESCRIBED IN A DEVELOPMENT AGREEMENT AND/OR DESIGN REVIEW DIVERSITY EXHIBIT ON FILE WITH THE CITY OF PHOENIX, PLANNING & DEVELOPMENT DEPARTMENT) WHICH MUST BE SATISFIED PRIOR TO INDIVIDUAL BUILDING PERMIT RELEASE.

YOU ARE ADVISED TO OBTAIN A COPY OF THE RECORDED PLAT MAP AND CORRECTION DOCUMENTS, IF ANY, AND NOTE ALL EASEMENTS, RESTRICTIONS AND STATEMENTS CONTAINED THEREIN.

SUBDIVISION LOCATION

Location: The subdivision is located at the northeast corner of Deer Valley Road and 32nd Street within the Master Planned Community of Sky Crossing at the northwest corner of Deer Valley Road and Black Mountain Boulevard, within the City of Phoenix, Maricopa County, State of Arizona.

UTILITIES

Electricity: Arizona Public Service (APS), (602) 371-7171, website: www.aps.com. Subdivider to complete the facilities to the lot lines by October 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: CenturyLink, (800) 244-1111, website: www.centurylink.com or Cox Communications, (623) 594-1000 or (866) 867-7644, website: www.cox.com. Subdivider to complete the facilities to the lot lines by October 31, 2018. 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. Subdivider to complete the facilities to the lot lines by October 31, 2018. 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.

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: CenturyLink, (800) 244-1111, website: www.centurylink.com or Cox Communications, (623) 594-1000 or (866) 867-7644, website: www.cox.com. Subdivider to complete the facilities to the lot lines by October 31, 2018. 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.

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. Subdivider to complete the facilities to the lot lines by October 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 October 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 October 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: Developer has completed the asphalt paved public streets to the minimum standards of the City of Phoenix. 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 October 31, 2018, which will then be accepted by the Homeowners Association for maintenance. Costs to purchasers for maintenance are included in the Homeowners Association assessments.

Street Lights: Subdivider to complete the street light facilities by October 31, 2018. Costs to purchasers to receive this service are included in the property taxes.

Tract P is currently private and owned by the HOA; however, in the future this street might be dedicated to the City of Phoenix and become public.

Flood and Drainage: Subdivider to complete the typical street drainage and drainage easement tracts by October 31, 2018, which will then be accepted by the Homeowners Association for maintenance. Costs to purchasers for maintenance are included in Homeowners Association assessments.

Arizona State Trust Land: The Arizona State Land Department administers over 9.3 million acres of State Trust Land. This is not public land. Trust land may be subject to future development and may not be preserved or saved for open space without compensation.

A person must have prior approval to use State Trust Land. Temporary recreational use is allowed with certain restrictions and conditions through purchase of a recreational permit. Use of State Trust Land without proper approval is a trespass.

MANY ROADS ON RURAL TRUST LANDS ARE NOT LEGAL TRAVEL ROUTES, EXCEPT FOR STATE LESSEES AND HUNTERS, AND DO NOT PROVIDE LEGAL ACCESS TO PRIVATE LAND. STATE TRUST LAND MAY BE SOLD OR LEASED FOR USES WHICH MAY EXCLUDE RECREATION. RECREATION IS A TEMPORARY USE THAT MAY BE TERMINATED AT ANY TIME.

For additional information, visit the State Land Department web page at www.azland.gov, or call (602) 542-4631.

LOCAL SERVICES AND FACILITIES

Schools:

Elementary Wildfire Elementary School (K-6), 3997 East Lockwood Drive, Phoenix, Arizona 85050, (602) 449-4300, approximately 1 mile northeast of the subdivision.

Junior High Explorer Middle School (7-8), 22401 North 40th Street, Phoenix, Arizona 85050, (602) 449-4200, approximately 1 mile east of the subdivision.

High School Pinnacle High School, 3535 East Mayo Boulevard, Phoenix, Arizona 85050, (602) 449-4000, within ¼ mile south of the subdivision.

Sky Crossing Master Planned Community has a site for a proposed school; however, Subdivider or Developer makes no representation of the timing, construction or completion of this school. All zoning is subject to change. Purchasers should contact the Paradise Valley Unified School District #69 at (602) 449-2000 or visit their website at www.pvschools.net for more information.

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 of the control of Subdivider.

NOTE: School boundaries, assignments and school bus transportation are subject to change. Prospective Purchasers should contact the Paradise Valley Unified School District #69 at (602) 449-2000 or visit their website at www.pvschools.net for verification of schools, current location of schools and bus service. Additional information regarding schools and districts can be found at the following websites: www.greatschools.net and www.sfb.state.az.us.

Shopping Facilities: Desert Ridge Marketplace is a super-regional shopping mall located at 21001 North Tatum Boulevard, Phoenix, Arizona, which includes Albertsons and Target, among other retail stores, dining and entertainment is approximately 1 ½ miles southeast of the subdivision.

Public Transportation: The nearest Valley Metro Transit System bus stop is located at Cave Creek Road and Rose Garden Lane, approximately 1 mile southwest of 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: Paradise Valley Hospital, 3929 East Bell Road, Phoenix, Arizona 85032, (602) 923-5000, approximately 3 miles southeast of subdivision. Mayo Clinic Hospital, 5777 East Mayo Boulevard, Phoenix, Arizona, (480) 515-6296, approximately 3 ½ miles southeast of the subdivision.

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

Ambulance Service: Ambulance service is available by dialing 911. Provider is City of Phoenix.

Police Services: Provided by City of Phoenix Police Department. For emergencies, dial 911.

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 common area landscaping, 8' wide concrete meandering sidewalk, 5' wide concrete meandering sidewalk, ramada, and shaded play structure with swings, slide and sand box by October 31, 2018, which will then be accepted by the Homeowners Association for maintenance. Costs to purchasers for maintenance are included in the Homeowners Association fee.

Within the Master Planned Community (Sky Crossing): Sky Crossing Master Planned Community consists of approximately 409.93 gross acres to be constructed in multiple phases. Phase 1 consists of improvements along Deer Valley, 32nd Street and a portion of Parcel 16 for future models.

Phase 2 consists of 411 lots within Parcels 6, 7, 8, 11 and 16 and are comprised of single family residential with community amenities along with a portion of Sky Crossing Way. This phase includes, but not limited to, ramada(s), shade structure(s), bench(es), swing(s), fire pit, climbing logs and boulders, passive water feature, tot lot(s), sand box, picnic table(s), trash receptacle(s) and shade sails along with common area landscaping. Developer shall have completed by October 31, 2018.

Sky Crossing Master Planned Community will include a future Community Center consisting of approximately 12,000 square foot building and will include, but not limited to, a pool, shade structures, lounge areas, catering kitchen, multi-purpose room, state of the art fitness area, locker rooms, seating, tables, event lawn area, playground, ramada, splash pad, parking lot area and convenience lighting. Developer shall have completed by April 30, 2019.

ALL REMAINING SKY CROSSING MASTER PLANNED PROPOSED PHASES WILL CONSIST OF SINGLE FAMILY RESIDENTIAL WITH COMMUNITY AMENITIES. THESE PHASES ARE PROPOSED ONLY AND SUBDIVIDER GIVES NO ASSURANCES AS TO WHEN OR IF THESE PHASES MAY BE CONSTRUCTED. SUBDIVIDER RESERVES THE RIGHTS TO AMEND ITS PLANS AT ANY TIME.

ASSURANCES FOR COMPLETION OF IMPROVEMENTS

Assurances for Completion of Subdivision Facilities: Subdivider has provided a Certificate of Occupancy Agreement with the City of Phoenix to assure completion of all subdivision improvements. No escrow is to close until the City of Phoenix has issued a Certificate of Occupancy and all subdivision improvements have been completed.

Assurances for Maintenance of Subdivision Facilities: Utility companies to maintain their respective utilities. City of Phoenix will maintain the public streets. The recorded Declaration of Covenants, Conditions and Restrictions for this Subdivision provides for the Homeowners Association to maintain all common areas and private streets.

PROPERTY OWNERS ASSOCIATIONS

Name and Assessments: Sky Crossing Community Association, Inc. Property Owners will be required to pay assessments for the Master Association in the amount of approximately \$112.00 per month.

Control of Association: Control of the Association will be turned over to lot purchasers on the earlier of (a) the date that neither the Declarant nor any Builder owns or holds an option to purchase any part of the Property or any part of the Additional Property, or (b) the date on which the Declarant notifies the Association in writing that the Declarant is terminating the Declarant Control Period.

Title to Common Areas: Title to the common areas has been previously transferred to the Homeowners 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 slopes from the northeast corner to the southwest corner representing an average gentle grade of approximately .9%.

Flooding and Drainage: This subdivision is not subject to known flooding or drainage problems. In his letter dated September 18, 2017, Aubrey J. Thomas, P.E., Manager-Stormwater Resources, of HilgartWilson, LLC, has cited, in part:

“Sky Crossing - Parcel 16 (Project) is located in Phoenix, Arizona. More specifically, it is located in Section 13, Township 4 North, Range 3 East of the Gila and Salt River Meridian. This letter is to certify that, to the best of our knowledge, the drainage conditions for Sky Crossing-Parcel 16 are described as follows:

1. All residential lots within Parcel 16 are located on Federal Emergency Management Agency Map (FEMA) Flood Insurance Rate Map (FIRM), FEMA Flood Zone Map 04013C1285L and 04013C1295L, Community Number 040037, Panel Numbers 1285 and 1295 of 4425, dated October 16, 2013. All lots in Parcel 16 are located within the Flood Hazard Zone "X".

FEMA defines this flood hazard zone as follows:

"The flood insurance rate zone that corresponds to the areas outside the 100-year floodplains, areas of 100-year sheet flow flooding where average depths are less than one foot, areas of 100-year stream flooding where the contributing drainage areas are less than one square mile, or areas protected from the 100-year flood by levees. No base flood elevations or depths are shown within this zone."

2. All residential lots within Parcel 16 are not subject to any known flooding/drainage problems or flood hazards and are outside of FEMA designated floodplains.

3. Onsite storm water runoff will drain from the lots to the streets and the streets will carry the runoff to retention basins. Where necessary, runoff will be routed via storm drain pipes to retention basins. The basins will discharge to existing drainage ways in the same historic drainage pattern recognized for pre-developed property.

4. Per the approved drainage design documentation, the onsite 100-year drainage flows will be contained within the street right-of-ways. Finished floor elevations established for the lots on the grading and drainage plans for lots within Parcel 16 are set above the adjacent 100-year water surface elevations.

5. According to FEMA, flood insurance is available in participating communities in Zone "X", but is not required by regulation in this flood zone."

Soils: Subdivider advises that the expansion potential for natural soils at the site is expected to be low. In his letter, dated September 27, 2017, Gary N. Sheppard, P.E., Senior Engineer, of GeoTek Residential, LLC, has cited, in part:

"This letter has been prepared to present specific information relative to ground subsidence and expansive soils at the referenced Site in accordance with the disclosure requirements of the Arizona Department of Real Estate (ADRE). We conducted two geotechnical assessments for the Sky Crossing Site, originally known as Cave Butte East and Cave Butte West. The site has subsequently been combined into the Sky Crossing Residential Development. The results of our assessments were provided in our revised reports titled "Revised Geotechnical Evaluation Cave Butte East, NEC of East Deer Valley Road and North 32nd Street, Phoenix, Arizona" (Geotek Project Number 1309), dated February 16, 2017 and "Revised Geotechnical Evaluation Cave Butte West, NWC of East Deer Valley Road and North 32nd Street, Phoenix, Arizona" (Geotek Project Number 1309), dated February 16, 2017.

Based on the results of the geotechnical assessments of the referenced Site, the near-surface natural materials at the residential subdivision were generally gravelly, silty and clayey sands (SM, SC) and sandy clays and silts (CL, ML). The soils tested in the upper 4 feet typically contained about 17 to 83 percent fines. No groundwater was encountered in any of the test borings at the Site. The laboratory testing indicated that the expansion potential for natural soils at the site is expected to be low for the surface and near surface soils encountered at the site. The natural soil compression characteristics were also evaluated, and these soils exhibited low compressibility at existing moisture contents and low for additional compression (collapse) when exposed to water while supporting load. These soils can be moisture sensitive, and we recommended supporting the planned houses on post-tensioned floor slab foundations on compacted fill, with typical site grading and fill requirements, and drainage and landscaping requirements.

During and after construction, the foundation and floor slab bearing soils should not be subject to significant moisture content fluctuations. Proper drainage of surface water and roof runoff should be directed away from the houses during and after construction over the useful life of the houses. Water should not be allowed to pond near any houses, foundations, or concrete slabs, and the design and placement of landscape vegetation and irrigation systems should be performed such that soils beneath and around the houses and concrete slabs are not subject to moisture infiltration or significant increases in moisture content. The home buyer has on-going responsibilities to keep water away from the soils beneath houses and concrete slabs.

Based on our review of the available geological information with respect to ground subsidence and earth fissures in Maricopa County, the subject Site is not located in an area of known earth fissures. The Scottsdale Study Area is located over 6 miles south of the Site. We did not observe indications of earth fissures near the Site during our aerial photograph review or our field exploration.

The subject Site is suitable for the construction of one- and two-story residential structures. Foundations for the residential structures must be supported by post-tensioned slab foundations bearing on engineered fill materials placed and maintained as recommended in the geotechnical assessment report. The design and construction of the residential developments should conform to the local building codes.

As stated previously, this letter was prepared to present site-specific geotechnical information required by ADRE in A.AC. R4-28-A 1 203. This letter does not provide comprehensive geotechnical recommendations for design and construction. Please refer to the geotechnical reports for more detailed discussion of the field and laboratory testing, subsurface conditions, geotechnical properties, and design and construction recommendations for this subdivision.”

Adjacent Lands and Vicinity:**Adjacent Lands to Sky Crossing Master Planned Community:**

- Northwest:** Holy Redeemer Cemetery (S-1); National Memorial Cemetery of Arizona-Delivery; Cross Cell Tower (Crown Castle) (S-1)
- North:** National Memorial Cemetery of Arizona (S-1); United States of America-Future National Memorial Cemetery of Arizona-(vacant land) (S-1); National Memorial Cemetery of Arizona-Delivery and Maintenance Facility (S-1)
- Northeast:** Joni Fitts School of Horsemanship (S-1)
- East:** Aviano Residential Community (S-1); Black Mountain Parkway; Commercial Radio Broadcast Transmission Towers (S-1); Cell Tower (S-1)
- Southeast:** Fireside at Desert Ridge Residential Community (R1-6)
- South:** Arizona State Land (vacant land) (S-1); Pinnacle High School (S-1); Estates at Ridgeview Residential Community (S-1); Equestrian Park (private owner) (S-1); Vacant Land (S-1); Reach 11 Sports Complex (USA-Bureau of Reclamation) (S-1); Reach 11 Diamondbacks Youth Complex (USA-Bureau of Reclamation) (S-1)
- Southwest:** Reach 11 Sports Complex (USA-Bureau of Reclamation) (S-1)
- West:** City of Phoenix Wastewater Treatment Plant (Cave Creek Reclamation Plant) (S-1); APS Cielo Grande Substation (City of Phoenix) (S-1)

Adjacent Lands to Subdivision (Parcel 16):

- North:** R1-8 (School/Single Family Residential), R-2 (Single Family Residential), R1-6 (Single Family Residential), Future Phase of Sky Crossing; Proposed School Site, Sky Crossing Way
- Northeast:** R1-6 (Single Family Residential), Future Phase of Sky Crossing, Sky Crossing Way
- South:** Deer Valley Road, S-1 Arizona State Land
- Southeast:** Deer Valley Road, S-1 Arizona State Land
- East:** R1-6 (Single Family Residential), Future Phase of Sky Crossing
- Southwest:** Deer Valley Road, S-1 Ridgeview Residential Community
- West:** R-2 (Single Family Residential), R1-6 (Single Family Residential), S-1 (Open Space/Community Center Amenity), Future Phase of Sky Crossing

NOTE: The zoning information is current as of the date of this application. Purchaser is advised that zoning information is subject to change. 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. All zoning is subject to change. For more information please contact the City of Phoenix at (602) 262-7131, website www.phoenix.gov or Maricopa County Planning & Development Department at (602) 506-3201, website www.maricopa.gov/planning for up-to-date information.

Please Note: All distances are measured from the boundary of Sky Crossing Community unless otherwise indicated.

North:

- National Memorial Cemetery of Arizona, adjacent
- Pinnacle Peak Road, less than a ½ mile
- 230kV APS High Voltage Transmission Lines, less than a ½ mile
- Arizona State Land, less than a ½ mile
- Cave Buttes Recreation Area, approximately 2 miles

Northeast:

- Joni Fitts School of Horsemanship, approximately ¼ mile
- 230kV APS High Voltage Transmission Lines, approximately ½ mile
- Arizona State Land, approximately ½ mile
- APS Pinnacle Peak Substation, approximately 3 ½ miles

East:

- Black Mountain Parkway, adjacent
- Commercial Radio Broadcast Transmission Towers, adjacent
- Cell Tower, Adjacent
- Aviano Residential Community, adjacent
- 69kV APS High Voltage Transmission Lines, adjacent
- 230kV APS High Voltage Transmission Lines, approximately ½ mile
- City of Phoenix Cashman Park, approximately ¾ mile
- Fire Station, approximately 1 ½ miles
- JW Marriott Phoenix Desert Ridge, approximately 2 miles
- Wildfire Golf Club, approximately 2 miles

Southeast:

- 230kV APS High Voltage Transmission Lines, approximately ½ mile
- Reach 11 Recreation Area, approximately ¾ mile
- Piestewa Freeway (State Route 51), approximately 1 mile
- Pima Freeway (Loop 101), approximately 1 mile
- APS Substation, approximately 1 mile
- APS Desert Ridge Substation, approximately 1 ¼ miles
- Desert Ridge Market Place, approximately 1 ½ miles
- Central Arizona Project Hayden Rhodes Aqueduct, approximately 1 ½ miles
- Paradise Valley Detention Dikes, approximately 1 ½ miles
- Horse Lover's Park, approximately 1 ½ miles
- City North High Street, approximately 2 miles
- Musical Instruments Museum, approximately 2 ½ miles
- Sumitomo Sitix, approximately 2 ½ miles
- Paradise Valley Hospital, approximately 3 miles
- Mayo Clinic Hospital, approximately 3 ½ miles
- Scottsdale Healthcare Thompson Peak, approximately 5 miles

South:

- Deer Valley Drive, adjacent
- Reach 11 Recreation Area, adjacent
- Reach 11 Sports Complex, adjacent
- Reach 11 Diamondbacks Youth Complex, adjacent
- Pinnacle High School, less than a ½ mile
- Central Arizona Project Hayden Rhodes Aqueduct, approximately ½ mile
- Paradise Valley Detention Dikes, approximately ½ mile
- Pima Freeway (Loop 101), approximately ¾ mile
- Paradise Valley Community College, approximately 2 miles
- Bell Rd./SR51 Park-and-Ride, approximately 3 miles

Southwest:

- Reach 11 Recreation Area, adjacent
- Reach 11 Sports Complex, adjacent
- Central Arizona Project Hayden Rhodes Aqueduct, approximately ½ mile
- Paradise Valley Detention Dikes, approximately ½ mile
- 230kV APS High Voltage Transmission Lines, approximately ½ mile
- City of Phoenix Water Treatment Plant, approximately ¾ miles
- Republic Services Cave Creek Transfer Station, approximately 1 mile
- Pima Freeway (Loop 101), approximately 1 mile
- Fire Station, approximately 1 ¼ mile

West:

- APS Cielo Grande Substation (City of Phoenix), adjacent
- City of Phoenix Wastewater Treatment Plant (Cave Creek Reclamation Plant), adjacent
- 69kV APS High Voltage Transmission Lines, approximately ¼ mile
- Reach 11 Recreation Area (trailhead), approximately ½ mile
- Central Arizona Project Hayden Rhodes Aqueduct, approximately ¾ mile
- Paradise Valley Detention Dikes, approximately ½ mile
- 230kV APS High Voltage Transmission Lines, approximately ½ mile
- Cave Creek Transfer Station, approximately 1 ¼ mile
- Cave Creek, approximately 2 miles
- Phoenix Deer Valley Airport, approximately 2 ½ miles

Northwest:

- National Memorial Cemetery of Arizona, within ¼ mile
- Holy Redeemer Cemetery, approximately ¼ mile
- 230kV APS High Voltage Transmission Lines, approximately ½ mile
- Paradise Valley Detention Dikes, within ½ mile
- Waste Management – Deer Valley Landfill, approximately 1 ½ miles
- Cave Creek, approximately 1 ¾ miles
- Cave Buttes Recreation Area, approximately 1 ¾ miles
- Cave Butte Dam, approximately 2 ¼ miles
- Black Mountain BMX, approximately 2 ¼ miles
- Mine, Rock Quarry, approximately 2 ¼ miles
- APS Misty Willow Substation, approximately 3 miles

Schools: Due to the proximity of current schools or future 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.

Deer Valley Airport: Located at 702 West Deer Valley Road, approximately 2 ½ miles west of the subdivision, and may produce noise, vibrations, fumes, dust, fuel and lubricant particles or other effects of air traffic that may be undesirable to prospective buyers. Please be advised that aircraft types, flight patterns, and volume could change. For information regarding current and future plans for the airport, air traffic volume and flight patterns, please contact the Deer Valley Airport at (623) 869-0975.

City of Phoenix Cave Creek Reclamation Plant: A City of Phoenix Wastewater Reclamation Facility is located north of Deer Valley Road and east of Cave Creek Road, adjacent to the west of the subdivision. Purchaser is advised that the operation of the wastewater treatment and reclamation facility may result in noxious odors, noise, extended hours and other effects that may be disturbing to certain individuals. For information regarding current and future plans for the operation and possible expansions, please contact the City of Phoenix Water Services Department.

Reach 11 Sports Complex: Located at 2425 East Deer Valley Road, Phoenix, Arizona, the Reach 11 Sports Complex includes 18 regulation-sized soccer fields, paved lighted parking, restroom buildings, concession facilities, playground and shaded ramada picnic area. It is the largest soccer complex of its kind in Arizona and one of the largest in the western United States. Purchaser is advised that they 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. For more information, contact the City of Phoenix at (602) 262-4536 or visit their website at www.phoenix.gov/parks/sports/complexes/reach-11.

Reach 11 Diamondbacks Youth Complex: The City of Phoenix, in partnership with the Arizona Diamondbacks, offers four youth baseball fields at Reach 11. “Field of Dreams” includes two fully accessible youth baseball fields and two traditional youth baseball fields. Purchaser is advised that they 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. For more information, contact the City of Phoenix at (602) 262-4536 or visit their website at www.phoenix.gov/parks/sports/complexes/reach-11.

Reach 11 Proposed Dog Park: The City of Phoenix is in the planning stages of a proposed dog park, which may include a dog park, parking area, security lighting and restroom facilities. Construction is proposed to start in 2018. Subdivider makes no representation of the timing of construction or completion. For more information, contact the City of Phoenix at (602) 262-4536 or visit their website at www.phoenix.gov/parks/sports/complexes/reach-11.

National Memorial Cemetery of Arizona: Located at 23029 North Cave Creek Road, Phoenix, Arizona, is a 225 acre national cemetery open to all members of the armed forces who have met a minimum active duty service requirement and their families and is open daily from sunrise to sunset. The Department of Defense provides honor guard details for all Veteran services (this includes a 21 gun salute, playing of Taps, flyovers and honor riders) which can be 7 days a week. Purchasers are advised that they may experience an increased amount of traffic, noise, smells and other effects typically resulting from these activities. For more information, contact National Memorial Cemetery of Arizona at (480) 513-3600 or visit their website at www.cem.va.gov/cems/nchp/nmca.asp#gi.

Joni Fitts School of Horsemanship (Pinnacle West Equestrian Center): Located at 3701 E. Pinnacle Peak Road, Phoenix, Arizona, is a school that provides horsemanship education and riding lessons. Purchaser is advised that they may experience an increased amount of vehicular and pedestrian traffic, noise, odors, lighting or other effects typically resulting from activities associated with the facility that may be of concern to some individuals. For more information, contact (480) 232-9654 or visit their website at www.jfsh.com.

Loop 101 (Pima Freeway): The close proximity of the Loop 101 (Pima Freeway) 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. Subdivider makes no representation of the timing of construction or completion. For more information, visit the Arizona Department of Transportation website at www.azdot.gov.

State Route 51 (Piestewa Freeway): The close proximity of State Route 51 (Piestewa Freeway) 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.

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.state.az.us.

Electrical Facilities: The Arizona Public Service (“APS”) Morgan (TS-9) to Pinnacle Peak 500/230kV Transmission Construction Project begins at the Morgan Substation that is located south of Carefree Highway and west of Lake Pleasant Road and runs just west of Interstate-17 south to approximately Happy Valley Road, then runs parallel to existing 230kV structures along Happy Valley Road and Happy Valley Road alignment, approximately 1 ½ miles north of the subdivision and terminates at the Pinnacle Peak substation approximately 3 ½ miles northeast of the Sky Crossing Community.

There are three (3) existing APS electrical substations surrounding the subdivision: (i) the Desert Ridge substation located approximately 1 ¼ miles southeast, (ii) the Pinnacle Peak substation located approximately 3 ½ miles northeast and (iii) the Cielo Grande substation located adjacent to the west.

An APS 69kV underground electrical power line is located within the boundary of the Sky Crossing. The underground power line passes through the top one-third (1/3rd) of Sky Crossing Community, running from east to west.

APS 12kV, 69kV, and 230kV overhead electrical power lines are located northeast, north, northwest, east, southeast, southwest, and west of the subdivision. Information regarding these electric transmission lines can be obtained by calling APS at (602) 371-7171 or www.aps.com.

Voltage and current associated with electrical lines produce electric and magnetic fields of varying strengths. Studies on these fields, as reported in newspaper articles and other publications, indicate that experts disagree as to whether some health risks exist from long-term exposure to fields near power lines and near household appliances and wiring. Subdivider encourages purchasers to make all inquiries into the effects of electric and magnetic fields, as desired, prior to purchasing a home. Subdivider makes no representation or warranty regarding electric or magnetic field levels within the subdivision and all inquiries should be referred to the electric provider or to any other person or organization with whom purchaser desires to consult prior to purchasing a home.

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.

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.

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.

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.

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.

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.

The mineral rights to all lots in this subdivision will not belong to the Purchasers of these lots. The exercise of the right to extract these minerals could affect the use, enjoyment and value of your lot.

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

Public Airport: Deer Valley Airport, 702 West Deer Valley Road, Phoenix, Arizona 85027, approximately 2 ½ miles west of subdivision.

SUBDIVISION IS LOCATED WITHIN TERRITORY IN THE VICINITY OF DEER VALLEY AIRPORT. FLIGHTS MAY PRODUCE AIRCRAFT NOISE AS A RESULT OF FLIGHT OPERATIONS.

TITLE

Title to this subdivision is vested in Cave Buttes Development Partners, LLC, an Arizona limited liability company.

Subdivider's interest in this subdivision is evidenced by a Memorandum of Rolling Option Agreement, recorded in Document No. 2017-851569 and 2017-867896.

Subdivider's only interest in the Subdivision is a right to purchase Lots pursuant to the described Rolling Option Agreement. The purchasers have no assurance that Subdivider will purchase all the Subdivision Lots.

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 February 6, 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 \$12.683 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 \$470,000.00, is \$5,066.86.

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 Sky Crossing Community Association.
3. The right to enter upon said land and prospect for and remove all coal, oil, gas, minerals or other substances, as reserved in the patent to said land.
4. Easements, restrictions, reservations, conditions and set-back lines as set forth on the plat recorded as Book 1352 of Maps, Page 39, 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. Easements, restrictions, reservations, conditions and set-back lines as set forth on the plat recorded as Book 1353 of Maps, Page 16 and an Affidavit of Correction recorded as 2017-0946381, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).
6. Covenants, conditions and restrictions in the document recorded as 2017-0883142 and re-recorded as 2017-0886573 and a Declaration of Annexation and First Amendment recorded as 2018-092663, all 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.
7. The terms and provisions contained in the document entitled "Waiver of Claims of Diminution in Value of Property Under Proposition 207" recorded September 14, 2016 as 2016-668060 of Official Records.
8. The terms provisions and easements contained in the document entitled "Development Agreement Between the City of Phoenix, Arizona, Cave Buttes Development Partners, LLC and Taylor Morrison/Arizona, Inc. For Improvements To Deer Valley Road" recorded February 22, 2017 as 2017-0128311 of Official Records.
9. All matters as set forth in Patent, recorded March 2, 2017 as 2017-0152924 of Official Records.

10. All matters as set forth in Notice to Prospective Purchasers of Proximity to the National Memorial Cemetery of Arizona, City of Phoenix Cave Creek Wastewater Reclamation Facility, City of Phoenix Deer Valley Airport, and the Reach 11 Sports Complex, recorded August 30, 2017 as 2017-0643202 of Official Records.
11. The terms, conditions and provisions contained in the document entitled "United States Department of the Interior Bureau of Reclamation Central ARizona Project Roadway Easement" recorded September 26, 2017 as 2017-0708756 of Official Records.
12. The terms, conditions and provisions contained in the document entitled "Temporary Easement Agreement" recorded October 26, 2017 as 2017-0795227 of Official Records.
13. The terms, conditions and provisions contained in the document entitled "Sky Crossing Development Impact Fee Preliminary Credit Agreement for Major Arterial Contributions Project No. 16-1029" recorded November 16, 2017 as 2017-0853842 of Official Records.
14. The terms, conditions and provisions contained in the document entitled "Temporary Easement Agreement" recorded December 15, 2017 as 2017-0931745 of Official Records.
(Affects Lot No. 9-13)
15. The terms, conditions and provisions contained in the document entitled "Temporary Easement Agreement" recorded December 15, 2017 as 2017-0931716 of Official Records.
(Affects Lot No. 26-38)
16. The terms, conditions and provisions contained in the document entitled "Resolution 21605" recorded January 18, 2018 as 2018-042620 of Official Records.
17. Water rights, claims or title to water, whether or not shown by the public records.

18. Deed of Trust to secure an indebtedness of \$100,000,000.00, and any other amounts or obligations secured thereby, recorded March 02, 2017 as 2017-0152925 of Official Records.

Dated:	March 02, 2017
Trustor:	Cave Buttes Development Partners, LLC a Delaware limited liability company
Trustee:	Western Alliance Bank, an Arizona corporation
Beneficiary:	Western Alliance Bank, an Arizona corporation

The above Deed of Trust states that is a Construction Deed of Trust.

(Covers More Property)

An Assignment of Option Contract by and between Cave Buttes Development Partners, LLC, a Delaware limited liability company, Western Alliance Bank, an Arizona Corporation, and Taylor Morrison/Arizona, Inc., an Arizona corporation recorded March 2, 2017 as 2017-0152926, of Official Records.

An Assignment of Option Contract by and between Cave Buttes Development Partners, LLC, a Delaware limited liability company, Western Alliance Bank, an Arizona Corporation, and Pulte Home Corporation, a Michigan corporation recorded March 2, 2017 as 2017-0152927 of Official Records.

A Partial Reconveyance of Deed of Trust recorded December 18, 2017 as 2017-0936337, of Official Records for Lots 26-38.

19. An Option Agreement by and between Cave Buttes Development Partners LLC, a Delaware limited liability company, as Optionor, and Taylor Morrison/Arizona, Inc., an Arizona corporation , as Optionee, dated November 16, 2017, recorded November 16, 2017 as 2017-0851569 of Official Records.

(Affects Lot No. 1-13 and 38-146)

20. An Option Agreement by and between Taylor Morrison/Arizona, Inc., an Arizona corporation , as Optionor, and TM Homes of Arizona, Inc., an Arizona corporation, as Optionee, dated November 21, 2017, recorded November 21, 2017 as 2017-0867896 of Official Records.

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