
MARLEY PARK™
A PLANNED COMMUNITY
City of Surprise, Arizona

MASTER DISCLOSURE STATEMENT

Marley Park Phase I LLC and Marley Park Phase II LLC
7600 East Doubletree Ranch Road, Suite 300
Scottsdale, Arizona 85258

January 31, 2017

Our desire is for you to be an extremely satisfied customer. An important part of your satisfaction is in knowing as much as possible about your new home and community. We offer this basic information statement as a service and protection for you, the Buyer.

THIS IS AN IMPORTANT DOCUMENT. WE REQUIRE THAT YOU SIGN THE LAST TWO PAGES (“**BUYER(S) ACKNOWLEDGMENT OF RECEIPT**”), AS AN INDICATION THAT YOU HAVE RECEIVED, READ AND UNDERSTOOD THIS DISCLOSURE. THE INFORMATION IN THIS DISCLOSURE IS CURRENT AS OF THE DATE SET FORTH ABOVE. INFORMATION CAN CHANGE RAPIDLY; THEREFORE, YOU ARE ENCOURAGED TO CALL THE APPLICABLE GOVERNMENTAL AND PUBLIC AGENCIES REFERENCED IN THIS DISCLOSURE AND IN THE ARIZONA SUBDIVISION DISCLOSURE REPORT (“**PUBLIC REPORT**”) PROVIDED TO YOU BY YOUR BUILDER FOR THE MOST UP-TO-DATE INFORMATION.

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MARLEY PARK™
MASTER DISCLOSURE STATEMENT

July 31, 2016

Welcome to Marley Park™ (the “**Community**”). We are pleased that you (“**Prospective Buyer**”) have decided to purchase a home in our Community. Currently, Marley Park is being developed in phases by affiliates of Marley Park, LLC. Marley Park Phase I LLC and Marley Park Phase II LLC together act as the master developer and founder of Phase I and Phase II of the Community (“**Founder**”). Your Marley Park home will be, or has been, in the case of completed homes) constructed by one of several neighborhood builders within the Community (“**Neighborhood Builders**”) and will be sold through their respective Arizona brokers and salespersons (“**Neighborhood Licensees**”).

This Master Disclosure Statement (“**Disclosure**”) discloses to you various matters that might affect your decision to purchase a new home in our Community (please see below for “**Important Notice to Resale Buyers**”). Please read it carefully prior to signing any documents. Because much of the information included in this Disclosure has been obtained from other sources (e.g., governmental and other public agencies, public records, etc.) and because the information is subject to change for reasons beyond our control, we cannot guarantee the accuracy or completeness of any information disclosed. Further, we are not responsible for advising you of any changes. You should independently verify the information regarding any matter of concern to you. We also recommend that you visit the Community and drive around the general vicinity surrounding the Community on several occasions on different days and at different times to familiarize yourself with physical and other conditions to determine whether there are material factors that might affect your decision to purchase a home in the Community. Since we cannot predict every circumstance that may be material to you as the Prospective Buyer, you must satisfy yourself about the decision to purchase a home by independently investigating all matters of concern to you.

As part of your purchase of a home in the Community, you will enter into a purchase agreement with your Neighborhood Builder and receive other documents related to this transaction (collectively, the “**Purchase Documents**”). This Disclosure is not intended as a substitute for your review of the Purchase Documents, and it does not amend, modify or supersede the Purchase Documents. If there is an inconsistency between the Purchase Documents and this Disclosure, unless otherwise expressly provided herein, the Purchase Documents will control. Prior to entering into your purchase agreement, you will also receive various disclosures (collectively, the “**Community Disclosures**”) and, if you are purchasing a new home, you will receive the Arizona Subdivision Disclosure Report (and any amendments thereto) for your subdivision (“**Public Report**”) prepared and provided by the Neighborhood Builder, from whom you purchase your new home. Your Neighborhood Builder will be identified as the “Subdivider” and the Founder will be identified as the “Master Developer” in such Public Report. The Founder reserves the right to add additional residential communities and Neighborhood Builders to the Community in the future in accordance with the Master Plan or any amendments thereto. This Disclosure provided on behalf of the Founder is not intended to limit or otherwise replace or affect in any manner the provisions of the Purchase Documents, Community Disclosures, Governing Documents (as defined below) or Public Reports but, rather, this Disclosure should be consulted to determine the Founder's position on important issues current only as of its effective date.

*Except as otherwise noted, all capitalized terms in this Disclosure shall have the meaning given them in the Charter and any supplements thereto (as such terms are defined below. Including that the term “**Unit**” as used herein refers to the land, if any, which is part of the Unit as well as any structures or other improvements on the Unit. The terms “we” or “us” shall refer to the Founder. The term “you” shall refer to Prospective Buyer, as defined above. The term “owner” or “Owner” shall refer to the party(ies) holding title to the referenced residential Unit/Lot within the Community or other residential or commercial real property in which the term is used.*

For information that will help you, the Prospective Buyer, make informed decisions on which kind of mortgage is best for you, you may visit the NATIONAL ASSOCIATION of REALTORS® (NAR) website brochure page at www.realtor.com/home-finance.

1. **COMMUNITY:** The Community is a planned development located on a total of approximately 956 acres and is planned as a multi-phased development. The Community is designed with traditional land planning methods and is located in the City of Surprise (“**City**”), Maricopa County (“**County**”), Arizona. The Community lies south of Waddell Road, north of Cactus Road, east of Reems Road and west of Litchfield Road and such roads serve as the major means for ingress and egress to and from the Community. Sweetwater Avenue serves as the two-lane collector boulevard. The Community includes residential neighborhoods and commercial, public and other uses, including open space. The Community includes a diverse mix of housing types, sizes and styles including single family attached and detached residential production and semi-custom homes, high density residential (including, multi-family, community open space, retail/commercial uses and roadways).

The center of life in Marley Park includes Heritage Park, Heritage Club, Heritage Pool House and Marley Park School (Grades K-8), all of which are completed and open for use by authorized parties, as more particularly described in Section 12 below. These facilities are designed to provide a variety of recreational, educational and social opportunities for the residents and other eligible users.

The Heritage Club offers opportunities for social gathering and club meeting rooms. The Heritage Pool House offers two resort-style recreational pools, barbecues and several gathering areas that are open to the residents and on a very limited basis, to other permitted guests only. Smaller parks located throughout Marley Park’s *first and second phases* currently provide or upon completion are intended to provide active and passive open space that is central to each of the residential neighborhoods.

There is one 13-acre retail site at the corner of Reems and Waddell (described as *Marley Park Plaza*), one fifteen-acre proposed retail site at the corner of Reems and Cactus (described as *Marley Park Promenade*), one 32-acre proposed retail site at the corner of Litchfield and Waddell (described as *Marley Park Square*) and one 27-acre proposed retail site adjacent to and south of Marley Park Square, as referenced on the Site Plan Maps available in the sales office of your Neighborhood Builder. As of the date of this Disclosure, the Marley Park Plaza’s first phase of commercial development is complete; however, the remaining above-described commercial sites are currently not anticipated to be developed until a residential population threshold is met to support such businesses. If developed as planned, the Community will be developed in a series of phases over a period of years. The Founder makes no representation or guarantee as to the exact timing or size of such commercial developments or as to the type/names of future tenants.

Neither the Neighborhood Builder nor the Founder, nor any of their respective agents, employees, or affiliates, has made any representation concerning the timing, location, configuration or existence of any non-residential (including commercial) use on or about the Community.

2. **DEVELOPMENT PLAN:** The zoning and land use designations for the Community are subject to change from time to time. Each Prospective Buyer is strongly advised to determine if the zoning and land use designations for the Community and other real properties in the vicinity of the Community are compatible with such buyer’s occupancy, use and enjoyment of the lot and residential dwelling purchased by such buyer. The Community is presently entitled for up to a maximum of 3,782 residential dwellings and commercial, retail, public and other uses including parks and a school site. All development and use of the Community will conform to all applicable codes and ordinances in accordance with the Waddell Planned Area Development (“**PAD**”). Federal and Arizona State law permits assisted living facilities within planned communities, including residential homes utilized for assisted living. These facilities, if

and when constructed, will nevertheless need to comply with the Governing Documents (as defined below) for the Community, as well as any applicable local codes, rules and regulations. Future development of the Community and surrounding properties remains subject to change and cannot be predicted with accuracy, including that the Founder cannot guarantee that the Neighborhood Builders will construct the number or types of residential dwellings currently planned or that all the residential dwellings planned for the Community will ultimately be built. The total number and types of homes built in the Community will be determined by the size of the lots that are platted in future phases and other factors (including, but not limited to, market conditions or other conditions, including the sale of portions of the property or the acquisition of additional property). Additionally, the establishment and operation of nonresidential uses, including retail, commercial, and service uses, are subject to residential population thresholds and other factors including, but not limited to, market conditions. The Founder reserves the right to make changes in the proposed land uses, improvement plans, street patterns and types, architectural styles and designs, size of residences, and the characteristics of other improvements to be built and there can be no assurance that the Community or the subdivision in which your home is located will be developed as proposed, including that the Founder makes no representation as to the timing, location, nature or existence of any residential or nonresidential use. Plans for common areas and open space surrounding residential areas may be affected by such changes, some or all of which may be outside of Founder's control now or in the future. The Founder makes no representation regarding how the property not owned by the Founder within and surrounding the Community or any subdivision will be used or developed. Existing and/or proposed uses and zoning of adjacent property are subject to change and are not within the Founder's control. Also, the Founder reserves the right to sell portions of the property remaining in the Community to one or more other developers who may have the right to request changes in the development plan. You are also advised to obtain a copy of the recorded map and correction documents, if any, from the Seller of your home and note all easements, restrictions and statement contained therein. If of interest, you should contact the City of Surprise Community and Economic Development Department at (623) 222-3000 for up-to-date zoning or uses for adjacent lands.

IMPORTANT NOTICE TO RESALE BUYERS: Land use designations and all other information contained in the Public Report originally prepared by the initial Subdivider for your home's particular subdivision is current only as of the date of the issued Public Report filing or any amendment thereto. Consequently, no assurance can be given to any resale buyer in the Community that any information contained in a Public Report (including a Public Report viewed on the Arizona Department of Real Estate's web site at www.azre.gov) including, but not limited to, information regarding assessments, fees, development plans, schools, utilities, zoning, title exceptions or uses for adjacent land is still accurate and up-to-date and has not otherwise changed since initially described in the Public Report. **Resale buyers should, therefore, make all inquiries of interest to obtain the most accurate and up-to-date information on matters addressed in any Public Report reviewed prior to purchasing a resale Unit.**

3. **GOVERNING DOCUMENTS:** Your home will be subject to the following documents, which may be amended and/or supplemented from time to time (collectively, the "**Governing Documents**"):

- a) The Articles of Incorporation of the Association filed October 9, 2004 with the Arizona Corporation Commission;
- b) The Bylaws of the Association;
- c) The Rules and Regulations of the Association ("**Rules**");
- d) The Community Charter for Marley Park recorded on April 23, 2004 as Instrument No. 04-0440662, the First Amendment to Community Charter for Marley Park recorded on July 28, 2006, as Document No. 2005-1065776, the Second Amendment to Community Charter for Marley Park recorded on December 15, 2006, as Document No. 2006-1639744 in the Official Records of Maricopa County, and the Third Amendment to Community Charter for Marley Park recorded on February 20, 2007, as Document No. 2007-0138811 in the Official

- Records of Maricopa County, together with all duly adopted amendments and supplements relating thereto (collectively, the “**Charter**”);
- e) Supplement to Community Charter for Marley Park (Landscape Maintenance) recorded on February 23, 2007, as Document No. 2007-0220491;
 - f) The Supplement to the Charter applicable to your Lot;
 - g) The Residential Community Design Guidelines, as established by the Founder and amended from time to time (including, “*A Guide for Personalizing your Home*”);
 - h) Sub-association or condominium governing documents (if you are purchasing a Unit that is included in a separate sub-association or condominium association).
 - i) Actions in Writing unanimously approved by the Association’s Board, including but not limited any relating to the establishment of Service Area Assessments (e.g., the establishment of the Mosaic Neighborhood Service Area) ; and
 - j) The 2017 Budget (including the current list of Assessments & Fees, described on **Exhibit B**)

The Governing Documents are available for your inspection in the sales office of the Neighborhood Builder or other Builder from whom you purchase your new home (or, in the case of resale homes, from the Association through delivery by your title company). The Governing Documents should be provided to you prior to the purchase of your new home or during the escrow period prior to the purchase of your resale home. In addition, the Governing Documents are made available to homeowners on Marley Park’s community web portal described below.

4. MARLEY PARK COMMUNITY ASSOCIATION, INC.: Marley Park Community Association, Inc., an Arizona nonprofit corporation (“**Association**”), is the administrative body for the Community and is responsible for creating and providing activities, services and programs, and owning, maintaining, and managing certain property within the Community for the common good and welfare of the Community in accordance with the provisions of the Charter. The Association also exists to administer and enforce the covenants, conditions and restrictions set forth in the Charter, including collecting assessments, fees or other charges levied by the Association against members of the Association. All owners of residential real property in the Community are members of the Association (including those lot owners who are also subject to a sub-association or condominium regime, as provided in Article 5.1 of the Charter. The Association is governed by a Board of Directors, the members of which are appointed by the Founder during the Founder Control Period. As a member of the Association, you will have a right to vote on issues that come before the membership. The “**Founder Control Period**” is defined as the period of time that begins on the date of the Association’s incorporation and terminates upon the first to occur: (i) occupancy of 75% of the total Units permitted by applicable zoning for the property described in the Master Plan for the Community or (ii) December 31, 2042 or (iii) when, in its discretion, the Founder so determines and declares in a recorded instrument. To fund the Association’s activities and responsibilities, certain regular assessments are payable to the Association, on the first of every month and are comprised of the Association’s Base Assessment; and for certain Buyers, Service Area Assessments which are levied to pay expenses incurred for benefits or services provided by the Association with respect to certain portions of the Community that are not common to all owners in the Community (currently, this only applies to Lots within the Mosaic Park Neighborhood covering the following Lots: Lots 1104 through 1107 and Lots 1110 and 1111, Lots 3001 through 3067 and Lots 7037 through 7047, Lots 7049 through 7067, and Lots 7072 and 7073), which have an additional 2015 Neighborhood Service Area Assessment; Special Assessments and Specific Assessments. **Please refer to Exhibit B attached and incorporated herein for the current Assessment & Fee Schedule.** Prospective Buyers should check with their particular Neighborhood Builder for information about any special services that may be offered in a particular neighborhood. In addition, a required one-time “**Working Capital Contribution**” must be made upon the first transfer of a Unit by an owner other than the Founder, or Neighborhood Builder, in the amount of 1/2 of the annual Base Assessment. All fees and assessments are payable commencing as of the date you close on the purchase of your home. The Association may also charge reasonable use and consumption fees to anyone using

Association services or facilities. Assessment amounts may change in the future, as provided in the Association governing documents and in accordance with Arizona law. Membership in the Association, except for members of the Board of Directors, shall be limited to lot owners and residents of the Community as more specifically set forth in the Articles of Incorporation and Bylaws of Marley Park Community Association, Inc. In accordance with the Association's current Governing Documents described above, non-members may be charged for guest and user fees for various facilities. Certain exemptions and additional restrictions may apply and you should carefully review Article 14 of the Charter for complete details.

For more information on current fees and assessments, please refer to **Exhibit B** of this Disclosure or write the Marley Park Community Association, Inc., c/o Marley Park Heritage Club, 15210 West Sweetwater Avenue, Surprise, Arizona 85379, or contact by phone at (623) 466-8820, fax at (623) 466-8828 or following closing please visit www.marleypark.com. For detailed information on the budgeting process, please refer to the Charter. These documents are also available for your inspection in the respective sales offices and are given to you by your Neighborhood Builder prior to the purchase of your home in the Community.

The Association will be responsible for the operation and maintenance of the Heritage Club, Heritage Pool House, management of the Arbor Walk, management of the community portal (www.marleypark.com) and related communication programs, management of common area landscaping and walls, management and maintenance of the alley tracts, management of parks (other than public parks) and common areas, including the Veterans Commemorative Plaza available for use by all residents in the Community.

5. **TECHNOLOGY:** Cox Communications services, including internet, telephone, cable television, pay-per-view movies and digital music are currently available from Cox on an individual basis, through an individual subscriber agreement directly between you and Cox and require your payment of fees and charges established by Cox from time to time.

You are free to make individual arrangements for internet, telephone, cable television, pay-per-view movies and digital music services from another provider or elect to not utilize this service through any provider. Since the Community is a site with active construction, service outages due to construction may occur from time to time and will likely be more common initially than after construction activities are completed.

The Association, as part of its scope of community programs will provide for the operation of a community web portal, www.marleypark.com. This Community-wide interactive communication system provides a means of learning about upcoming events, news and other information via message boards and personalized Marley Park email that will be offered to all residents. Access to www.marleypark.com will be conditioned upon each acceptance of a User Agreement and adherence to that User Agreement and the guidelines referenced therein, which are subject to change. The ongoing operation of www.marleypark.com is funded by the Association. The community web portal, www.marleypark.com, will be made available on an "AS IS" basis. The Founder and the Association do not make any warranties of any kind with respect to www.marleypark.com or any of its content although the Association has implemented precautions intended to safeguard your privacy online. A Privacy Policy will be made available upon registration and posted online which identifies how your personal information will be treated as you and other authorized household members use www.marleypark.com.

Neither the Founder nor the Association has control over or liability or responsibility for any other telecommunications system or service provided in the Community, including internet, telephone, cable television, and digital music, or any other service interruption that may occur from time to time.

6. **INTELLECTUAL PROPERTY RIGHTS:** The Founder and its affiliates own the exclusive rights to the “Marley Park™” mark, name and logo (referred to as the “**Marley Park Marks**”), with all rights reserved. The purchase, lease or sale of any property located in the Community does not give any buyer, seller, brokerage, agent of the buyer or seller, or tenant the right to use the Marley Park Marks or any of the Founder’s copyright protected materials or works. The use, creation, registration and/or application to register any mark, name, domain name, designation, club name, business name, entity name (even if such entity is created for the sole purpose of either owning, leasing or selling a Lot within the Community, including the Subdivision), or any other identifier of source that is comprised of or incorporates the Marley Park Marks or are confusingly similar to the Marley Park Marks, for any purpose whatsoever, is strictly prohibited without the prior written authorization of the Founder, which can be withheld at the Founder’s sole discretion. The Founder’s marketing and promotional materials, photographs, images, text, renditions and floor plans, architectural plans and drawings, web sites, the contents thereof and any other materials or works, whether in print or online, are protected under copyright law. Any violation of this provision will constitute an intentional and willful violation of the Founder’s rights and shall subject such individuals to full enforcement and penalties allowed by law. Prospective Buyers shall be required to notify all future owners, outside real estate brokerages representing Prospective Buyer and tenants of Prospective Buyer’s Lot of this provision and these prohibitions.

7. **COMMUNITY ENHANCEMENT FEE:** By its acceptance of a deed with respect to any residential Unit (as such term is defined above), the Owner of such Unit is hereby deemed to acknowledge and agree to the requirement that any Owner transferring title to such Unit shall pay to the Association a Community Enhancement Fee in an amount not to exceed one-fourth of one percent (0.25%) of the gross sale price of the Unit. Certain exemptions apply, such as transfer by: the Founder, by a builder designated by the Founder who held title solely for purposes of resale, by a co-owner to any person who was a co-owner immediately prior to such transfer, to the Owners’ estate, surviving spouse or heirs, to an entity wholly owned by the grantor or to a family trust. This requirement is more fully set forth in Article 14.11 of the Charter.

8. **COMMUNITIES FACILITIES DISTRICT:** The Community is located within the boundaries of the Marley Park Communities Facilities District (the “**District**”), which was formed to finance the construction and acquisition of public infrastructure that benefits the Community. The District includes all of the residential land within the Community. The District finances public infrastructure through the issuance of general obligation bonds. The existence of the District has had a beneficial impact on property owners in the District because the ability to utilize bond proceeds allows the construction of infrastructure to occur earlier than would otherwise be possible and, in some cases, provides infrastructure amenities that otherwise might not be available. The proceeds of the previous bond issuances and any future bond issuance have been and are expected to be utilized to purchase previously engineered, designed and constructed water, wastewater, paving, curb/gutter, sidewalks, drainage and street landscape for City arterials and collector streets designed located adjacent to and within Marley Park and the 25-acre Heritage Park. In addition, the proceeds of the bond issuances can be used to finance the engineering, design and construction of water, wastewater, paving, curb/gutter, sidewalks, drainage and street landscape for City arterials and collector streets. Property owners in the District will also benefit from having higher quality improvements that will be maintained to a higher standard than would otherwise be the case. Each Owner will participate in the repayment of the bonds in the form of an addition to each owner’s annual property tax bill. This added tax, like your other property tax liability, may be deductible from federal and state income taxes.

9. **MARICOPA WATER DISTRICT ASSESSMENTS AND WATER DELIVERY:** A portion of the Community is within the service area of the Maricopa Water District (“**MWD**”) and is subject to assessments by the MWD (“**MWD Assessments**”), even if there is no water delivery by MWD (for irrigation) to the entire Community. MWD shall bill the Association for the MWD Assessments and water use, if any, for the Community. The Association is appointed and authorized by the Owners of the Units

in the Community to act on behalf of the Owners and be responsible for the payment of the MWD Assessments for all Units and Common Areas located within the Community and for the payment and coordination of any MWD water orders, deliveries, and water usage reporting for the Units and Common Areas. No Owner shall have the right to request water directly from MWD for a Unit. To the extent that the Association fails to pay MWD Assessments on behalf of all Owners, each Owner shall remain obligated for the payment of such MWD Assessments for his or her Unit.

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

11. **STREET LIGHTING IMPROVEMENT DISTRICT:** The electricity and maintenance of the street lights will be paid by the individual lot owners through a Street Light Improvement District (“**District**”). As further described in Resolutions adopted by the City of Surprise from time to time. . The intended purpose is to fund the purchase of energy for lighting the public streets within the District. The assessment will not exceed One Dollar and Twenty Cents (\$1.20) per each hundred dollars of your property’s assessed valuation established by the Maricopa County Assessor (the property’s assessed valuation established by the Maricopa County Assessor currently equates to approximately 10% of the full cash value of the home). This assessment will be collected as part of the annual property tax bill. The creation of additional districts is anticipated in connection with the future development of parcels.

12. **SCHOOLS:** The Community is located in the Dysart Unified School District. Children residing in the Community are currently eligible to attend the following schools:

Elementary (and Middle) School: Marley Park Elementary School (Grades K-8) is located on Sweetwater Avenue near the cross-streets of Bullard and Sweetwater Roads on 15 acres donated by Founder. The address is 15042 West Sweetwater Avenue, Surprise, Arizona 85379, (623) 523-8200. Further details may be found at their web site at: www.dysart.org/marleypark. The school and surrounding grounds occupy the 15-acre section of the 45-acre public-use education and recreation parks complex within the Community further described below. Marley Park Elementary School opened in August 2004. The school serves students from surrounding communities, as well as Marley Park’s eligible school-age population located west of Bullard Avenue. Children located east of Bullard Avenue will be served by Luke Elementary School located at 7300 North Dysart Road, Glendale, Arizona 85307, (623) 876-7300. Further details may be found at their web site at: www.dysart.org/luke. Please refer to attached **Exhibit A**, K-8 School Boundary Map for the Dysart Unified School District #89. Currently, school uniforms are not required within the Dysart Unified School District, and such rule is subject to change and outside of the Founder’s control.

Charter School: Legacy Traditional School (Grades K-8) is a public charter school located east of Bullard Avenue off Sweetwater Avenue (14506 West Sweetwater Avenue, Surprise, Arizona 85379, (623) 299-9820. The school’s original campus is situated on 12 acres and includes a 68,000 square foot building with 40 classrooms, Mozart Performing Arts Track (grades 3 through 6), Athlos Fitness Track Amenities, computer lab, media center, full-size gym with wood floor, full-service commercial kitchen, school cafeteria, soccer and football fields, baseball diamond, outdoor basketball courts, and on-site before and after school care. In November of 2016, the School purchased an additional 3.89 acres of adjacent property, which will be the site for an additional approximately 30,000 square foot building on their campus. Further details may be found at their web site at: www.surprise.legacytraditional.org.

High School: Dysart High School (Grades 9-12) is located at 11425 North Dysart Road, El Mirage, Arizona 85335, (623) 876-7500 and located approximately three and one-half (3½) miles from the southeastern boundary of the Community. Further details may be found at their web site at: www.dysart.org/dysarthigh. Currently, a parent/guardian may apply for Open Enrollment at another school within the Dysart School District if, and only if, they are currently accepting open enrollment at that time. Such policy is subject to change and outside of the Founder's control. Transportation to and from the school for which open enrollment is requested is the responsibility of the parent/guardian. Please contact the individual school for more detailed information.

Questions regarding residency requirements should be directed to the school or to the Assistant Superintendent for Educational Services at (623) 876-7002. School assignments and bus assignments are subject to change. You should contact the local School District for verification of the current location of the assigned schools, school bus schedules/availability and details on school uniforms. The School District reserves the right to determine if, when or where additional schools are to be built within the School District as well as which schools will service the Community. You may contact the Dysart School District #89 at (623) 876-7000 or write/visit them at Dysart School District, Education Center, 15802 North Parkview Place, Surprise, AZ 85374 or visit their web site at www.dysart.org. Additional information regarding schools and districts can be found at www.greatschools.net and www.sfb.state.az.us. Bus service is currently available to and from Dysart High School only for Marley Park's eligible high school-aged residents. Such routes and availability are subject to change and outside of the Founder's control.

Although there is no substitute for an onsite visit to the school to talk with principals and teachers, there is a significant amount of information about Arizona's schools on the internet. Additional information regarding public and charter schools and districts can also be found at www.ade.state.az.us/schools/schools/districts.asp, www.greatschools.net and www.sfb.state.az.us.

13. **USE OF SCHOOL AND RECREATIONAL FACILITIES/ASSURANCES:** The Community offers residents a variety of current and proposed amenities, including an existing centrally located 45-acre public-use education and parks complex that includes Heritage Park, Heritage Pool House, Marley Park Elementary School and The Heritage Club; a series of unique neighborhood parks and an arbor system. As part of the overall 45-acre parcel, this area includes a 5-acre shared use area adjacent to the school, which includes a ball field and open space that is intended to be used for school activities while classes are in session and by the greater City of Surprise community (the "City") at other times. It was initially owned by the school and maintained by the City. Thereafter, title for these described 5-acres was transferred to the City, although the school will enjoy continued use of the land during and immediately following the school day. Further details may be found in the terms, conditions and provisions in the underlying document entitled, "Donation Agreement" as amended, as disclosed by a Memorandum of Agreement originally executed by the Dysart Unified School District #89, recorded June 5, 2003 as Instrument No. 2003-0728793 of Official Records of Maricopa County.

Heritage Park is a public facility open to both Marley Park residents and those outside the Community, with many planned programming elements. This 25-acre park features open play and adventure play grounds, covered picnic areas, an interactive water-play feature, two lighted ball fields in the northern section and a community rose garden, open play area, restrooms, flower gardens, various trees, an expanded parking lot and a 1,600 seat amphitheater in the southern section. The City of Surprise Community and Recreation Services Department assumes responsibility for operations, maintenance and event programming.

Heritage Club includes a multipurpose meeting room, community educational programs, organized recreational programs and Community events/meeting, catering facilities, teen room, Association office and an outdoor event patio for use by the residents, and their escorted guests, of the Community. This facility is complete and operational.

The Heritage Pool House is designed for recreation use by Marley Park residents. It includes a traditional play pool, lap pool, shade structures, a small building that houses an office and meeting room, as well as a storage building. Heritage Pool House is subject to all applicable state and local pool ordinances, as well as the Marley Park Community Association's Pool Rules and Regulations. Heritage Pool House is located just north of the Heritage Club, which is located on Sweetwater and Founders Park Boulevard. The pool site is approximately 2.67 acres. This facility is complete and operational.

Neighborhood Parks:

In addition to Heritage Park, additional uniquely themed Neighborhood Parks have been completed and/or planned for Phases I and II, as more particularly described below. These parks feature or are planned to feature (as applicable) open play areas, covered picnic areas, flower gardens and various trees. Neighborhood Parks are more intimate parks that are planned to serve the adjoining neighborhood and will range in size from approximately one-half (½) acre to just over one (1) acre. The plan is for Neighborhood Parks to be completed as dictated by the timing of adjacent subdivision development and home occupancy.

Currently, the following Neighborhood Parks are complete and operational:

- Marley Park, Wisdom Park, Discovery Park, Mosaic Park, Arbor Park, Desert Garden Park, Founders Park, Hourglass Park, Plaza Park, Rose Garden Park, Bumblebee Park, Storybook Park, Starlight Park, Veranda Park, Strata Park and Legacy Park.

Linear Parks:

The linear parks are completed as dictated by adjacent subdivision development and home occupancy (not yet bonded, under construction or guaranteed for completion by a certain date).

Linear Parks, paths and trails are not given marketing names and are used to connect the park system by enabling pedestrians to travel easily throughout the community. the Community includes several miles of tree-lined paths that link the unique parks and neighborhoods.

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

Assurances: No escrow will close for a home until the City of Surprise has issued an Occupancy Clearance and all subdivision improvements have been completed or bonded. Founder has entered into a Certificate of Occupancy (aka "C of O") Hold with the City of Surprise as assurance for the completion of subdivision improvements.

Founder has posted assurances satisfactory to the City of Surprise for the completion of master infrastructure improvements within Marley Park.

Maintenance for the subdivision facilities of the respective parcels shall be as stated in the recorded Community Charter and as stated in the Articles of Incorporation and Bylaws of the Community Association. Utility companies shall maintain their respective utilities. The City of Surprise shall maintain the public streets.

The Founder will post assurances for the completion of any future phases of on-site and off-site infrastructure improvements. Unless otherwise completed at the time of Buyer's receipt of this Disclosure or currently bonded as set forth below or in the future, the master community amenities are currently proposed development concepts, which are subject to change. Please refer to your Neighborhood Builder's Public Report for further details on the assurances provided or completion status of any listed amenity in this Disclosure. There is no guarantee or representation by the Founder or any Neighborhood Builder that any currently proposed unbonded facility described above will be built, or if built, when it will be built and what programs it will contain. All described amenities remain subject to change and the ultimate programs may vary. Such reference is not intended as a representation or warranty by the Founder, Neighborhood Builder or Association that such amenities will be built in the exact design and with the features shown or even if such unbonded amenities will ever be built.

14. POSSIBLE FUTURE AMENITY: The Founder may plan for an additional recreational amenity within the Community in the future north of Sweetwater Avenue. Factors affecting this possible amenity include availability of construction funding from the Association or third parties and the impact of maintenance, insurance and reserve funding on the Association's budget and assessment levels.

Neither Founder nor the Association makes any representation or guarantee that any particular future recreational facility will be made available, nor do they represent or warrant the timing of completion, the exact size, type or location of the possible amenity. No bond has been provided to assure the completion of the above described possible amenity.

15. FACILITIES AND SERVICES OPEN TO THE PUBLIC: Certain facilities and areas within the Community are open for use and enjoyment of the public. Such facilities and areas will include, by way of example: greenbelts, trails and paths, parks, and other neighborhood open areas, roads, sidewalks and medians. The Founder may designate such facilities and areas as open to the public at the time the Founder makes them a part of the Area of Common Responsibility as set forth in Article 16.1 of the Charter, or the Board may so designate at any time thereafter.

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

17. ALLEY LOADED PRODUCT TRASH COLLECTION: With respect to Parcels 1, 2, 3, 5, 7, 8, 9, 11 and 12 (and additional parcels in future development), there are certain trash pickup requirements for primarily the alley loaded product (and in some limited instances standard lots that are affected). The Founder has developed this trash collection program in cooperation with the City of Surprise Sanitation and Public Works Department, along with the Association to minimize the impact to any one homeowner. The Neighborhood Builders for Buyers of such affected lots within the above parcels shall provide complete details (including exhibits that reflect the locations of trash bins for collection). In all of the collection scenarios described in such materials, the Founder will be installing individual pads upon which the trash

bins are to be placed. In addition to the information provided by Neighborhood Builders to such Buyers, additional information on this issue will be available to Buyers in their Welcome Packets from the Community Association and on the Community Web Portal (when on-line).

18. ACCESS AND SECURITY: The Community is not gated and is not otherwise a controlled-access community. Neither the Founder nor the Association have any affirmative obligation, and we assume no legal duty, to take any measures to provide security or insure the safety, privacy or security of individuals or property within the Community, and we make no representation as to the effectiveness or adequacy of any measures that are, or may have been, taken voluntarily or otherwise by the Founder or any other person, including lighting. Periodically, the Founder and/or Builders may hire private security firms for the purpose of patrolling active construction areas. Private security firms are not responsible for patrolling residential areas; Surprise Police Department is responsible for public safety in residential areas.

Certain areas in the Community may be subject to on-street parking restrictions due to the requirements of local fire safety codes, street cleaning, restrictive covenants (including handicapped parking areas) or during active construction or other activities and occurrences. These restrictions may preclude you, your tenants or your guests from parking on the street in front of or near your home at any time. Signs will be posted but parking restrictions may or may not be identified with red-painted curbs. At present, on-street parking is restricted within 50 feet of an intersection. Parking restrictions are subject to change. Vehicles parked in “no parking” zones may be towed, at the vehicle owner’s expense, without advance notice. Neither the Founder nor the Association assumes any liability for any inconvenience (including towing of any vehicles at the vehicle owner’s expense) and penalties incurred by owners, tenants or guests for non-compliance with posted signs, marked curbs or other parking restrictions. Parking restrictions are subject to change.

19. NATIVE DESERT/PUBLIC PATHS AND TRAILS: The Community is situated in a desert area where native wildlife exist, including but not limited to, desert cottontail, desert tortoise, black-tailed jackrabbit, birds, bees, javelina, coyotes, mule deer, various rodents, lizards, scorpions, black widow spiders and snakes that are common in this part of Arizona, which may be of concern to certain individuals. Additionally, the animal wildlife may venture from the natural open space area and into residential portions of the Community. You assume all risks pertaining to such wildlife and release the Founder and the Association and all of their respective officers, directors, shareholders, employees, consultants and agents from any and all claims, damages, costs, expenses, losses and other liability (including actual attorneys’ fees) for death or injury to any person and/or damage to any property or pets arising from or otherwise relating to your use of entry onto the natural open space, or such wildlife.

You should also be aware that there is a need for residents to confine valuable plants and flowers that may be a potential food source to wildlife. Valuable plants and flowers should be fenced to avoid damage or destruction. You may encounter increased light, noise, dust and loss of privacy as a result of the public’s use of paths and trails throughout the Community. You are strongly advised to (i) securely cover all food and trash located outside of your home to avoid attracting wild animals, (ii) keep pets from straying outside of your Lot, (iii) eliminate sources of standing water on your Lot that can support mosquito breeding, (iv) vaccinate your pets from mosquito born viruses and (v) properly protect yourself and your children when outdoors. You are personally responsible for protecting yourself, your family and your Lot from the impact of rodents and pests. 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 Maricopa County Extension Service at (602) 827-8200, or visit their web site at www.extension.arizona.edu/maricopa or also visit www.desertusa.com/life.html. Keep your children and pets away from ant mounds and hives.

You are also advised that large animals including javelina, coyotes and mule deer often use roadways to travel from location to location and you should use appropriate caution and safe speeds when driving

roadways within the Community. Neither the Founder nor the Association makes any representation or warranty concerning the safety of any person or pets from bites, nuisances or damage to property that may be caused by any animal or pest.

20. **ONGOING CONSTRUCTION AND SALES ACTIVITY:** There is likely to be a significant amount of construction-related activity (e.g., construction traffic and hauling of construction materials) and the resulting dust, dirt, debris and noise at varying times of the day throughout the Community. The construction and sales of homes may cause you some inconvenience (e.g., noise and dust from construction traffic, increased noise from construction activities which may commence earlier during summer hours, travel delays due to construction traffic and prospective buyers visiting the model complexes and sales offices). Further, due to ongoing construction and sales activity, public infrastructure, public and private utilities (e.g., water, electricity, telephones, cable television, sewers, storm drains, etc.) within the Community and/or servicing your home may be temporarily interrupted and/or adversely affected. You must exercise extreme caution and observe all signs that may be posted when driving through a construction zone. Construction sites are inherently dangerous and it is your responsibility to supervise children under your care to prevent them from entering areas under construction without permission or supervision and you and your guests, invitees and contractors are required to comply with the applicable rules. If you enter any construction areas, with or without permission you will be presumed to have assumed all risk of any and all injuries (including death) to any person and/or damage to any property arising from or in any way related to your entry onto your lot or other construction area and waived any and all claims of any kind or nature against the Founder, the Association and its and their subsidiaries and related entities, and all of its and their employees, officers, directors, shareholders, contractors, subcontractors, vendors, agents, representatives, consultants, and its and their respective successors and assigns arising from or in any way related to your entry into your lot or other construction area. **IN ADDITION, BY SIGNING THIS DISCLOSURE, YOU AGREE THAT YOU SHALL PROCEED AT YOUR OWN RISK DURING ANY VISIT PRIOR TO MOVE-IN AND YOU RELEASE AND WAIVE ANY CLAIMS AGAINST FOUNDER, THE ASSOCIATION, AND ITS AND THEIR SUBSIDIARIES AND RELATED ENTITIES, AND ALL OF ITS AND THEIR EMPLOYEES, OFFICERS, DIRECTORS, SHAREHOLDERS, CONTRACTORS, SUBCONTRACTORS, VENDORS, AGENTS, REPRESENTATIVES, CONSULTANTS, AND ITS AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, AND ANY AND ALL OTHER PERSONS OR ENTITIES THAT COULD BE POTENTIALLY LIABLE TO YOU AS A RESULT OF AN INJURY WHICH MAY OCCUR DURING YOUR VISIT TO YOUR HOME OR TO ANY PORTION OF THE COMMUNITY.**

21. **DRAINAGE:** You must not change or interfere with the established drainage pattern(s) on your lot in a manner that would deviate from the Community master drainage plan or the approved drainage plan for your subdivision. You or any subsequent owner of your Lot can not proceed with any on site grading or excavation without first obtaining a permit from the City of Surprise's Engineering Department. No structures of any kind may be constructed, or any vegetation planted nor allowed to grow within drainage easements that would impede the flow of water through any drainage easements.

The drainage patterns established in the Community master drainage plan and the approved drainage plan for your subdivision have been carefully developed to facilitate proper drainage from slopes and yard drainage to the street or natural swales. Any interference with the established drainage patterns as initially constructed, or failure to properly maintain drainage facilities, can cause water to drain inadequately or improperly or to become entrapped within the yard area and could cause structural failure or damage to adjoining property and improvements. The drainage patterns must be maintained so as to ensure continued proper drainage including, without limitation, clearing accumulations of silt and debris after storms and the prevention of incursion of roots and other plant growth which may damage or undermine drainage facilities and patterns. Please note that the construction of improvements, including but not limited to, pools, patios, gazebos, curbs, decks, walks or any other landscape amenity can block, alter, or modify drainage patterns,

thereby requiring corrective measures be taken to insure proper water flow. You are strongly advised to consult landscape architects, geotechnical engineers and/or qualified civil engineers or contractors for advice prior to the installation of yard landscaping or any alteration to the drainage patterns. You should be aware that some of the curbs and/or gutters throughout the Community will have a flow of drainage water from time to time due to ongoing irrigation of public and private landscaped areas. Special care must be taken to minimize and remediate the build-up of algae and debris on your Lot that may result from such water flows.

Drainage facilities will consist of some or all of the following throughout the Community: drainage channels, pipelines, manholes, catch basins, drywells and outlets, storm drain inlets, and retention facilities. The City of Surprise is responsible for continuing maintenance and expense of the facilities within public rights-of-way. The Association will maintain drainage features, such as head walls, bubble-up structures and dry wells, within common community recreational facilities. The facilities are built to the City's standards.

A drainage report is on file with the Flood Control District of Maricopa County. Wood/Patel & Associates has certified that the residential portions of this Community do not fall within a FEMA designated 100-year flood zone and, therefore do not require flood insurance. However, you are advised to check with your own lending institution for any specific insurance restrictions they may elect to impose, which is outside of the Founder's control. Drainage conditions within and around the Community have been evaluated to determine finish floor elevations that will be one (1) foot above a 100-year frequency storm when constructed to the elevations shown on the approved grading plans.

If you change or interfere with the drainage patterns established by the Community master drainage plan or the approved drainage plan for your subdivision or otherwise fail to conform to applicable requirements, you will be deemed to have assumed all risk of any and all injuries (including death) to any person and/or damage to any property arising from or in any way related to such change, interference or failure to conform, and waived any and all claims of any kind or nature against the Founder and the Association, and its and their subsidiaries and related entities, and all of its and their employees, officers, directors, shareholders, contractors, subcontractors, vendors, agents, representatives, consultants, and its and their respective successors and assigns arising from or in any way related to such change, interference or failure to conform. You may also be required to make all modifications necessary to your Lot to conform to the Community master drainage plan and the approved drainage plan for your subdivision.

22. SOILS CONSIDERATIONS AND LOT SETTLEMENT: All soil, by its nature, exhibits some expansive and/or subsidence potential. When preparing to landscape your yard and construct any post-closing improvements such as masonry walls and planters, slabs, walks, pools, spas, patios and other improvements, you must take special care to accommodate the soil conditions on your property. You will need to take proper precautions and may want to obtain, at your own expense, your own geology and geotechnical report prior to constructing pools, spas, concrete slabs or other improvements requiring excavation to ensure proper precautions and stability measures are taken and geotechnical design parameters are recommended.

In addition, lots in fill areas or in areas underlain by materials other than bedrock will generally settle over time. This settlement is a natural and predicted occurrence and should be expected throughout this Community. Due to the physical characteristic differences and variation of the thickness of fill in different areas within the Community and your subdivision, as well as variable subsurface conditions, sometimes the settlement is not uniform. The difference in settlement between different areas is what is termed "differential settlement."

It is your responsibility, and that of your Neighborhood Builder, contractors and consultants, to properly design and install any improvements, which you construct so as to protect those improvements from damage due to any soil, or environmental conditions that may exist on your lot.

The Founder and the Association shall have no liability or responsibility in connection with said soil or environmental conditions including, but not limited to, the repair of any cracking, which may occur to improvements not installed by the Founder, or any effects of differential settlement or slope creep.

YOU ARE CAUTIONED REGARDING EXCESSIVE WATERING AND/OR OVER-SPRAY OF LANDSCAPE MATERIALS, PARTICULARLY IN CLOSE PROXIMITY TO YOUR HOME OR ANY WALLS (PRIVACY, COMMON OR RETAINING). EXCESSIVE WATERING WILL RESULT IN STRUCTURAL OR OTHER PHYSICAL DAMAGE TO YOUR HOME OR WALLS. NEITHER FOUNDER NOR SUBDIVIDER SHALL BE RESPONSIBLE FOR ANY DAMAGE TO PERSONS OR PROPERTY CAUSED BY THE ALTERATION OF THE GRADE AND/OR SOILS CONDITIONS BY YOU OR YOUR REPRESENTATIVE. YOU ARE REQUIRED TO MAINTAIN LOT GRADE AND SOIL CONDITIONS AS OF THE DATE OF CLOSING (AS SHALL BE DEFINED IN YOUR PURCHASE AGREEMENT WITH YOUR NEIGHBORHOOD BUILDER). IT IS YOUR RESPONSIBILITY TO NOTIFY LANDSCAPE-RELATED PROVIDERS REGARDING SAME.

23. LANDSCAPING: Except as otherwise provided for herein, the areas outside the boundaries of your lot are maintained by the Association or the City and under no circumstances are you permitted to alter, adapt or encroach into these areas. The landscaped area that lies between the curb and the sidewalk is part of the City owned right-of-way (ROW). Neighborhood Builders will install the landscaping for this ROW area, but the water for this landscaping will be provided from your individual lot irrigation system. The Association will maintain the trees and ground cover within the ROW area while you, the lot owner, will be required to maintain the irrigation system and provide adequate and appropriate water to all the plants.

If required, you must install landscaping and hardscape not provided as part of the initial construction of your home within the time period outlined in the Supplemental Declaration for your subdivision. In terms of landscape planting, your soils are typically sandy or loamy, and may be low in nutrients. In some cases, you may encounter areas of high salt content or clay. Nutrients and organic amendments can be incorporated to improve existing conditions and plant materials should be selected from local nurseries that are familiar with area soils. In all cases, any improvements to your Lot that are visible from neighboring properties must be submitted to and approved by Founder or subsequent Reviewer in accordance with the Charter prior to installation.

Pursuant to the Supplement to the Charter described in Section 3(e) above, the Association is responsible for maintaining all landscaping, including trees, within that portion of any Common Area, public right-of-way, or private street lying between a Unit boundary and any wall, fence or curb located on the Common Area, public right-of-way, or private street within ten (10) feet of the Unit boundary. Such areas are designated as Areas of Common Responsibility.

The foregoing does not limit or otherwise affect the existing responsibility of each Owner to maintain, replace and repair any irrigation lines attached to his or her dwelling, including without limitation irrigation lines serving the landscaping referenced above. If any such irrigation line serving such landscaping is in need of maintenance, replacement or repair, or if the supply of water from such line is in need of adjustment, as determined by the Association, and the Owner fails to properly maintain, replace or repair the irrigation line (or to properly adjust the flow of water from the irrigation line) in a timely manner after receiving notice from the Association, then the Association (a) reserves all rights and remedies under the Charter to

enforce the obligation of the Owner to undertake such maintenance, replacement, repair or adjustment, including without limitation the right to exercise self-help and to charge the Owner for all costs incurred by the Association in so doing, and (b) reserves the right to recover from such Owner any costs incurred to replace any trees, bushes, shrubs or other landscaping that is damaged or destroyed as a result of such failure to maintain, replace, repair or adjustment.

24. MAIL BOXES, STREET ADDRESSES, UTILITY STRUCTURES AND STREET LIGHTS: The location of mailboxes and above ground utility structures is determined by governmental agencies and/or utility companies, not the Founder or the Association, and the location of these structures may affect your lot. In addition, street lights, signs, pedestals and vaults may be located in front of your home. All new or relocated utilities will be placed underground. The Founder makes no representation as to the location of these structures.

Street addresses are determined and approved by the City of Surprise in coordination with the United States Postal Service and are outside the control and responsibility of either the Founder or your Builder. At the time of execution of your Purchase Documents, while a preliminary street address may have been determined for the Lot, the Founder or Builder may not have received the approved Lot Address Map. Therefore, until such approval, the final street address for a Lot may change from the current determination and you are strongly encouraged not to rely on any preliminary street address. The Founder assumes no liability or responsibility for any inconvenience caused by any delay. You will be promptly informed when the final street address for your Lot has been approved for use.

25. BUYER IMPROVEMENTS: All residential lots in the Community are subject to the Charter, Supplement to Charter, and each subdivision is subject to one or more Supplemental Declarations, all of which are of public record. The Charter, Supplement to Charter, Supplemental Declaration, and other Governing Documents are for the protection of property values within the Community and include restrictions regarding what you may do with your lot and home. In addition, certain requirements and restrictions may exist with respect to improvements to your lot or home and with respect to utility easements and/or City rights of way on, or adjacent to, your lot. You should contact the Founder or subsequent Reviewer, or the Association, if you have any questions concerning the requirements and restrictions imposed by the Governing Documents and check with the applicable utility provider, City or other public body if you have any questions concerning utility easements, rights of way or other requirements or restrictions applicable to improvements made to your lot or home. If any improvements constructed on your lot or to your home do not conform to approved Community plans, approved subdivision plans and, where applicable, plans for your lot or home as approved by the Founder or subsequent Reviewer or the Association, you may be responsible for removing or modifying the improvements to conform to the approved plans. You may also be subject to fines and penalties. Before commencing construction of any improvements visible from neighboring properties, please be sure to check with the Founder or subsequent Reviewer, or the Association, and, where applicable, utility providers, the City or other public bodies for any requirements, restrictions or required permits.

26. VIEWS AND LOT PREMIUMS: No representation or warranty is made by the Founder with respect to the presence or absence of any current or future view, or scene from any portion of your home or Lot. Any view from the Community of surrounding areas, or across open space areas is not part of the value of the Community or any home or Lot purchased in the Community and is not guaranteed. Future development and Community landscape and other improvements may affect such view. We specifically disclaim any representation or assurance that any home or lot will enjoy any view. Any such view or scene may change, be blocked or interfered with depending upon activities undertaken on other land.

It is your responsibility to evaluate the location of the home and lot you are purchasing within the Community and determine the acceptability of the location and any assigned lot premium. Real property

values fluctuate and are subject to change based upon market conditions that are outside the control of the Founder and the Association. Modifications made by the Founder in the course of the development of the rest of the Community may affect the value of your home and lot, in addition to your use and enjoyment of your home and lot. THE FOUNDER IS NOT RESPONSIBLE OR LIABLE FOR THE IMPACT OF SUCH CHANGES. NO SALES PERSON, EMPLOYEE OR AGENT HAS THE AUTHORITY TO MAKE ANY REPRESENTATIONS WHICH CONTRADICT THE FOREGOING STATEMENTS AND YOU SHOULD NOT RELY ON ANY REPRESENTATIONS MADE BY ANY SUCH SALES REPRESENTATIVE IN CONNECTION WITH A PURCHASE WITHIN THE COMMUNITY, INCLUDING THAT NO REPRESENTATION OR WARRANTY IS MADE AS TO WHAT PRODUCT WILL BE BUILT ON ANY ADJACENT LOT OR LAND.

27. OVERFLIGHTS: The nearest civilian airport is Glendale Municipal Airport, 6801 North Glen Harbor Boulevard, Glendale, Arizona located approximately nine and three-fourths (9¾) miles from the southeastern boundary of the Community. As disclosed on the plat for the respective Subdivisions within Marley Park, Luke Air Force Base is the nearest military airport and is located approximately three (3) miles to the south of the Community. Luke Air Force Military Base is an active fighter pilot training, practice grounds, with potential daily missions. The Community is located in a high noise or accident zone according to A.R.S. § 28-8461. Due to the proximity to the military airport, this Community is subject to increased noise and accident potential as a result of military operation and military jet overflights. Luke Air Force Base Auxiliary Airfield #2 is located approximately seven (7) miles from the northwestern boundary of the Community, and Luke Air Force Base Auxiliary Airfield #1 is located approximately ten and one-half (10½) miles from the northwestern boundary of the Community. Military overflights may produce aircraft noise within the Community at varying times of the day and night, as a result of military jet flight operations outside of the control of the Founder. The Founder and the Association have no control over flight patterns and operations, which are subject to change, and are not liable for injury or damage of any kind to persons or property that may arise at any time in the future in connection with the operation of aircraft over the Community, or aircrafts landing at or taking off from, or aircraft operating at or on, Luke Air Force Base. Residents within the Community may experience increased noise, vibration, fumes, dust, fuel and lubricant particles or other disturbance or interference resulting from the operation of military aircraft landing at, or taking off from, or operating at or on Luke Air Force Base. All homes within this Community will be constructed in compliance with the sound attenuation standards adopted by the City of Surprise. A map depicting the 1988 MAG Noise Contour Lines in relation to the plats for the respective neighborhoods are displayed in each Neighborhood Builder's Sales Office. Please contact the City of Surprise Community Development Department or see the map of Luke Air Force Base attached to your Public Report and provided by your Neighborhood Builder as referenced above for additional details. For further information regarding current and future flight patterns, aircraft volume, and flight operations, contact Luke Air Force Base at their web site at www.luke.af.mil, or the Luke Air Force Base Department of Public Relations at (623) 856-8182. Please also consult your Neighborhood Builder's Sales Office for a copy of the map required by the City of Surprise that depicts the noise contour lines in relation to your respective plat. The Phoenix-Goodyear Airport is located at 1658 South Litchfield Road, which is approximately 11 miles south of the Community. The Community is also subject to overflight by general aviation and recreation aircraft including, without limitation, hot air balloons, fixed wing aircraft, ultralights, hang gliders and helicopters. Residents will routinely see and hear aircraft and experience varying degrees of increased noise, vibrations, fumes, dust, fuel and lubricant particles and any other effects. The Founder and the Association have no control over flight patterns and operations, which are subject to change, and are not liable for injury or damage of any kind to persons or property that may arise at any time in the future in connection with the operation of aircraft over the Community.

28. FORMER AND CURRENT AGRICULTURAL OPERATIONS: The Community is located adjacent to an agricultural area. Prospective Buyers are advised that the types of agricultural operations are subject to change. Many procedures normal and necessary to the operation of agricultural uses such as field

crops, vineyards, orchards, dairy and poultry farms and feed lots result in noise, noxious odors (particularly, fertilizer odor), chemical spraying (including aerial spraying), dust, irrigation or other potentially detrimental effects to residential use of adjacent properties. Furthermore, Prospective Buyers are advised that the former uses of the property on which the Community is located included agricultural operations. Prospective Buyers are advised that the application of pesticides and fertilizers is likely to have occurred on the property. Prospective Buyers should carefully investigate in person the potential impact of such noise, odor, dust, spraying, irrigation or other effects resulting from the agricultural uses, as these conditions may be disturbing to certain individuals. Furthermore, portions of Marley Park contained the agricultural chemical known as toxaphene. The Founder remediated this condition through the Arizona Department of Environmental Quality's ("ADEQ") approval process, so that the levels upon any Lots within developed phases are now below the required ADEQ residential threshold. For further information, Prospective Buyers may contact the Arizona Department of Environmental Quality.

29. FREEWAYS, ROADS, PATHS & TRAILS, UNDERPASS AND OPEN SPACE: The Community is located in the vicinity of State Route 303 Loop (SR303L) ("**Loop 303**") (which is located approximately one and one-half (1½) miles from the western boundary of the Community), major roads and intersections, streets and roadways, paths and other trails, which may result in additional noise, dust, lighting and pedestrian and vehicular traffic typically associated with these types of facilities. There is a lighted underpass connecting the two sides of Sweetwater Avenue, for public non-vehicular usage. All of these areas may present a safety hazard to unsupervised children, animals and adults. Appropriate precautions should be taken by all individuals when using the underpass and crossing roadways. If of interest to you, the Arizona Department of Transportation Intermodal Transport Division web site provides schedules, maps and other information of new freeway construction in the state and is found at www.azdot.gov/highways.

30. POTABLE WATER TREATMENT FACILITY (ARSENIC): The City of Surprise is committed to providing safe, clean water to City water customers, as more particularly described on its web site at www.surpriseaz.gov. A 5,050 gallon per minute arsenic treatment facility, aka *The City of Surprise Rancho Gabriella Arsenic Treatment* has been completed as part of the City's Water Campus located at the southwest corner of Cactus Road and 136th Avenue, which is approximately two (2) miles from the southeastern boundary of the Community. This facility treats raw water pumped from groundwater wells within Marley Park as well as other various wells within the City to reduce the naturally occurring arsenic levels through a series of treatments, filters, tanks and pumps. The City reports that treated water is compliant with the Environmental Protection Agency standards. This facility is owned, operated and maintained by the City of Surprise and the Founder and Association have no control over the use, maintenance or operation of the facility. For any questions or for copies of any reports, please visit the City of Surprise's web site listed above or directly contact its Water Services Department located at 16000 N. Civic Center Plaza, Surprise, Arizona 85374, (623) 222-7000.

31. WASTEWATER TREATMENT PLANT: Major wastewater lines exist on Reems Road, Cactus Road and Bullard Road. At some point, capacity may be allocated to the Community on all of the sewer lines. As disclosed on the plat for your respective subdivision, wastewater treatment occurs at the South Wastewater Reclamation Plant located approximately one-half (½) mile southeast from the intersection of Litchfield Road and Cactus Road. The City has adequate space to expand this facility, as necessary to serve the Community. Potential impacts in the vicinity of the Wastewater Treatment Plant may include noise, vibrations, fumes, smells, physical airborne particulates and unpleasant odors caused by the lawful operation and maintenance thereof. The South Water Reclamation Facility is located at 11401 North 136th Avenue approximately three (3) miles from the southeastern boundary of the Community. The Founder and the Association have no control over the use, maintenance or operation of the wastewater treatment plant.

32. ABOVE GROUND IRRIGATION WATER STORAGE TANK, BOOSTER PUMP STATION AND WELL: An above ground irrigation water storage tank and associated booster pump stations and well have been constructed within the Community. The tank, booster pump station and well are located in the northwest and northeast portions of Parcel 4. The tank is used to store Type I irrigation water and a combination of groundwater and surface water from Maricopa Water District. The Association-owned parks, along with the arterial and collector streets rights-of-ways, will be irrigated from this tank through an Association-owned irrigation system within the streets. This facility could potentially operate 24 hours per day. Potential impacts to nearby residents include noise, vibration, traffic, visual appearance of the site elevations and additional light.

33. STORM WATER DETENTION AND RETENTION BASINS: Several storm water detention and retention basins, both temporary and permanent, are allocated in or proposed for the Community. There may be standing water in those basins at times and that standing water has the potential to cause odors and attract mosquitoes, among other insects, and could present a hazard to unattended children or animals.

34. NON-POTABLE WATER: Applicable law requires the use of non-potable water to irrigate various portions of the Community and parks, public right of ways and large turf areas. Such non-potable water may include untreated ground water, untreated surface water not suitable for human consumption, potable water that has been exposed to the atmosphere and recycled water (highly treated waste water which conforms to all applicable ADEQ standards for irrigation use). As with any water spray, the repeated spray of non-potable water may stain or discolor personal property, fencing and structural improvements over time.

35. POTABLE WATER: A well, known as Marley Park Well No. 1, is located at the southeast corner of Sweetwater and Bullard Avenues. The well is a raw water well providing groundwater through transmission lines to the City's water treatment facility described in Section 31 above to be treated and used as drinking water. The well is owned, operated and maintained by the City of Surprise. A well, known as Marley Park Well No. 2, is located north of Cactus Road and west of 143rd Avenue. Additional wells are currently planned for construction within Marley Park. The exact locations are currently unknown. The Founder and Association have no control over the use, maintenance or operation of these facilities. For any questions or further documentation, please refer to the contact information for the City of Surprise's Department of Water set forth in Section 31 above.

36. UTILITY RATES: Rates and charges for utility service in the Community are established by the individual utility provider (i.e. Arizona Public Service ("APS") for electric, Southwest Gas Corporation ("Southwest") for natural gas, Cox Communications ("Cox") for cable/internet, CenturyLink ("CenturyLink") for cable/internet, and City of Surprise ("City") for water and wastewater, collectively "Providers". These rates and charges for utility service are set and determined by each individual Provider or the Arizona Corporation Commission ("ACC") as applicable, pursuant to rate applications filed by the Providers. The Providers and Founder, and/or Neighborhood Builders have or may have agreements with one another relating to utility facilities and infrastructure necessary to provide utility service to the Community. Those agreements, in addition to construction and expansion of utility facilities may impact the Providers' future utility rates for providing utility service to the Community. The amount of any such utility rate increase is in the control of the Provider and, therefore, is subject to change as determined by the Provider and/or ACC. You should contact the Providers regarding any changes in utility rates, charges and/or fees for providing utility service to the Community.

37. UTILITY AND WATER TRANSMISSION LINES: Underground dry utility, sewer collection and water transmission lines run throughout the Community. Utility easements containing transmission lines for electricity are located along the northern boundary of the Community and within and along streets within the Community. An Arizona Public Service Company 69kV overhead electrical line parallels the southern

right-of-way line of Waddell Road from Reems Road to Litchfield Road. Maintenance and repair of these lines may cause disturbance and/or inconvenience to residents due to the location of the lines. Other potential impacts include the possible obstruction of views, an increase in noise and dust levels in the area of these facilities during construction, and where applicable, proximity to electromagnetic fields. These dry utilities, sewer collection and water transmission lines are subject to easements in favor of the respective providers. Lots affected by such easements may be subject to restrictions, including the prohibition against the placing of structures or trees within the easement area. Any encroachment of improvements on your lot within such restricted easement areas are subject to the prior written consent of the utility or water provider. The Founder and the Association have no control over the use, maintenance or care of utility lines.

Several electrical transmission lines are located along Cactus Road and Bullard Avenue. In the future, additional high voltage power lines may be constructed near the Community. **Founder advises that transmission lines may create health risks and may have financial or other adverse impacts on the homes or residents within the Community.** The size, nature, voltage and location of such power lines are not within Founder's control and are subject to change. For further information (including, but not limited to, any potential impacts), please contact APS directly, customer service division at (602) 371-7171.

Arizona Public Service owns and maintains the street lights, as well as the electrical cabinets used to monitor power usage. The placement of the street lights and electrical cabinets are within the discretion of the City of Surprise and Arizona Public Service, respectively. The configuration and location of power lines adjacent to Marley Park are not within the control of the Founder or the Subdivider.

Utility easements containing transmission lines for electricity are located along the northern boundary of the community and within and along streets within the Community. The question of whether proximate exposure to electromagnetic fields generated by electrical transmission lines presents long-term health risks is being examined by the scientific community, within which there is significant disagreement. Founder and the Association disclaim any special knowledge or expertise on this issue. Each person who desires to purchase a lot or home should conduct his or her own investigation concerning any possible health risks before signing a purchase contract and are advised to contact Arizona Public Service or the Arizona Corporation Commission, if further information is desired.

Marley Park is located in an area that includes industrial businesses and manufacturing plants. Such businesses and manufacturing plants may produce noise, odors, dust, hazardous air pollutants or other potential nuisances or hazards. For more information, contact Maricopa County Environmental Services Department at (602) 506-6616.

As a result of the natural gas facilities available to this subdivision, 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, Prospective Buyers should contact Southwest Gas Corporation at (602) 861-1999 or go to their web site at www.southwestgas.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.cc.state.az.us/divisions/safety/railroad.asp.

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

38. ADDITIONAL CONDITIONS AND NON-RESIDENTIAL USES IN THE VICINITY OF THE COMMUNITY:

In addition to all other statements in this Disclosure, the following additional non-residential uses and conditions exist on adjacent land and land in the vicinity of the Community. Unless otherwise noted, distances have been determined from the intersection of Sweetwater Avenue and North Founders Park Boulevard and are approximate only:

North:

- 69kV transmission lines are located approximately one-fourth (1/4) mile (at Waddell Road) from the Community.
- Southwest Gas 6” steel high pressure transmission line (275 lbs.) is located adjacent (at Waddell Road) to the Community. For more information contact Southwest Gas at (602) 861-1999 or their web site at www.swgas.com.
- Surprise Recreation Campus is located approximately one and one-fourth (1 1/4) miles from the Community. The facility includes the Surprise Stadium, Surprise Aquatic Center, Surprise Regional Library, multi-purpose fields, lake and park, and the Cactus League Spring Training facility. The City intends to use the facilities for adult and youth recreation programs, community/special events and meeting facilities. For more information please contact the Surprise Community and Recreation Service Department at (623) 222-2000 or visit their web site at www.surpriseaz.gov. **Prospective Buyers may experience possible noise relating to events at the major league baseball practice ground stadium.**
- Mini Storage Unit Complexes are located approximately one and one-half (1 1/2) miles from the Community.
- Surprise Main Branch Postal Service located approximately two and one-fourth (2 1/4) miles from the Community.
- Palo Verde Westwing 500 kV overhead transmission lines are located approximately four (4) miles (at Bell Road) from the Community.
- Granite Falls Golf Club is located approximately two and one-half (2 1/2) miles from the Community.
- Surprise Town Center, 13764 West Bell Road, Surprise, and is located approximately two (2) miles at the northeast corner of Bell Road and Litchfield road and north from the Community. The facility includes a Wal-Mart Super Center and a Home Depot. Additionally, it features more than 40 locally and nationally known stores, banks and restaurants.
- Palo Verde HUB 500 kV line running along Sun Valley Parkway (approximately Bell Road) is approximately two (2) miles north of the Community. For more information please contact Arizona Public Service (“APS”) at (602) 371-7171 or view their web site at www.aps.com.

Northeast:

- West Side Fertilizer is located approximately one and one-half (1 1/2) miles from the Community.
- Wal-Mart Shopping Center is located approximately two and three-fourths (2 3/4) miles from the Community.
- Surprise Towne Center is located on the northeast corner of Grand Avenue and Bell Road in Surprise, and approximately three and one-fourths (3 1/4) miles from the Community.
- Surprise Marketplace is located on the southwest corner of Grand Avenue and Bell Road, approximately three and one-fourths (3 1/4) miles from the Community.
- APS Beardsley Substation is located approximately three and one-half (3 1/2) miles from the Community.
- Grand Avenue (US Highway 60) is located approximately three and one-half (3 1/2) miles from the Community.
- Burlington Northern Santa Fe Railroad is located approximately three and one-half (3 1/2) miles from the Community. Burlington Northern Santa Fe Railroad tracks run parallel to Grand Avenue. Due to

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

- El Mirage Library is located approximately three and one-half (3½) miles from the Community.
- Surprise Police Station is located approximately three and one-half (3½) miles from the Community.
- Safeway Shopping Center is located approximately three and one-half (3½) miles from the Community.
- Sunwest Cemetery is located approximately three and one-half (3½) miles from the Community.
- Del E. Webb Memorial Hospital located in Sun City West and approximately three and three-fourths (3¾) miles from the Community.
- El Mirage Police Station is located approximately four (4) miles from the Community.
- Maricopa County Sheriff's Office is located approximately four (4) miles from the Community.
- Rio Salado College is located approximately four (4) miles from the Community.
- Maricopa County Events Center is located in Sun City West and approximately four and one-half (4½) miles from the Community.

Northwest:

- APS Javelina Substation is located approximately one and one-half (1½) miles from the Community.
- APS Greenway Substation is located approximately one and one-half (1½) miles (at Greenway and Sarival Roads). For more information, you are advised to contact Arizona Public Service (APS) at (602) 371-7171 or their web site at www.aps.com.
- Paradise Education Center is located approximately two (2) miles from the Community.
- Fry's Marketplace is located at the northwest corner of Reems and Bell Roads, and approximately two and one-half (2½) miles from the Community.
- A flood levee is located approximately four and three-fourths (4¾) miles from the Community.
- Beardsley Canal is located approximately three (3) miles from the Community.
- Trilby Wash is located approximately four and three-fourths (4¾) miles from the Community.
- Regional Flood Control Facility, McMicken Dam and Levee, located at Happy Valley Road and 163rd Ave., approximately 7 miles.

East:

- Safeway grocery store is located approximately one and one-half (1½) miles from the Community.
- Railroad tracks are located approximately two and one-fourth (2¼) miles from the Community.
- Concrete Reinforcements is located approximately two and one-half (2½) miles from the Community.
- Sun Tan Truss is located approximately two and one-half (2½) miles from the Community.
- El Mirage Fire Station is located approximately three and three-fourths (3¾) miles from the Community.
- El Mirage Post Office is located approximately four and one-fourth (4¼) miles from the Community.
- Aqua Fria River is located approximately four and three-fourths (4¾) miles from the Community.
- Surprise Pointe located directly across the street is a proposed 290-acre commercial and business park. The development is contemplated to include an Ultra Star movie theater, Walgreens and Crescent Crown Distributing. Plans are subject to change and outside of the Founder's control.
- Banner Thunderbird Medical Center is located at 5555 West Thunderbird Road in Glendale, and is approximately twelve and one-half (12½) miles from the eastern boundary of the Community.

South:

- 69kV transmission lines are located approximately one-half (½) mile south (at Cactus Road).
- Railroad tracks are located approximately two and one-half (2½) miles from the Community.
- Falcon Dunes Golf Course is located approximately three (3) miles from the Community.

- Cal Gas Company is located approximately (3) miles from the Community.

In addition, there is a proposed natural gas pipeline approximately three (3) miles south of the Community, which is outside the control of the Founder, the Association or your Neighborhood Builder. For more information regarding the natural gas pipeline, please contact Kinder Morgan at (602) 278-8564.

Southeast:

- City of Glendale Municipal Landfill is located approximately eight (8) miles from the Community.
- Wastewater Treatment Plant is located approximately three (3) miles from the Community.

AS DISCLOSED ON THE PLAT, THIS SUBDIVISION IS LOCATED WITHIN THE VICINITY OF THE CITY OF SURPRISE’S WASTEWATER TREATMENT PLANT LOCATED SOUTH OF CACTUS ROAD APPROXIMATELY ONE-HALF (1/2) MILE EAST OF LITCHFIELD ROAD, AND MAY BE SUBJECT TO ODORS, FUMES, SMELLS, AND PHYSICAL AIRBORNE PARTICULATES CAUSED BY THE LAWFUL OPERATION AND MAINTENANCE THEREOF.

The South Water Reclamation Facility located at 11401 North 136th Avenue, is approximately three (3) miles southeast of the Community. For more information please contact the City of Surprise Water Services Department at (623) 222-7000 or their web site at www.surpriseaz.gov.

Southwest:

- APS Waddell Substation (Cactus Road and Cotton Lane) is located approximately two (2) miles from the Community. For more information, you are advised to contact Arizona Public Service (APS) at (602) 371-7171 or their web site at www.aps.com.
- Beardsley Canal is located approximately two and one-half (2½) miles from the Community.
- Wildlife World Zoo is located approximately four (4) miles from the Community.
- Palo Verde Nuclear Generating Station is located approximately 29 miles from the Community.
- Railroad tracks are located approximately three and one-half (3½) miles from the Community.

West:

- Beardsley Canal is located approximately four (4) miles from the Community.
- Trilby Wash Basin is located approximately four and one-fourth (4¼) miles from the Community.
- A flood levee is located approximately four and one-fourth (4¼) miles from the Community.
- White Tank Mountain Regional Park is located approximately six (6) miles from the Community.
- Southwest Gas 2” high pressure feeder line is adjacent west (at Reems Road) and a 6” line is presently being constructed. For more information contact Southwest Gas at (602) 861-1999 or their web site at www.swgas.com.
- State Route 303 Loop (SR303L) (“**Loop 303**”) is located approximately one and one-half (1½) miles from the Community. Loop 303 may cause nuisances such as noise, vibration, fumes, dust, fuel particles, and other effects from use of the freeway. For further information, please contact the Arizona Department of Transportation at (602) 712-8965.
- Surprise Senior Center is located approximately six (6) miles from the Community.

Founder further advises that:

The (temporary) central information center constructed and maintained by the Founder is currently not in use. This facility is located on Lots 1001, 1002 and 1003 in Parcel 1 including the associated parking lot and walkways. Based upon timing of future development the Founder has the right to make or permit changes in the use or configuration of the facility including the right to sell, redesign, repurpose, relocate, add to or demolish.

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

Founder hereby gives notice that Parcel 1 is located adjacent to parcels zoned for development with residential lots, to the north, to the south, to the east, and to the west. Each Owner, by taking title to a Unit acknowledges that Founder makes no warranties or representations whatsoever that any land now owned or hereafter acquired by Founder is or will be committed to or developed for a particular (or any) use, and if that land is once used for a particular use, that such use will continue in effect, and that Founder reserves the right to change the uses, densities and zoning of any property in the Community which the Founder owns without the consent of any Owner.

Founder hereby gives notice that certain tracts within certain parcels may be designated as common areas that may include sidewalks, recreational facilities or other uses, and may include lighting fixtures relating thereto, which uses may cause nearby Units to be exposed to light, noise, increased pedestrian and non-motorized vehicular traffic and other matters associated with the use of such common areas. Founder reserves to itself and its successors and assigns the right to install, remove, maintain, replace and repair lighting fixtures, related electrical lines and other related facilities, within certain tracts with certain parcels. The design and location of such fixtures, lines and related facilities shall be as determined by the Association, consistent with the Community-Wide Standard and all other rules, regulations, and design standards and guidelines adopted by the Association with respect to the parcel from time to time, and the Association shall determine from time to time the days and hours of the day on which such lighting fixtures shall be operated.

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

PROSPECTIVE BUYER IS ADVISED THAT HOMES SITUATED ADJACENT TO OR IN THE VICINITY OF AIRPORTS, 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, ODORS, FUMES AND SIGNAGE, AS WELL AS PEDESTRIAN AND VEHICULAR TRAFFIC TYPICALLY ASSOCIATED WITH SUCH FACILITIES.

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

The Founder does not represent or warrant that the above uses, and other uses referenced in this Disclosure, comprise an accurate, complete or current list of non-residential uses and conditions and you are advised that such uses and conditions are subject to change. We recommend that you conduct your own investigation of such uses and conditions, including contacting the City, the school district or other special taxing district, the Association, the Arizona Department of Real Estate, or any federal, state, county or other public or quasi-public entity or authority having jurisdiction over any portion of the Community or other appropriate individual to obtain such information as you deem necessary or advisable. Additionally, please be aware that homes situated adjacent to or in the vicinity of property used for multi-family sites, or non-residential purposes including utility facilities, worship sites, streets and roadways, railroad tracks, wastewater treatment plants, open space areas, construction-related operations and/or other recreational amenities of the Community, may experience an additional amount of noise, dust, lighting, signage, and pedestrian and vehicular traffic typically associated with such uses, conditions and facilities. Neither Founder nor any Neighborhood Builder has any control over any future development or tenant in any nearby shopping area.

39. **SEX OFFENDER WEB SITE:** The Arizona Department of Public Safety's [Sex Offender Info Center](http://www.azsexoffender.org) web site found at www.azsexoffender.org enables the public to search for registered Arizona sex offenders by name or ZIP Code. If of interest, you may wish to check this site before purchasing a home or lot. This site allows the criminal justice community to promote public awareness. Please note that no real estate professional is obligated under Arizona law to disclose to you any information about individuals impacted by this issue.

40. **PUBLIC TRANSPORTATION:** As of the date of this Disclosure, there is no public transportation available to the Community. For information pertaining to bus route times and stop locations, you may contact the Valley Metro Transit System at (602) 253-5000 or log onto their web site at www.valleymetro.org. As of the date of this Disclosure, the closest Valley Metro bus stop to the Community is located along 111th Avenue, between Peoria Avenue and Thunderbird Road, approximately five (5) miles from the eastern boundary of the Community.

41. **NO HOME WARRANTY BY FOUNDER:** Although the Founder has planned and developed certain portions of the infrastructure of the Community, the homes within the Community are built by Neighborhood Builders, who are independent building contractors that are solely responsible for their own products and workmanship. As such, neither the Founder nor the Association has control over or responsibility for any warranty representation, financial or other pre- or post-closing obligation made by Builders and set forth in your Home's purchase and/or construction agreement or any other issues related to the construction of your home.

42. **MARKETING MATERIALS ARE NOT AN OFFER:** All photographs, renderings, and site plans provided in connection with any marketing materials for the Community should not be construed as the actual finished plans or final intended development for any area or portion. Any collateral material or web site material should not be considered an offering of any purchase or lease of home and exact details can and all such information should be obtained directly from the party with whom you have entered into Purchase Documents for your home, or from the applicable regulatory agency. The Founder assumes no obligation to ensure, or liability as to, the accuracy, contents or completeness of any marketing material, web site or representation (verbal or written) outside of its direct control.

43. **NO AFFILIATION WITH NEIGHBORHOOD BUILDERS:** The Founder will receive certain payments from Neighborhood Builders that purchase property in the Community for the purpose of improvements and resale to buyers such as you including in some instances payments determined in part based on the sales price of the property once improved with a home and other improvements. Notwithstanding such payments, the Founder is not in partnership or otherwise affiliated with any such

Neighborhood Builder and the Founder has and assumes no liability or obligation to the buyers of such property or any successor to such buyers with respect to any claim concerning the property, home or other improvements, including, without limitation, any claim concerning any design or construction defect involving such property, home or other improvements.

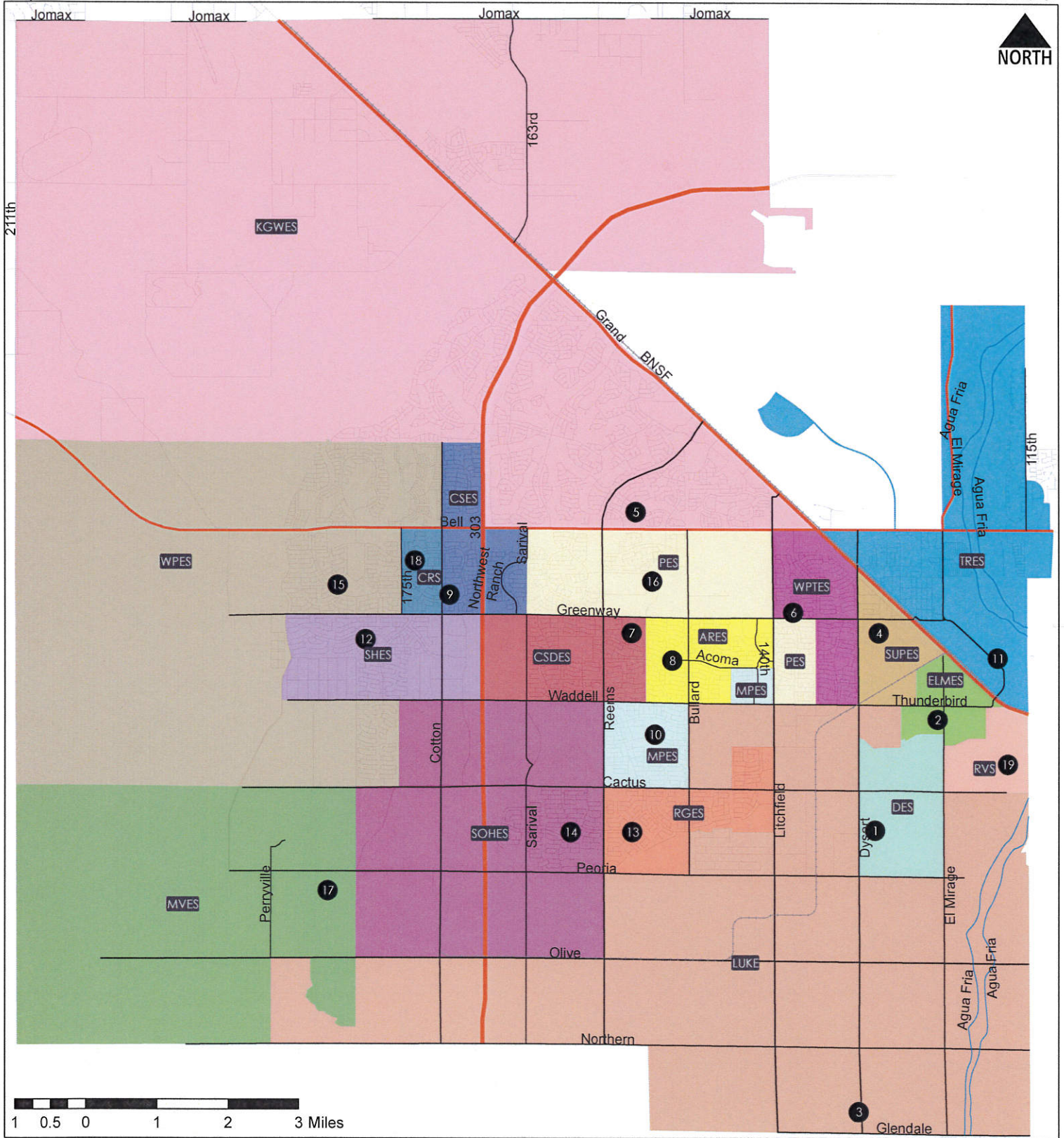
44. MODEL RELEASE: By voluntarily participating in various Community events sponsored by the Founder, Neighborhood Builders and/or the Association from time to time either before or after the closing of your home (“**Community Sponsored Events**”), you acknowledge and agree that photographs or film footage taken of participants at any Community Sponsored Event may be subsequently used by the Association, Founder and its affiliate, DMB Associates, Inc., and the respective affiliates, legal representatives, agents, and assigns of each (collectively, “**DMB**”) for commercial purposes in advertising and marketing materials including but not limited to any newsletters, www.marleypark.com and other DMB affiliated web sites, and DMB marketing and public relations materials. In addition, by attending such Community Sponsored Events, and without the need for a subsequent acknowledgement, you further acknowledge and agree, on your behalf and on behalf of your minor children and guests, to allow such uses and waive any right to pre-approval, royalties or other compensation arising from or related to the use of such photographs or film footage, which shall remain the sole copyrighted property of the Founder and/or the Association.

45. BUYER ACKNOWLEDGMENT AND DISCLAIMER: You acknowledge and agree that no sales person, employee or agent of the Founder, the Association or any Neighborhood Builder, has the authority to interpret, change or modify the terms of any documents whatsoever including, but not limited to, any purchase documents, or the Governing Documents. You also acknowledge and agree that no representation or promise has been made to you by any sales person, employee or agent upon whom you are relying in connection with the purchase of your lot or home. Additionally, no representation or promise, whether oral or in writing, made by any sales person, employee or agent shall be binding on the Founder or the Association unless provided in writing by an authorized officer of the Founder or the Association.

EXHIBIT A

Dysart Unified School District #89 K-8 Boundary Map

(See Attached)



Schools		
1, Dysart Elementary School	5, Kingswood Elementary School	10, Marley Park Elementary School
2, El Mirage Elementary School	6, West Point Elementary School	11, Thompson Ranch Elementary School
3, Luke Elementary School	7, Countryside Elementary School	12, Sunset Hills Elementary School
4, Surprise Elementary School	8, Ashton Ranch Elementary School	13, Rancho Gabriela Elementary School
	9, Cimarron Springs Elementary School	14, Sonoran Heights Elementary School
		15, Western Peaks Elementary School
		16, Parkview Elementary School
		17, Mountain View School
		18, Canyon Ridge School
		19, Riverview School



EXHIBIT B

2017 Assessment and Fee Schedule

(See Attached)



Marley Park Community Association, Inc. 2017 Assessment and Fee Schedule

Adopted November 9, 2016
Effective January 1, 2017

Monthly Assessments

Marley Park Community Association, Inc. Assessment
(Community Charter for Marley Park, Chapter 14, Section 14.5) \$106.00

Marley Park Community Association Special Service Area Assessment (MPCA SSA)
(Community Charter for Marley Park, Chapter 14, Section 14.5) \$81.00

Delinquency and Legal Fees

(Community Charter for Marley Park, Chapter 14, Section 14.6)
(Current Delinquency Account Collection Process)
(DMB Community Life, Inc. Management Contract 2017, unless otherwise stated)

Late Fee	Assessed monthly on the 16 th	\$15.00
Demand Fee	Assessed after the 2 nd month Delinquent	\$35.00
Pre-Lien Fee	Assessed after the 3 rd month Delinquent	\$70.00
Collection Agent Fee		\$125.00
Payment Agreement Default Letter		\$85.00
Record Notice of Lien		\$185.00
Delinquency Lawsuit		\$275 & up
Post-Judgment Collection Service		\$135 & up

Property Transfer Fees

(ARS 33-1806 Resale of units; information required; fees; civil penalty; definition)
(DMB Community Life, Inc. Management Contract 2017, unless otherwise stated)

Builder Transfer

First Time Home Buyer Transfer Fee per Lot	\$100.00
Working Capital Fee – ½ of the Annual Assessment (Community Charter for Marley Park, Chapter 14, Section 14.9)	\$636.00
Prepaid Monthly Assessment Collected at Closing 2 months	\$212.00

Resale Transfer

Resale Transfer Fee	\$300.00
Resale Disclosure Fee	\$75.00
Community Enhancement Fee (CEF) (Community Charter for Marley Park, Chapter 14, Section 14.11)	¼ of 1% of the Gross Sales Price
Prepaid Monthly Assessment Collected at Closing 2 months	\$212.00
MPCA SSA Prepaid Monthly Assessment Collected at Closing 2 months	\$374.00

Builder to Builder Transfer

Transfer Fee per Lot \$50.00

Any Non-Exempt Transfer Other Than a Sale

Community Enhancement Fee $\frac{1}{4}$ of 1% of the
(Community Charter for Marley Park, Chapter 14, Section 14.11) Estimated Fair Market Value

Property Setup Fees

(ARS 33-1806 Resale of units; information required; fees; civil penalty; definition)
(DMB Community Life, Inc. Management Contract 2017)

Tenant Account Setup Fee	\$25.00
Foreclosure Setup Fee	\$400.00
Administrative Transfer Setup Fee (Applicable for Community Enhancement fee Exempt Transfers Community Charter for Marley Park, Chapter 14, Section 14.11(d))	\$75.00
Third Party Disclosure Fee (www.homewisedocs.com)	\$25.00
Resale Rush Fee – 72 hours	\$100.00
Resale Update Fee – After 30 days	\$50.00

Schedule of Monetary Penalties for Non-Compliance

(Community Charter for Marley Park, Chapter 9, Sections 9.2(a)(i) & 9.2(a)(vii))
(Community Charter for Marley Park, Chapter 14, Section 14.4(b))

Amenity Violation	\$100.00
Animals & Pets	\$50.00
Commercial Vehicle, Recreational Vehicle, Inoperable Vehicle	\$150.00
Exterior Architectural Maintenance; Missing/Damaged Elements	\$150.00
Landscape Maintenance Violation(s)	\$150.00
Short Term Property Rental	\$500.00
Specific Assessment – Self-Help	\$150.00 & up
Trash/Recycling Container Visible on Non-Collection Days	\$25.00
Unapproved Architectural Modification(s)	\$200.00

Design Review Submittal Fees

(Community Charter for Marley Park, Chapter 6, Section 6.2(d))

Residential Application	\$0.00
Commercial Application	\$0.00
Retroactive Design Review Application Fee <i>*Non-refundable fee for work completed prior to Design Review Approval</i>	\$50.00
Custom Home Design Review Fee	\$3,300.00

Heritage Club & Heritage Pool House Room Rentals

Heritage Club Keeping Room \$10.00/Hour
(Minimum 2 hour rental required)

Heritage Club – Main Parlor & Back Lawn
(Includes common parlor, kitchen, back lawn & teen room)
(Minimum 2 hour rental required)
(During overseeding, no access to back lawn)

Under 60 people \$50.00/Hour

Over 60 people \$200.00/Hour

Heritage Pool House – Multipurpose Room Only \$200.00/4 Hours
(30 Guest Maximum; including Resident Household)
(Saturday and Sunday only (10am – 2pm))

Amenity Access Cards – (maximum three (3) per lot)

First & Second Card – Supplied as a Courtesy for New Owners \$0.00

Third Card or Replacement Card \$25.00/each

BUYER(S) ACKNOWLEDGMENT OF RECEIPT

The undersigned represent that I/we have read and understand the matters set forth in this Disclosure dated January 31, 2017 and have received a copy for my/our records. I/we acknowledge and agree that I/we are solely responsible to make certain that I/we understand the contents of this Disclosure and will take whatever steps are necessary to do so, including without limitation, consulting an attorney, interpreter, engineer, or any other person whose advice or assistance may be necessary to fully understand the matters set forth herein. I/we acknowledge and agree that I/we have considered the possible effect of such matters in my/our decision to purchase a new or resale home in the Community. I (We) also realize that it contains important information affecting my (our) rights and obligations and I (we) have familiarized myself (ourselves) with its contents to my (our) satisfaction.

DATED THIS _____ DAY OF _____, 20__

BUYER'S NAME (Please print): _____

BUYER'S SIGNATURE: _____

BUYER'S NAME (Please print): _____

BUYER'S SIGNATURE: _____

NAME OF BUILDER: _____

PROPERTY ADDRESS: _____

LOT NUMBER: _____ PARCEL NO.: _____

CURRENT ADDRESS: _____

(BUYER'S COPY – BUYER TO RETAIN FOR YOUR RECORDS)

BUYER(S) ACKNOWLEDGMENT OF RECEIPT

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DATED THIS _____ DAY OF _____, 20__

BUYER'S NAME (Please print): _____

BUYER'S SIGNATURE: _____

BUYER'S NAME (Please print): _____

BUYER'S SIGNATURE: _____

NAME OF BUILDER: _____

PROPERTY ADDRESS: _____

LOT NUMBER: _____ PARCEL NO.: _____

CURRENT ADDRESS: _____

(FOUNDER'S COPY – FOR FIRST RETAIL SALE FROM BUILDER TO FIRST INITIAL BUYER, SELLER TO DETACH AND DELIVER TO FOUNDER VIA E-MAIL AT gmoraga@dmbinc.com)

(ASSOCIATION'S COPY – FOR ALL RETAIL SALES AFTER FIRST INITIAL BUYER, ESCROW COMPANY TO DETACH AND DELIVER TO MARLEY PARK COMMUNITY ASSOCIATION, INC. VIA E-MAIL AT tlong@dmbinc.com)