

Arizona Department of Real Estate (ADRE) Development Services Division

www.azre.gov

100 N. 15th Ave. Suite 201 PHOENIX, AZ 85007 DOUGLAS A. DUCEY GOVERNOR

JUDY LOWE COMMISSIONER

SUBDIVISION DISCLOSURE REPORT

(PUBLIC REPORT)

FOR

Tempe Micro Estates

Registration No. DM20-059972

SUBDIVIDER

Newtown Community Development Corporation 2106 E. Apache Boulevard, Suite 112 Tempe, Arizona 85281

Effective Date: July 19, 2021

PROPERTY REPORT DISCLAIMER

This report is NOT A RECOMMENDATION NOR AN ENDORSEMENT by the State of Arizona of this land. The application and public report have not been subjected to a detailed examination by the Department. The report was prepared by the subdivider and none of the information in this report has been verified by the Department; all information has been accepted by the Department as true and accurate based on attestation of the subdivider/or the subdivider's agents. The purchaser should verify all facts before signing any documents. The Department assumes no responsibility for the quality or quantity of any improvement in this development.

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THE ARIZONA DEPARTMENT OF REAL ESTATE

REQUIRES THAT:

- 1. You BE GIVEN this public report;
- 2. YOU SIGN A RECEIPT indicating that you received this report;

RECOMMENDS:

- 1. You DO NOT SIGN ANY AGREEMENT before you have read this report;
- 2. You see the EXACT PROPERTY you are interested in BEFORE SIGNING any document for lease or purchase.

ARIZONA LAW STATES:

- 1. THE SALE OR LEASE OF SUBDIVIDED LANDS PRIOR TO ISSUANCE OF THIS REPORT OR FAILURE TO DELIVER THIS REPORT TO YOU SHALL RENDER THE SALE OR LEASE RESCINDABLE BY YOU. ACTION TO RESCIND MUST BE BROUGHT WITHIN 3 YEARS FROM DATE OF EXECUTION OF PURCHASE AGREEMENT.
- 2. CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.
- 3. IF YOU HAVE SIGNED A PURCHASE AGREEMENT FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* PRIOR TO INSPECTING THE LOT, YOU HAVE SIX MONTHS TO INSPECT AND UPON INSPECTION MAY RESCIND THE PURCHASE AGREEMENT.
 - *A contract or agreement for purchase of a lot which includes a building or obligates the seller to complete construction of a building within two years from the contract date does not constitute the purchase of an unimproved lot. Therefore, if your purchase includes a lot and a building or a building to be built, you are not entitled to the rescission rights described in paragraphs 2 and 3.

GENERAL

This report includes: Lots 1 through 13, inclusive.

The map of this subdivision is recorded in Book 1503 of Maps, page 48, records of Maricopa County, Arizona.

The subdivision is approximately 0.67 gross acres in size. It has been divided into 13 Lots and 1 Tract (Tract A). Lot boundaries will be corner stakes and radii.

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

SUBDIVISION LOCATION

Location: The subdivision is located south of Spence Avenue at Rita Lane, within the City of Tempe, Maricopa County, Arizona.

UTILITIES

Electricity: Arizona Public Service (APS), (602) 371-7171, website: www.aps.com. Subdivider to complete the facilities to the lot lines by October 30, 2021. Cost to complete facilities from lot line to dwelling is included in the purchase price. Purchaser's cost to receive service includes a service activation fee of \$25.00, plus tax. A security deposit may be required. Deposit amounts are based on usage from the new address. Once service is established, direct user charges will apply. Fees and/or deposits are subject to change, please contact the utility provider for further details.

Telephone: Cox Communications, (623) 594-1000 or (866) 867-7644, website: www.cox.com. Subdivider to complete the facilities to the lot lines by October 30, 2021. Cost to complete facilities from lot line to dwelling is included in the purchase price. Purchaser's cost to receive service may include a one-time installation fee of \$75.00 and a credit check and/or deposit may be required. Purchasers should check with the utility provider for additional information regarding types of services available as well as installation fees and monthly costs associated with that service. Once service is established, direct user charges will apply. Fees and/or deposits are subject to change; please contact the utility company for further details.

NOTE: IT IS POSSIBLE THAT YOU MAY NOT HAVE TELEPHONE SERVICE AT THE TIME OF CLOSING. PURCHASER IS ADVISED TO CONTACT THEIR SERVICE PROVIDER TO DETERMINE THE STATUS OF TELEPHONE SERVICE. YOU MAY ALSO WANT TO CONSIDER TEMPORARY ALTERNATIVES, I.E., A CELLULAR TELEPHONE.

Cable: Cox Communications, (623) 594-1000 or (866) 867-7644, website: www.cox.com. Subdivider to complete the facilities to the lot lines by October 30, 2021. Cost to complete facilities from lot line to dwelling is included in the purchase price. Purchasers will be required to pay an installation fee of \$20.00 (self-connect) or \$75.00 (professional connect). A credit check and/or deposit may be required. Purchasers should check with the utility provider for additional information regarding types of services available as well as installation fees and monthly costs associated with that service. Once service is established, direct user charges will apply. Fees and/or deposits are subject to change; please contact the utility company for further details.

NOTE: IT IS POSSIBLE THAT YOU MAY NOT HAVE CABLE SERVICE AT THE TIME OF CLOSING. YOU ARE ADVISED TO CONTACT YOUR SERVICE PROVIDER TO DETERMINE THE STATUS OF CABLE SERVICE. YOU MAY ALSO WANT TO CONSIDER TEMPORARY ALTERNATIVES, I.E., A SATELLITE ANTENNA.

Internet or Fiber Optic: Cox Communications, (623) 594-1000 or (866) 867-7644, website: www.cox.com. Subdivider to complete the facilities to the lot lines by October 30, 2021. Cost to complete facilities from lot line to dwelling is included in the purchase price. Purchasers will be required to pay an installation fee of \$20.00 (self-connect) or \$75.00 (professional connect). A credit check and/or deposit may be required. Purchasers should check with the utility provider for additional information regarding types of services available as well as installation fees and monthly costs associated with that service. Once service is established, direct user charges will apply. Fees and/or deposits are subject to change; please contact the utility company for further details.

NOTE: IT IS POSSIBLE THAT YOU MAY NOT HAVE INTERNET SERVICE AT THE TIME OF CLOSING. YOU ARE ADVISED TO CONTACT YOUR SERVICE PROVIDER TO DETERMINE THE STATUS OF INTERNET SERVICE. YOU MAY ALSO WANT TO CONSIDER TEMPORARY ALTERNATIVES, I.E., A SATELLITE ANTENNA.

Natural Gas: Subdivider advises that natural gas is not available to the subdivision.

Water: City of Tempe, (480) 350-8361, website: www.tempe.gov. Subdivider has completed the facilities to the lot lines. Cost to complete facilities from lot line to dwelling is included in the purchase price. Cost to purchasers to receive service is divided between all Homeowners.

Sewage Disposal: City of Tempe, (480) 350-8361, website: www.tempe.gov. Subdivider has completed the facilities to the lot lines. Cost to complete facilities from lot line to dwelling is included in the purchase price. Cost to purchasers to receive service is divided between all Homeowners.

Garbage Services: City of Tempe, (480) 350-4311, website: https://www.tempe.gov/government/municipal-utilities/solid-waste-and-recycling. Cost to purchasers to receive service is included in the Homeowners Association assessments.

Utilities (Telephone, Cable and Internet or Fiber Optic) will be completed and pulled through the conduits to the lot lines by October 30, 2021.

Conduit Only for Telephone, Cable and Internet or Fiber Optic: Developer will provide trench and service providers will install conduit within subdivision. Wire from junction box to house will be installed by service provider upon request from homebuyer. Service provider is also responsible for installing any wire and/or conduit required to the boundary of the subdivision. At the time of close of escrow of any lot, developer will have installed all conduit on that lot and will have signed agreement with Service Provider. Developer has no control over the timing of when Service Provider will complete its portion of the wire and/or conduit and, therefore, developer has no control over the availability of telephone, cable and internet or fiber optic service.

PURCHASERS ARE ADVISED TO CONTACT THE ABOVE LISTED PROVIDERS REGARDING EXTENSION RULES, REGULATIONS, SERVICE CONNECTIONS, INSTALLATION CHARGES, ACCOUNT SET-UP FEES AND THE COSTS INVOLVED. COSTS ARE SUBJECT TO CHANGE BY THE SERVICE PROVIDERS.

STREETS, ROADS AND DRAINAGE

Access to the Subdivision: The asphalt paved public streets have been completed to the minimum standards of the City of Tempe, which have been accepted by the City for maintenance. Costs to purchasers for maintenance are included in the property taxes.

Access within the Subdivision: Subdivider to complete the asphalt paved parking lot to the minimum standards of the City of Tempe by October 30, 2021, which will then be accepted by the Homeowners Association for maintenance. Costs to purchasers for maintenance are included in the Homeowners Association assessments.

Street Lights: Subdivider to complete the street light facilities by October 30, 2021. Costs to purchasers for maintenance are included in the Homeowners Association assessments.

Flood and Drainage: Subdivider to complete the typical street drainage by October 30, 2021, which will then be maintained by the Homeowners Association. Costs to purchasers for maintenance are included in the Homeowners' Association assessments.

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

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

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

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

LOCAL SERVICES AND FACILITIES

Schools:

Elementary Curry Elementary School (K-5), 1974 E. Meadow Drive, Tempe, Arizona 85282, (480) 967-8336, approximately 1 ¼ miles southeast of the subdivision.

Middle School Connolly Middle School (6-8), 2002 E. Concorde Drive, Tempe, Arizona 85282, (480) 967-8933, approximately 1 ½ miles southeast of the subdivision.

High School McClintock High School (9-12), 1830 E. Del Rio Drive, Tempe, Arizona 85282, (480) 839-4222, approximately 1 ¼ miles southeast of the subdivision.

NOTE: Purchasers are advised that school boundaries, school assignments and school bus transportation are subject to change. Prospective Purchasers should contact the Tempe Elementary School District #3 at (480) 730-7100 or visit their website at www.tempeschools.org and Tempe Union High School District at (480) 839-0292 or visit their website at www.tempeunion.org for verification of schools, the current location of schools and bus service. Additional information regarding schools and districts can be found at the following websites: www.greatschools.net and www.azed.gov.

SCHOOL BUS TRANSPORTATION WILL ONLY BE PROVIDED TO STUDENTS RESIDING OUTSIDE THE SCHOOLS DESIGNATED WALKING DISTANCE. PURCHASERS SHOULD CONTACT THE SCHOOLS TO DETERMINE THE AVAILABILITY OF SCHOOL BUS TRANSPORTATION.

Shopping Facilities: Safeway, 926 E. Broadway Road, Tempe, Arizona, approximately ½ mile southwest of the subdivision.

Public Transportation: Valley Metro Transit System Bus Stops are at the following locations:

- Free Valley Metro Bus Circulator Flag Zone located at Spence and Rita Lane, approximately 0.08 miles (450 feet)
- Bus Stop located at Rural Rd & Spence Ave, approximately 0.25 miles
- Valley Metro Light Rail, Dorsey & Apache Station, approximately 0.32 miles
- [Under construction] Valley Metro Streetcar Stop Rural & Apache, approximately 0.30 miles

NOTE: Bus routes and schedules are subject to change. For additional information, please contact the Valley Metro Transit System at (602) 253-5000, or visit the website at www.valleymetro.org.

Medical Facilities: Tempe St. Luke's Hospital, 1500 S. Mill Avenue, Tempe, Arizona, approximately 1 mile west of subdivision.

Fire Protection: Provided by the City of Tempe Fire Department, costs included in property taxes.

Ambulance Service: Ambulance service is available by dialing 911.

Police Services: Provided by the City of Tempe Police Department.

LOCATIONS AND COSTS OF THE ABOVE SERVICES AND FACILITIES MAY CHANGE. YOU SHOULD VERIFY THEIR CURRENT LOCATIONS AND COSTS PRIOR TO PURCHASE.

COMMON, COMMUNITY AND RECREATIONAL FACILITIES

Within the Subdivision: Subdivider to complete the common room by October 30, 2021, which will then be maintained by the Homeowners Association. Cost to purchasers for maintenance is included in the Homeowners Association fees.

ASSURANCES FOR COMPLETION OF IMPROVEMENTS

Assurances for Completion of Subdivision Facilities: Subdivider has provided a Subdivision Bond to assure completion of all subdivision improvements which includes the private parking lot.

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

PROPERTY OWNERS ASSOCIATIONS

Name and Assessments: Tempe Micro Estates Homeowners Association. Property Owners will be required to pay assessments in the amount of \$130.00 per month.

Control of Association: Control of the Association will be turned over to Lot Purchasers upon the happening of the first to occur of the following:

- a. The date upon which Declarant no longer owns any improvements on any of the lots of the Project, or
- b. The date that twenty (20) years after the date this Declaration is recorded.

Title to Common Areas: Title to the common areas will be leased to the Homeowners Association upon completion of construction.

Membership: All Purchasers will be members of the Association.

PAYMENTS TO PROPERTY OWNERS ASSOCIATIONS ARE SUBJECT TO CHANGE IN ACCORDANCE WITH RECORDED RESTRICTIONS. SAID ASSOCIATION MAY ALSO IMPOSE SPECIAL ASSESSMENTS.

SUBDIVISION CHARACTERISTICS

Topography: Land is level.

Flooding and Drainage: This subdivision is not subject to known flooding or drainage problems. In a letter dated June 14, 2019, Jeff Hunt, PE, Principal, of Cypress Civil Development, has cited, in part:

"This Project is a proposed residential subdivision located in Tempe, Arizona. This flood letter has been requested by the Owner of the project for the property's public report.

Based on current FEMA Flood Insurance Rate Maps (FIRMs), the site is located on 04013C2245L, dated 10/16/2013 and lies within a Zone "X" flood zone. The flood hazard zone associated with the Project is defined as:

"Areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood."

This floodplain designation does not carry a Federal requirement to carry flood insurance."

The subdivision is approximately 1.3 miles south of the Salt River Channel.

Soils: Subdivider advises that the soils have low expansive potential. In a letter, dated May 28, 2019, Kelby Williams, P.E., Project Engineer, of Western Technologies Inc., has cited, in part:

"As requested, this letter has been prepared to present specific information relative to earth fissures/ground subsidence and expansive soils at the referenced Site in accordance with the disclosure requirements of the Arizona Department of Real Estate (ADRE). Western Technologies Inc. (WT) has prepared a geotechnical evaluation report number 2128JT157 dated November 19, 2018, and titled Geotechnical Evaluation Report, Tempe Micro Estates.

Based on the results of the subsurface exploration at the referenced Site, surface soils to depths of approximately 4 to 6 feet consist of loose to dense Clayey SAND or firm to stiff Sandy Lean CLAY overlying very dense Sand, Gravel, and Cobbles. The surface soils are medium in plasticity. Groundwater was not encountered in any of the borings at the time of exploration. The laboratory testing indicated that the surface soils did exhibit some expansive movement and may be characterized as having low expansive potential.

The results of the geotechnical exploration and laboratory testing indicated that the near surface soils exhibit low compressibility at existing moisture conditions when supporting light to moderate foundation loads. When subjected to an increase in water content, the soils exhibit medium to high levels of additional compressibility. Based on the subsurface conditions encountered at the Site, recommendations were provided for conventional and post-tensioned slab-on-grade foundations bearing on imported engineered fill or native soil reworked and compacted under engineering observation and testing.

During and after construction, the foundation supporting soils should not be subject to significant moisture content fluctuations. Proper drainage of surface water and roof runoff should be directed away from the structures during and after construction. Water should not be allowed to pond near any structure or foundation system, and the design and placement of landscape vegetation and irrigation systems should be performed such that bearing soils and backfill materials are not subject to water infiltration or significant increases in water content.

The subject Site is suitable for the construction of one- and two-story residential structures after site preparation as presented in the geotechnical report. Conventional or Post-tensioned foundations for the residential structures must be supported by compacted (engineered) fill or prepared native soil. All fill should be placed and compacted as recommended in the project geotechnical report. The design and construction of the residential development should conform to applicable local building codes.

Based on our review of the available geological information with respect to ground subsidence and earth fissures in Tempe, Arizona, the subject Site is not located near the presence of earth fissures. The nearest earth fissure study area is located approximately 11miles to the northeast of the subject Site.

As stated previously, this letter was prepared to present Site-specific geotechnical information required by ADRE in A.A.C. R4-28-1203. This letter does not provide comprehensive geotechnical recommendations for design and construction. Please refer to WT's geotechnical evaluation report for more detailed discussion of the field and laboratory testing, subsurface conditions, geotechnical properties, and design and construction recommendations for this Site."

Adjacent Lands and Vicinity:

North: R-4 (Multi-Family Residential General) **West:** R-4 (Multi-Family Residential General)

East: R-1 PAD (Single-Family Residential Planned Area Development)

South: Union Pacific Railroad

South: R-3 – (Multi-Family Residential Limited)

NOTE: Owners of the adjacent land described above may seek to rezone their property, may seek zoning variances for their property or may modify their site plan within existing zoning. Consequently, no assurance can be given that the zoning or uses for the adjacent lands will not change from that described above. Purchasers should contact the City of Tempe Planning & Zoning Department at (480) 350-8331 or Maricopa County Planning & Development Department at (602) 506-3201 for up-to-date information.

North:

- Metro Light Rail, approximately 1/4 mile
- ASU Campus, approximately 3/4 mile
- Farrington Softball Stadium, approximately 1 mile
- ASU Karsten Golf Course, approximately 1 mile
- Rio Salado Park, approximately 1 ½ miles and approximately 1 ½ miles
- Tempe Town Lake, approximately 1 ¼ miles
- Red Mountain Freeway (202), approximately 1 ¾ miles

Northeast:

- Metro Light Rail, approximately 1/4 mile
- Dorsey Ln/Apache Blvd Park-and-Ride, approximately 1/4 mile
- Fire Station, approximately ½ mile
- Tempe FD/APS Joint Training Facility, approximately 3/4 mile
- ASU Campus, approximately 3/4 mile
- ASU Karsten Golf Course, approximately 3/4 mile
- Law Enforcement Buildings, approximately 1 mile
- McClintock Rd/Apache Blvd Park-and-Ride, approximately 1 mile
- Post Office, approximately 1 ¼ miles
- Tempe Marketplace, approximately 1 ½ miles
- Rio Salado Park, approximately 1 ½ miles
- Tempe Town Lake, approximately 1 ½ miles
- Salt River, approximately 1 ½ miles
- Indian Bend Wash, approximately 1 3/4 miles
- Indian Bend Wash Habitat, approximately 1 3/4 miles
- Red Mountain Freeway (101), approximately 1 3/4 miles
- Salt River-Pima-Maricopa Indian Community, approximately 1 3/4 miles
- Price Fwy/Apache Blvd Park-and-Ride, approximately 1 3/4 miles
- Tempe Canal, approximately 2 miles
- Pima Freeway (101), approximately 2 miles
- Cubs Park, approximately 2 \(\frac{1}{4} \) miles
- Green Acres Memorial Cemetery, approximately 2 ¾ miles
- Vista del Camino Park, approximately 2 3/4 miles
- Riverview Park, approximately 3 miles

East:

- Price Freeway (101), approximately 1 ¾ miles
- Tempe Canal, approximately 2 miles

Southeast:

- Union Pacific Railroad, adjacent
- Southern Palms Center, approximately 1 ¼ miles
- Valley metro Park-and-Ride, approximately 1 ¼ miles
- Shalimar Country Club, approximately 1 ½ miles
- Price Freeway (101), approximately 1 3/4 miles
- Superstition Freeway (60), approximately 2 miles
- Tempe Canal, approximately 2 ½ miles
- Banner Desert Medical Center, approximately 2 ½ miles
- Cardon Children's Medical Center, approximately 2 ½ miles
- Fire Station, approximately 2 ½ miles
- Mesa Community College, approximately 3 miles

South:

- Union Pacific Railroad, adjacent
- Superstition Freeway (60), approximately 1 ³/₄ miles

Southwest:

- Union Pacific Railroad, adjacent and approximately 1 ½ miles
- Library, approximately 1 ½ miles
- Post Office, approximately 1 ½ miles
- Superstition Freeway (60), approximately 1 ³/₄ miles
- Kiwanis Community Park, approximately 2 ½ miles
- Western Canal, approximately 2 ½ miles
- Twin Buttes County Cemetery, approximately 2 ½ miles
- Tempe Double Butte Cemetery, approximately 2 ¾ miles
- Arizona Mills, approximately 2 ³/₄ miles
- Maricopa Freeway (10)(60), approximately 2 3/4 miles
- Tempe Diablo Stadium Complex, approximately 2 3/4 miles

West:

- ASU Campus, within 1/4 mile
- Daley Park, approximately ½ mile
- Tempe St. Luke's Hospital, approximately 1 mile
- Union Pacific Railroad, approximately 1 mile
- Maricopa Freeway (10)(60), approximately 3 miles
- Hohokam Freeway (143), approximately 3 1/4 miles

Northwest:

- ASU Campus, within ½ mile
- Metro Light Rail, approximately ½ mile
- Wells Fargo Arena, approximately 1 mile
- Sun Devil Stadium, approximately 1 mile
- Sun Angel Stadium, approximately 1 mile
- Packard Stadium, approximately 1 mile
- ASU Gammage, approximately 1 mile
- Union Pacific Railroad, approximately 1 1/4 miles
- Hayden Butte Preserve, approximately 1 1/4 miles
- Tempe Town Lake, approximately 1 ¼ miles
- Rio Salado Park, approximately 1 ¼ miles and approximately 1 ½ miles
- Municipal Buildings, approximately 1 ¼ miles
- Law Enforcement Buildings, approximately 1 1/4 miles
- Fire Station, approximately 1 ½ miles
- Post Office, approximately 1 ½ miles
- Tempe Beach Park, approximately 1 ½ miles
- Papago Park, approximately 1 ¾ miles
- Red Mountain Freeway (202), approximately 1 3/4 miles
- Salt River, approximately 2 miles
- Marquee Theater, approximately 2 miles
- Tempe Center for the Arts, approximately 2 miles
- Grand Canal, approximately 2 ½ miles
- Rolling Hills Golf Course, approximately 2 ½ miles
- Evelyn Hallman Park, approximately 2 ½ miles
- San Francisco Canal, approximately 2 3/4 miles
- Phoenix Zoo, approximately 2 3/4 miles
- Phoenix Municipal Stadium, approximately 3 miles

Freeways: The close proximity of Red Mountain Freeway (202), Price Freeway (101), Superstition Freeway (60), Maricopa Freeway (10)(60), Hohokam Expressway (143), and the Maricopa Freeway (10) may be a safety hazard to unsupervised children, pets and adults. Purchasers are advised that the potential exists for the future widening of this freeway which may produce noise, vibration, fumes, dust, additional traffic, fuel particles and other effects from construction, which some individuals may find objectionable. For more information, visit the Arizona Department of Transportation website at www.azdot.gov.

Union Pacific Railroad: Due to the proximity of the railroad, the operation, repair and/or replacement of railroad line may result in traffic, noises, odors, dust, vibrations, derailments or other potential nuisances or hazards. The railroad may operate 24 hours a day, 7 days per week. Union Pacific Railroad has advised there are no pre-determined hours of operation. These areas may also pose safety hazards to unsupervised children and adults. Purchasers are encouraged to drive within the vicinity of community to determine whether there may exist additional items of concern. For further information, contact Union Pacific Railroad at (602) 322-2530, or visit the website at www.up.com.

Metro Light Rail System: Light rail will operate on two sets of tracks, with trains of up to three cars traveling in each direction. Light rail trains will run 18 to 20 hours per day, every day of the week, stopping at stations about every 10 minutes during peak hours and above every 20 minutes off-peak. Future METRO Extensions are planned in Phoenix, Tempe, Mesa and Glendale. During construction, additional vehicle traffic (including heavy construction vehicles), dust, noise (including construction noise in the early mornings), etc. may exist. For further information contact Valley Metro Rail at (602) 262-7433 or www.valleymetro.org.

[Under construction] Valley Metro Streetcar Stop Rural & Apache, approximately 0.30 miles north of the subdivision. Completion expected in 2021. (https://www.valleymetro.org/project/tempe-streetcar).

Salt River Pima-Maricopa Indian Community: Subdivider makes no representation or warranty with respect to future land uses on the Salt River Pima-Maricopa Indian Community nor as to any rights an adjacent property owner may have to protest or influence future land uses. Land use changes within the Salt River Pima-Maricopa Indian Community are not subject to mandatory public notice and hearing requirements and procedures that are common in many municipalities. Please contact the Salt River Pima-Maricopa Indian Community at 10005 East Osborn Road, Scottsdale, Arizona 85256, (480) 362-7740 or visit the website at www.srpmic-nsn.gov.

Southwest Gas Corporation: Natural gas service is NOT available within the subdivision. However, as a result of natural gas facilities available to lots within the vicinity of the subdivision, major natural gas lines in the vicinity of this community are necessary in order to service the surrounding areas. For further information regarding natural gas lines, purchasers should contact Southwest Gas Corporation at (877) 860-6020 or log onto their website at www.swgas.com. Additional information may be obtained by contacting the Pipeline and Railroad Safety Department of the Arizona Corporation Commission at (602) 262-5601 or visit the Corporation Commission web site at www.azcc.gov/safety/pipeline.

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

Bodies of Water: Purchasers are advised that canals, creeks, channels, rivers, floodways, manmade lakes, levees, washes, and wells may be hazardous to unsupervised children and adults. Purchasers are advised to independently investigate this matter. For further information, please contact the Flood Control District of Maricopa County at (602) 506-1501 or visit their website at www.fcd.maricopa.gov.

Termites: Prior to pouring finished floors, each home will be treated for termites with certain chemicals, as permitted by law. The termite protection warranty that is provided with the home does not guarantee that termite infestation will not occur during the warranty period. The chemicals dissipate over time and other events may occur that will require the home to be retreated. Certain actions to the home, such as excessive watering and landscaping around the foundation of the home, may void the warranty.

Views: Views and/or scenes that may be visible from particular portions of the community or any of its lots will change over time and may be wholly or partially obstructed as development activity continues and landscape matures. SUBDIVIDER MAKES NO REPRESENTATIONS OR WARRANTY REGARDING THE FUTURE PROTECTION OF VIEWS THAT MAY BE A FACTOR IN THE PURCHASER'S DECISION TO PURCHASE IN THIS COMMUNITY.

Scorpions and Other Pests: Cockroaches, snakes, black widow spiders, scorpions and other pests and animals are common in parts of Arizona. Fortunately, most pests can be controlled with pesticides. Scorpions, on the other hand, may be difficult to eliminate. Purchasers with concerns should seek the advice of a pest control company. If these or any other creatures are a concern, purchaser may contact the Arizona Game and Fish Department at (602) 942-3000, or visit their website at www.azgfd.gov. For additional information, please visit www.desertusa.com.

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

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

PURCHASER IS ADVISED THAT HOMES SITUATED ADJACENT TO OR IN THE VICINITY OF COMMERCIAL PROPERTY, MULTI-FAMILY SITES, WORSHIP SITES, SCHOOL SITES, STREETS, FREEWAYS, PARKWAYS, ROADWAYS, TRAILS, OPEN SPACE AREAS, CONSTRUCTION-RELATED OPERATIONS, PROPERTIES, **PROVING** GROUND, **INDUSTRIAL MINING** OPERATIONS, **ENTERTAINMENT** VENUES, PARKS, CORRECTIONAL FACILITIES. AGRICULTURAL AREAS, OTHER NON-RESIDENTIAL USES, AND/OR OTHER RECREATION AMENITIES MAY EXPERIENCE AN ADDITIONAL AMOUNT OF NOISE, DUST, LIGHTING, AND SIGNAGE, AS WELL AS PEDESTRIAN AND VEHICULAR TRAFFIC TYPICALLY ASSOCIATED WITH SUCH FACILITIES.

SUBDIVISION USE AND RESTRICTIONS

Use: This offering is for improved lot.

Zoning: R-1 PAD Single-Family Residential (City of Tempe)

Conditions, Reservations and Restrictions: As stated in the recorded Declaration of Covenants, Conditions and Restrictions and as stated in the Articles of Incorporation and Bylaws of the Homeowners' Association.

PURCHASERS ARE ADVISED THAT THE RECORDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THIS SUBDIVISION PROVIDES FOR AN ARCHITECTURAL CONTROL COMMITTEE.

Restrictions and Other Matters of Record: Conditions, reservations and restrictions that may run with the land including City or County zoning restrictions should be investigated by you. Copies of those items which are recorded may be inspected at the Office of the Maricopa County Recorder. Information about zoning may be obtained at the Office of the City of Tempe Planning and Zoning Department. Restrictions are recorded as cited in the following title exceptions and per the subdivision plat.

AIRPORTS

Public Airport: Phoenix Sky Harbor International Airport is located at 3400 East Sky Harbor Boulevard, Phoenix, Arizona, located approximately 4 miles northwest of the subdivision.

SUBDIVISION IS LOCATED WITHIN TERRITORY IN THE VICINITY OF PHOENIX SKY HARBOR INTERNATIONAL AIRPORT. FLIGHTS MAY PRODUCE AIRCRAFT NOISE AS A RESULT OF FLIGHT OPERATIONS.

TITLE

Title to this subdivision is vested in Newtown Community Development Corporation, an Arizona non-profit corporation.

Subdivider's interest in this subdivision is evidenced by Fee Title.

Title is subject, among other things, to all taxes, assessments, covenants, conditions, restrictions, limitations, reservations, rights, obligations, powers, easements, rights of way, liens, and charges of record. **YOU SHOULD INVESTIGATE THE TITLE AND SATISFY YOURSELF AS TO WHAT EFFECT, IF ANY, THESE MATTERS MAY HAVE ON THE USE OF THE LAND**. Title exceptions affecting the condition of title are listed in the Preliminary Title Report dated July 6, 2021 issued by FIRST AMERICAN TITLE INSURANCE COMPANY. **You should obtain a title report and determine the effect of the listed exceptions**.

EXCEPTIONS: SEE EXHIBIT "A" ATTACHED

METHOD OF SALE OR LEASE

Sales: Your vested interest/ownership interest in the improvements to the property will be evidenced by the owner delivering a recorded warranty deed and recorded ground lease to you and by your signing a Promissory Note and Mortgage or Deed of Trust for the unpaid principal balance, if any. *You should read these documents before signing them*.

Cash sales are permitted. Purchaser's deposits and earnest monies will be deposited into a neutral escrow account and cannot be used by Seller until the close of escrow.

Release of Liens and Encumbrances: Subdivider has advised that arrangements have been made with the lender in the aforementioned deeds of trust for the release of an individual lot upon completion of all payments and performance of all the terms and provisions required of the purchaser under the purchase contract between Subdivider and such purchaser.

Use and Occupancy: Purchasers will be permitted to use and occupy their lot upon close of escrow and recordation of the deed.

Leasehold Offering: Will any of the property be leased? \boxtimes Yes \square No

Lease fee cost adjustment provisions are outlined in Article 5 of the Ground Lease. The lease fee is \$35 a month and included in the HOA dues. The amount may be recalculated every fifth year during the term of the lease, at the discretion of the lessor. If the lessor elects to recalculate the fee, it must a percentage change less than the Consumer Price Index for urban wage earners and clerical workers ("CPI-U") for the Phoenix metropolitan area. Lessee will have 30 days after notice of a change in the Lease Fee amount to object. Lessor will maintain a notarized certification of the amount of the recalculated Lease Fee and the method by which it was determined.

Assignment and Sublease provisions are outlined in Article 11 of the Ground Lease. The lessee shall not assign, sublease, sell, or otherwise convey the lessee's rights under the lease without prior written consent of the lessor.

THE PURCHASE CONTRACT IS A BINDING AGREEMENT. CONTRARY TO THE TERMS AND PROVISIONS OF THE CONTRACT, YOU MAY HAVE ADDITIONAL RIGHTS, REMEDIES AND WARRANTIES PROVIDED BY LAW. READ THOROUGHLY BEFORE SIGNING. IF NOT UNDERSTOOD, SEEK COMPETENT ADVICE PRIOR TO COMMITMENT TO PURCHASE.

TAXES AND ASSESSMENTS

Real Property Taxes: The property was exempt from property taxes for the year 2020. Based on research with the City of Tempe and the Maricopa County Tax assessor, the projected property tax rate for an improved lot (lot with dwelling) is \$15.5927. Based on the above projected property tax rate and the average sales price of \$187,000.00, the projected property tax is \$2,478.46.

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

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

YOU ARE ADVISED TO READ THE RECORDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, ARTICLES OF INCORPORATION AND BYLAWS FOR THIS SUBDIVISION TO DETERMINE THE RIGHTS OF LOT OWNERS TO PARTICIPATE IN THE CONTROL OF THE PROPERTY OWNERS' ASSOCIATION AND TO DETERMINE THE RIGHTS, DUTIES AND LIMITATIONS OF OWNERS IN AND TO USE OF THEIR LOT. FURTHER, YOU SHOULD DETERMINE FOR YOURSELF IF SUBDIVIDER'S ARRANGEMENTS AND PLANS FOR THE PAYMENT OF ASSESSMENTS ON UNSOLD LOTS WILL BE SUFFICIENT TO FULFILL THE NEEDS, DEMANDS AND FINANCIAL OBLIGATIONS OF THE ASSOCIATION, AS SET FORTH IN THE DECLARATION AND BYLAWS.

EXHIBIT "A"

- 1. The property was exempt from property taxes for the year 2020.
- 2. Taxes for the full year of 2021. (The first half is due October 1, 2021 and is delinquent November 1, 2021. The second half is due March 1, 2022 and is delinquent May 1, 2022.)
- 3. Any charge upon said land by reason of its inclusion in The Tempe Micro Estates Homeowners Association.
- 4. The liabilities and obligations imposed upon said land by reason of: (a) inclusion thereof within the boundaries of the Salt River Project Agricultural Improvement and Power District; (b) membership of the owner thereof in the Salt River Valley Water Users' Association, an Arizona corporation and (c) the terms of any Water Right Application made under the reclamation laws of the United States for the purpose of obtaining water rights for said land.
- 5. Easements, restrictions, reservations, conditions and set-back lines as set forth on the plat recorded as Book 41 of Maps, Page 35, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).
- 6. Easements, restrictions, reservations, conditions and set-back lines as set forth on the plat recorded as Book 1503 of Maps, Page 48, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).
- 7. Covenants, conditions and restrictions in the document recorded as 2020-1153241 and Amended as 2020-1137116, both of Official Records. but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes.
- 8. An easement for right of way and incidental purposes, recorded as 91-0277136 and a Grant and Assignment recorded as 92-0581774 of Official Records.

(Affects Lots 3 through 9)

9. All matters as set forth in Record of Survey, recorded as Book 1417 of Maps, Page 15 and Amended in Book 1428 of Maps, Page 17.

- 10. The terms, conditions and provisions contained in the document entitled "Development and Disposition Agreement for Newtown Tiny Home" recorded January 29, 2020 as 2020-075784 of Official Records.
- 11. An easement for ingress, egress, and utilities and incidental purposes, recorded as 2021-0217803 of Official Records.
- 12. Water rights, claims or title to water, whether or not shown by the public records.
- 13. Deed of Trust to secure an indebtedness of \$1,760,000.00, and any other amounts or obligations secured thereby, recorded November 20, 2020 as 2020-1144047 of Official Records.

Dated: November 18, 2020

Trustor: Newtown Community Development Corp., an

Arizona non-profit corporation

Trustee: First American Title Company

Beneficiary: FirstBank

14. Deed of Trust to secure an indebtedness of \$(not shown), and any other amounts or obligations secured thereby, recorded November 24, 2020 as 2020-1153869 of Official Records.

Dated: November 24, 2020

Trustor: Newtown Community Development Corp., an

Arizona non-profit corporation

Trustee: Great American Title Agency Inc.

Beneficiary: City of Tempe, an Arizona municipal

corporation

(Affects Lot No. 8)

15. Deed of Trust to secure an indebtedness of \$(not shown), and any other amounts or obligations secured thereby, recorded November 24, 2020 as 2020-1153870 of Official Records.

Dated: November 24, 2020

Trustor: Newtown Community Development Corp., an

Arizona non-profit corporation

Trustee: Great American Title Agency Inc.

Beneficiary: City of Tempe, an Arizona municipal

corporation

16. Deed of Trust to secure an indebtedness of \$(not shown), and any other amounts or obligations secured thereby, recorded November 24, 2020 as 2020-1153962 of Official Records.

Dated: November 24, 2020

Trustor: Newtown Community Development Corp., an

Arizona non-profit corporation

Trustee: Great American Title Agency Inc.

Beneficiary: City of Tempe, an Arizona municipal

corporation

(Affects Lot No. 6)

17. Deed of Trust to secure an indebtedness of \$(not shown), and any other amounts or obligations secured thereby, recorded November 24, 2020 as 2020-1154261 of Official Records.

Dated: November 24, 2020

Trustor: Newtown Community Development Corp., an

Arizona non-profit corporation

Trustee: Great American Title Agency Inc.

Beneficiary: City of Tempe, an Arizona municipal

corporation

(Affects Lot No. 7)

18. Deed of Trust to secure an indebtedness of \$(not shown), and any other amounts or obligations secured thereby, recorded November 24, 2020 as 2020-1153777 of Official Records.

Dated: November 24, 2020

Trustor: Newtown Community Development Corp., an

Arizona non-profit corporation

Trustee: Great American Title Agency Inc.

Beneficiary: City of Tempe, an Arizona municipal

corporation

(Affects Lot No. 12)

19. Deed of Trust to secure an indebtedness of \$(not shown), and any other amounts or obligations secured thereby, recorded November 24, 2020 as 2020-1153774 of Official Records.

Dated: November 24, 2020

Trustor: Newtown Community Development Corp., an

Arizona non-profit corporation

Trustee: Great American Title Agency Inc.

Beneficiary: City of Tempe, an Arizona municipal

corporation

(Affects Lot No. 13)

20. Deed of Trust to secure an indebtedness of \$(not shown), and any other amounts or obligations secured thereby, recorded November 24, 2020 as 2020-1153919 of Official Records.

Dated: November 24, 2020

Trustor: Newtown Community Development Corp., an

Arizona non-profit corporation

Trustee: Great American Title Agency Inc.

Beneficiary: City of Tempe, an Arizona municipal

corporation

(Affects Lot No. 10)

21. Deed of Trust to secure an indebtedness of \$(not shown), and any other amounts or obligations secured thereby, recorded November 24, 2020 as 2020-1153778 of Official Records.

Dated: November 24, 2020

Trustor: Newtown Community Development Corp., an

Arizona non-profit corporation

Trustee: Great American Title Agency Inc.

Beneficiary: City of Tempe, an Arizona municipal

corporation

(Affects Lot No. 11)

22. Deed of Trust to secure an indebtedness of \$(not shown), and any other amounts or obligations secured thereby, recorded November 24, 2020 as 2020-1153776 of Official Records.

Dated: November 24, 2020

Trustor: Newtown Community Development Corp., an

Arizona non-profit corporation

Trustee: Great American Title Agency Inc.

Beneficiary: City of Tempe, an Arizona municipal

corporation

(Affects Lot No. 2)

23. Deed of Trust to secure an indebtedness of \$(not shown), and any other amounts or obligations secured thereby, recorded November 24, 2020 as 2020-1153775 of Official Records.

Dated: November 24, 2020

Trustor: Newtown Community Development Corp., an

Arizona non-profit corporation

Trustee: Great American Title Agency Inc.

Beneficiary: City of Tempe, an Arizona municipal

corporation

(Affects Lot No. 1)

24. Deed of Trust to secure an indebtedness of \$(not shown), and any other amounts or obligations secured thereby, recorded November 24, 2020 as 2020-1153779 of Official Records.

Dated: November 24, 2020

Trustor: Newtown Community Development Corp., an

Arizona non-profit corporation

Trustee: Great American Title Agency Inc.

Beneficiary: City of Tempe, an Arizona municipal

corporation

(Affects Lot No. 4)

25. Deed of Trust to secure an indebtedness of \$(not shown), and any other amounts or obligations secured thereby, recorded November 24, 2020 as 2020-1153965 of Official Records.

Dated: November 24, 2020

Trustor: Newtown Community Development Corp., an

Arizona non-profit corporation

Trustee: Great American Title Agency Inc.

Beneficiary: City of Tempe, an Arizona municipal

corporation

(Affects Lot No. 5)

26. Deed of Trust to secure an indebtedness of \$(not shown), and any other amounts or obligations secured thereby, recorded November 24, 2020 as 2020-1153953 of Official Records.

Dated: November 24, 2020

Trustor: Newtown Community Development Corp., an

Arizona non-profit corporation

Trustee: Great American Title Agency Inc.

Beneficiary: City of Tempe, an Arizona municipal

corporation

(Affects Lot No. 3)

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