



Arizona Department of Real Estate (ADRE)
Development Services Division

www.azre.gov
2910 N. 44th STREET STE-100
PHOENIX, AZ 85018

DOUGLAS A. DUCEY
GOVERNOR

JUDY LOWE
COMMISSIONER

SUBDIVISION DISCLOSURE REPORT
(PUBLIC REPORT)

FOR
VILLA RIALTO, A CONDOMINIUM

Registration No. DM13-056788

SUBDIVIDER

VILLA RIALTO, LLC

A Delaware Limited Liability Company, doing business in Arizona as

VILLA RIALTO OF MESA, LLC

1635 N. Greenfield Road, Suite 115

Mesa AZ 85205

Phone: (602) 525-0000 Fax: (480) 782-1386

Effective Date :*September 17, 2013*

First Amendment Date: December 8, 2015

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.

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 CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.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.



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GENERAL

This report includes: Units 101 through 139, inclusive; Units 142, 143, 144; Units 147, 148 and 149; Units 152, 153, 154, 155 and 156; Units 162, 163 and 164; Units 171, 172 and 173; Units 201 through 236; Units 237, 238, 239, 242, 243, 244, 247, 248 and 249; Units 262, 263, 264; and Units 271, 272 and 273.¹

The map of this subdivision: The map of the Condominium is recorded in 881 of Maps, page 29, and a replat of a portion thereof is recorded in Book 1250 of Maps, page 36, records of Maricopa County, State of Arizona. The Condominium Declaration is recorded in instrument No. **2006-1608343**; First Amendment to Condominium Declaration is recorded in instrument No. **2008-0419072**; Second Amendment to Condominium Declaration is recorded in instrument No. **2008-0668601**; Amendment to Condominium Declaration is recorded in instrument No. **2008-0689343**; Third Amendment to Condominium Declaration is recorded in instrument No. **2008-0758998**; Fourth Amendment to Condominium Declaration recorded May 6, 2013 as **2013-0411418**; Fifth Amendment to Condominium Declaration recorded November 24, 2015, as **2015-0840789**; and Sixth Amendment to Condominium Declaration recorded November 24, 2015 as **2015-0840817**.

The subdivision is approximately 8.7762 acres in size. Building pad boundaries will be permanently staked at lot corners and radii by registered engineering firm.

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

Purchasers are advised that the recorded plat for this subdivision cites the following, in part:

Notes:

3. An Avigation Easement and Release for this plat is recorded with the Maricopa County Recorder. This subdivision is within four (4) miles of Williams Gateway Airport and that information regarding aircraft operations and airport development is available through the airport administration office.

4. These properties, due to their proximity to Williams Gateway Airport, are likely to experience aircraft over-flights, which could generate noise levels which will be of concern to some individuals.

¹ Units 137 through 141, inclusive (Building 13), Units 142 through 146, inclusive, (Building 14), and Units 147 through 151, inclusive (Building 15) were deleted and replaced with Units 137, 138, 139, 237, 238, 239 (Building 13), Units 142, 143, 144, 242, 243, and 244 (Building 14), and Units 147, 148, 149, 247, 248, and 249 (Building 15), by the replat recorded in Book 1250 of Maps, page 36, and the Sixth Amendment to Condominium Declaration recorded November 24, 2015 as 2015-0840817.

SUBDIVISION LOCATION

Location: 7726 E. Baseline Road, Mesa, Maricopa County, Arizona. Take US60 East to Sossaman Rd, head south to Baseline Rd, head east on Baseline Rd to 78th St head north into Subdivision.

SUBDIVISION CHARACTERISTICS

Topography: Land is level.

Flooding and Drainage: Subdivider advises that there are no known flooding or drainage problems.

Soils: Subdivider advises that the subdivision lots are subject to expansive or subsidence soils. James R. Dedrick, P.E. of ACS Engineering Group, LC, in his letter dated April 30, 2007, has stated:

“The purpose of the soil investigation for the subject project is to present general information concerning the engineering characteristics of the soil and to submit recommendations for the design of foundations and site preparation for the proposed development.

It is understood that the proposed development will consist of one and/or two level single-family homes, imposing relatively light foundation loads. Maximum structure loads on the order 2 kips per lineal foot are anticipated and grading will consist of cuts and fills to achieve desired finish grade elevations.

Site surface soils in the flat low lying areas are loose and dry and have swell potential in their current state. On-site soils in low-lying areas are typically classified by USCS as silty or clayey SNDS; however some pockets of more expensive or clayey soils may exist on site. If soils are processed as recommended in the reference report an allowable bearing capacity of 2000 psf is possible for footings bearing at 18 inches below subgrade.

Total and differential settlements from assumed loads will be within generally accepted tolerance provided the grading operations are performed as specified and positive drainage away from the structures is maintained. Proper drainage of surface water and roof runoff water away from structures should be provided. Irrigation systems and landscaping should be placed carefully allowing a minimum 5 foot offset from the buildings. Foundation bearing and under slab soils should not be exposed to moisture infiltration.

Based on the findings of this report, the site is considered suitable for single family homes imposing relatively light foundation loads providing floor/foundation systems are properly designed, soils are compacted as specified and proper drainage away from the structures is maintained.”

Based upon current information, the subdivision does not have, nor is it in the proximity of, any known fissures, sink holes, or other, within or lying close to the subdivision. For more information on fissures and earth subsidence, refer to www.azgs.state.az.us

Adjacent Lands and Vicinity:

Zoning: North – R1-6 (Single Residential) East – O-S (Office Space), C-2- (Limited Commercial) West – C-2- (Limited Commercial) South – R-2 (Restricted Multiple Residence)

NOTE: Owners of the adjacent lands 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 Mesa Planning and Zoning Department for further and up to date zoning information.

Canals/Rivers/Washes:

- Guadalupe Channel Canal is adjacent north
- East Maricopa Floodway is approximately 2 miles west
- Roosevelt Water Conservation District Canal is approximately 2 miles west
- Eastern Canal is approximately 4 miles west
- Central Arizona Project Fannin-McFarland Aqueduct is approximately 4 ¼ miles northeast

Due to the proximity of these canals, rivers and washes, they may present a safety hazard, especially during times of heavy rainfall, for 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 the website at www.fcd.maricopa.gov.

Public Recreation:

- Desert Sands Golf is approximately ¼ mile north
- Arizona Golf Resort is approximately 1 mile northwest
- Fountain of the Sun Golf Course is approximately 1 mile north
- Mesa Pavilions Shopping Center is approximately 1 mile northwest
- Superstition Springs Mall is approximately 1 ¼ miles northwest
- Superstition Springs Golf Club is approximately 1 ½ miles west
- Sunland Village East Golf Course is approximately 2 miles south
- Augusta Ranch Golf Club is approximately 3 miles southeast
- Skyline Community Park is approximately 3 miles northeast
- Leisure World Country Club is approximately 3 miles northwest
- Red Mountain District Park is approximately 3 ½ miles north
- Red Mountain Sports Complex is approximately 4 miles north
- Additional Parks and Golf Courses are within a 4 to 5 miles radius

Public/ Roadways:

- Highway US60 is approximately ½ mile north
- State Highway 202 is approximately 1 mile east

Due to the proximity of the freeways, this subdivision may experience, noise, traffic, lighting or other effects that may be of concern to some individuals. Purchasers are advised to independently investigate this matter.

Educational Facilities:

- Noah Webster Public School is approximately 1 mile east
- Superstition Springs Elementary School is approximately 1 ¼ miles southwest
- Highland Junior High School is approximately 1 ½ miles southwest
- Gilbert Learning Center is approximately 1 ½ miles southwest
- University of Phoenix is approximately 1 ¼ miles west
- Numerous Elementary Schools and High Schools are within a 2 to 5 mile radius
- Arizona State University East Campus is approximately 5 miles southeast
- Mesa Community College is approximately 5 ½ miles north

Airports:

- Phoenix-Mesa Gateway Airport is approximately 4 miles south
- Mesa Falcon Field Municipal Airport is approximately 8 miles northwest

Police/Fire/Municipal:

- Post offices are approximately 3 miles northwest and 4 miles northeast
- Fire Stations are approximately 1 ½ miles northwest, 2 ½ miles southeast and 3 miles north
- Police Department is approximately 2 ½ miles southeast
- Library is approximately 4 miles northwest

Other facilities:

- Mobile Home Park is approximately ¾ mile northeast
- Mountain View Memorial Garden is approximately 2 ½ miles north
- Banner Baywood Hospital and Banner Baywood Heart Hospital are approximately 3 miles northwest
- General Motors Proving Grounds are approximately 4 miles southeast

Transmission lines:

Purchasers are advised that transmission lines may create health risks and may have financial or other adverse impacts on the homes or residents within the subdivision. Please note that the size, nature, voltage and location of such power lines and the addition of any other power lines are not within subdivider's control and are subject to change. Purchasers are advised to independently investigate this matter. For further information please contact APS, customer service division at (602) 371-7171, SRP, customer service division at (602) 236-8888, or Western Area Power Administration (WAPA) at 602-605-2525 or visit their website at www.wapa.gov.

INFORMATION ON A PROPOSED OR EXISTING TRANSMISSION LINE AND SUBSTATION MAY BE AVAILABLE FROM THE ARIZONA CORPORATION COMMISSION OR FROM THE UTILITY COMPANY. IN ADDITION TO THE ABOVE DISCLOSED INFORMATION, BUYER SHOULD CONTACT THE UTILITY COMPANY FOR FURTHER AVAILABLE INFORMATION WHICH MAY INCLUDE

STRUCTURE HEIGHTS, SCHEMATICS OF WHAT THE STRUCTURES WILL LOOK LIKE AND CONSTRUCTION SCHEDULES.

PURCHASERS ARE ADVISED THAT UTILITY PROVIDERS MAINTAIN GENERATING PLANTS THROUGHOUT THE AREAS THAT THEY SERVICE. PURCHASERS SHOULD CONTACT THE UTILITY PROVIDER FOR FURTHER INFORMATION REGARDING ANY CHANGES TO EXISTING FACILITIES OR ANY NEW FACILITIES THAT MIGHT BE PLANNED.

Purchaser's are advised that homes situated adjacent to or in the vicinity of including but not limited to: agricultural operations, dairy farms, canals, creeks, washes, rivers, flood plains, railroads, freeways, water reclamation/treatment plants, well site/storage tanks, landfills, commercial property, multi-family sites, worship sites, school sites, libraries, fire stations, municipal buildings, parks, trails, open space areas, golf courses, construction-related operations, industrial property, or other non-residential uses and/or other recreation amenities are likely to experience an additional amount of, including but not limited to: noise, odors, fumes, cultivation & related dust, agricultural burning, application of pesticides, irrigation and drainage, vibrations, pests such as flies and mosquitoes, lighting, vehicular and pedestrian traffic associated with the described uses and/or operations for an indefinite period of time. PURCHASERS ARE ADVISED TO DETERMINE FOR THEMSELVES WHAT AFFECT, IF ANY, THE USES ADJACENT TO OR IN THE VICINITY OF THE SUBDIVISION WILL HAVE ON THE USE AND ENJOYMENT OF THEIR LOT.

ARIZONA NATIVE DESERT LANDS:

Cockroaches, rattlesnakes, 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. If a purchaser has concerns, they should seek the advice of a pest control company

AIRPORTS

Public Airport: Phoenix-Mesa Gateway Airport, located at 5835 S. Sossaman Road, is approximately 4 miles south. **See Exhibit "B" attached for vicinity map.**

THE DEVELOPMENT IS LOCATED IN TERRITORY IN THE VICINITY OF WILLIAMS GATEWAY AIRPORT. FLIGHTS MAY PRODUCE AIRCRAFT NOISE AS A RESULT OF FLIGHT OPERATIONS.

ALL AREAS WITHIN AN OVER-FLIGHT DISTRICT ARE SUBJECT TO AIRCRAFT ACTIVITY. NOISE LEVELS FROM AIRCRAFT OVERFLIGHTS AFFECT EVERYONE DIFFERENTLY. IF A RESIDENCE IS OUTSIDE THE OVER-FLIGHT DISTRICT IT IS STILL SUBJECT TO OVER-FLIGHTS BY AIRCRAFT FROM THE CLOSEST AIRPORT IN THE VALLEY OR FROM AN AIRPORT OUTSIDE THE VALLEY

UTILITIES

Electricity: City of Mesa, (480) 644-2221, www.cityofmesa.org Construction of facilities is complete. Purchaser's costs to receive service are as follows. Monthly service charges vary by usage.

(Excerpted from City of Mesa website July 22, 2013) Residential customers are required to place a deposit as security for payment of utility bills before utility services will be turned on. Deposits may be waived if the applicant has had comparable service with Mesa in the past 18 months, was not delinquent in payment more than twice during the past twelve (12) consecutive months or been disconnected for nonpayment during the past twelve (12) months. For dwelling units with individual service meters, the deposits applicable to each utility service are as follows:

Electric \$ 265
Water \$ 100
Solid Waste \$ 60

A utility administrative fee of \$11.00 will be assessed to establish a utility account. In addition, the following service connection charges will be assessed for each metered service activated: Electric \$16.00 and Water \$16.00. Normally, utility service is connected the next business day following the request for service. If it is necessary to establish service the same day or after 5:00 P.M., Monday through Thursday, or weekend and holiday service, a convenience fee of \$45.00 will be assessed in addition to the normal administrative and connection charges.

Street Lights: Construction of facilities is complete. The Homeowners Association will provide maintenance. Purchasers' costs are included in their Homeowners Association assessments.

Water: City of Mesa, (480) 644-2221, www.cityofmesa.org Construction of facilities is complete. Purchaser's costs to receive service are itemized under "Electricity" above. Monthly service charges vary by usage.

Sewage Disposal: City of Mesa, (480) 644-2221, www.cityofmesa.org. Construction of facilities is complete. Purchaser's costs to receive service are itemized under "Electricity" above. Monthly service charges vary by usage; monthly service charges are included in monthly electricity/water bill.

Telephone: Centurylink (800) 244-1111 (website: www.centurylink.com) or Cox Communications (623) 594-1000 (website: www.cox.com) Construction of facilities is complete. Purchasers' cost to receive service with Centurylink is a \$27.50 per line hook up fee. A deposit or advanced payment may be required. Purchaser's cost to receive service through Cox is a one time set up/service establishment fee of \$34.95. A deposit may be required based on the results of a credit check. Purchasers should check Cox Communications website for additional information regarding types of services available as well as monthly costs associated with that service. Fees and rates are subject to change.

IT IS POSSIBLE THAT PURCHASERS MAY NOT HAVE TELEPHONE SERVICE AT THE TIME OF CLOSING. PURCHASERS ARE ADVISED TO CONTACT THEIR SERVICE PROVIDER TO DETERMINE THE STATUS OF TELEPHONE SERVICE. PURCHASERS MAY ALSO WANT TO CONSIDER TEMPORARY ALTERNATIVES, IE: A CELLULAR TELEPHONE.

Cable and Internet: Cox Communications (623) 594-1000 (website: www.cox.com) Construction of facilities is complete. Purchaser's cost to receive service is a one time set up/service establishment fee of \$34.95. A deposit may be required based on the results of a credit check. Purchasers should check Cox Communications website for additional information regarding types of services available as well as monthly costs associated with that service.

Natural Gas: Not available

THE ABOVE COSTS ARE SUBJECT TO CHANGE BY SERVICE PROVIDERS. PURCHASERS SHOULD CONTACT THE ABOVE PROVIDERS REGARDING EXTENSION RULES AND REGULATIONS, SERVICE CONNECTIONS AND COSTS INVOLVED.

STREETS, ROADS AND DRAINAGE

Access to the Subdivision: Construction of facilities is complete. The City of Mesa will provide maintenance. Purchaser's costs for maintenance are included in their property taxes.

Access within the Subdivision: Construction of facilities is complete. The Homeowners Association will provide. Purchaser's costs for maintenance are included in their 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.land.state.az.us, or call (602) 542-4631.

Flood and Drainage: Construction of facilities is complete, consisting of drainage/retention tracts and typical street drainage within the subdivision. The Homeowners Association will provide maintenance. Purchaser's costs for maintenance are included in their Homeowners Association assessments.

COMMON, COMMUNITY AND RECREATIONAL FACILITIES

Within the Subdivision: Construction of facilities is complete, consisting of perimeter wall, entry gate, pool, community clubhouse, "tot-lot", landscaped common areas and common driveway. The Homeowners Association will provide maintenance. Purchaser's costs for maintenance are included in their Homeowners Association assessments.

ASSURANCES FOR COMPLETION

Assurances for Completion of Subdivision Facilities: Construction of all facilities and amenities is complete.

Assurances for Maintenance of Subdivision Facilities: Utility providers and City of Mesa will maintain their respective facilities. The Homeowners Association will maintain the common areas and facilities, as provided in the Declaration of Condominium, Filed Articles of Incorporation and Bylaws for the Homeowners Association.

LOCAL SERVICES AND FACILITIES

Schools: Jefferson Elementary (K-6) located at 120 S. Jefferson, Phone (480)472-8700 is approximately 3 miles northwest; Fremont Junior High School (7-8), located at 1001 North Power Road, Mesa, Arizona 85205, Phone (480) 472-8300, is approximately 5 miles northwest; Skyline High School (9-12), located at 845 S. Crismon, Phone (480) 472-9400 is approximately 4 miles northeast.

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.

PURCHASERS ARE ADVISED THAT SCHOOL BOUNDARIES AND SCHOOL BUS TRANSPORTATION MAY CHANGE. PURCHASERS SHOULD CONTACT THE MESA PUBLIC SCHOOL DISTRICT AT (480) 472-0000 FOR THE MOST CURRENT INFORMATION.

Shopping Facilities: Fry's Food Store, located 1915 S. Power Road, is approximately 1 mile west; Safeway, located at 9101 E. Baseline Road, is approximately 2 miles east; Albertsons, located at 9243 E. Baseline Road, is approximately 2 miles east.

PURCHASERS ARE ADVISED THAT THE LOCATION OF SHOPPING FACILITIES MAY CHANGE AND PURCHASERS SHOULD DETERMINE FOR THEMSELVES THE LOCATIONS OF SHOPPING FACILITIES TO THIS SUBDIVISION.

Public Transportation: Valley Metro has a stop located at Baseline and 78th Street, adjacent to the subdivision

PURCHASERS ARE ADVISED THAT BUS ROUTES AND SCHEDULES MAY CHANGE. PURCHASERS SHOULD CONTACT VALLEY METRO TRANSIT SYSTEM AT (602) 253-5000 OR VISIT THEIR WEBSITE AT www.valleymetro.org FOR THE MOST CURRENT INFORMATION.

Medical Facilities: Banner Baywood Hospital, located at 6644 E. Baywood Avenue, and Banner Baywood Heart Hospital, located at 6750 E. Baywood Avenue, are approximately 3 miles northwest

Fire Protection: City of Mesa Fire Department. Purchaser's costs for service are included in their property taxes.

Ambulance Service: Available by dialing 911.

Police Services: City of Mesa Police Department

Garbage Services: City of Mesa. Purchaser's costs are included in their Homeowners Association Assessments

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

SUBDIVISION USE AND RESTRICTIONS

Use: This offering is for an existing condominium unit (Improved)

Zoning: Multi-family residential

“Improved lot or parcel” means a lot or parcel of a subdivision upon which lot or parcel there is a residential, commercial or industrial building or concerning a contract that has been entered into between a subdivider and a purchaser that obligates the subdivider directly or indirectly through a building, contractor, to complete construction of a residential, commercial or industrial building on the lot or parcel within two years from the date on which the contract of sale for the lot is entered into.

Conditions, Reservations and Restrictions: Any and all reservations, restrictions, easements and rights of way of record in the public records of the Maricopa County Recorder, Arizona, including, but not limited to, the Condominium Declaration of Covenants, Conditions and Restrictions for Villa Rialto, a Condominium; and subject to any and all zoning restrictions and regulations; and to any reservations or exceptions contained in U.S. Patents or Acts authorizing

the issuance thereof or any other matters of record; and to any and all other federal, state and local laws and regulations which may effect this property. A current title insurance report may be obtained by you from any title company showing the title company's understanding of the current status of the record title to this property.

PURCHASERS ARE ADVISED THAT THE 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 Mesa Planning and Zoning Department. Restrictions are recorded as cited in the following title exceptions and per the subdivision plat.

METHOD OF SALE OR LEASE

Sales: Purchaser's vested interest/ownership interest in the property will be evidenced by the subdivider delivering a recorded deed to Purchaser and by Purchaser signing a promissory note and mortgage or deed of trust for the unpaid balance, if any. **PURCHASERS SHOULD READ THESE DOCUMENTS BEFORE SIGNING THEM.**

PURCHASERS ARE ADVISED THAT EARNEST MONEY DEPOSITS, DOWN PAYMENTS AND OTHER ADVANCED MONEY MAY NOT BE PLACED IN A NEUTRAL ESCROW, EXCEPT FOR VA FINANCED PURCHASES, WHICH WILL BE DEPOSITED IN A SEPARATE ESCROW ACCOUNT. SUCH MONEY MAY BE PAID DIRECTLY TO THE SELLER AND MAY BE USED BY THE SELLER. THIS MEANS THE PURCHASER ASSUMES A RISK OF LOSING SUCH MONEY IF THE SELLER IS UNABLE OR UNWILLING TO PERFORM UNDER THE TERMS OF THE PURCHASE CONTRACT.

Release of Liens and Encumbrances: The Subdivider advises that individual lot release provisions are contained in the loan documents for the liens and encumbrances shown in the Title Exceptions herein.

Use and Occupancy: Lot purchasers will be permitted to use and occupy their Unit upon close of escrow and recordation of deed of conveyance of title to the Unit.

THE PURCHASE CONTRACT IS A BINDING AGREEMENT. CONTRARY TO THE TERMS AND PROVISIONS OF THE CONTRACT, PURCHASERS 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.

TITLE

Title to this subdivision is vested in the Subdivider.

Subdivider's interest in this subdivision is fee title, evidenced by a Deed recorded in the County records.

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. **PURCHASERS SHOULD INVESTIGATE THE TITLE AND SATISFY THEMSELVES 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 November 23, 2015, issued by First American Title Insurance Company. **Purchasers should obtain a title report and determine the effect of the listed exceptions.**

EXCEPTIONS: SEE EXHIBIT "A" ATTACHED

TAXES AND ASSESSMENTS

Real Property Taxes: The estimated property tax for an improved lot (lot with dwelling), based on the current tax rate is approximately 1% of average sales price of \$169,500, which is \$1,700.

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

PROPERTY OWNERS ASSOCIATIONS

Name and Assessments: Villa Rialto Condominium Association, with current assessments in the amount of \$135.00 per month, approximately.

In addition, a one-time "Initial Working Capital Fund" fee equal to two monthly installments of the regular assessment and a "Reserve Contribution" fee of \$500.00 shall be collected at close of escrow, pursuant to Section 7.11 and 7.12 of the Condominium Declaration for Villa Rialto, A Condominium. This fee may pertain to subsequent resales as well.

Control of Association: Declaration of Condominium states, "Period of Declarant Control: means the time period commencing on the date the Declaration is Recorded and ending on the earlier of (i) ninety (90) days after the conveyance of seventy-five percent (75%) of the Units which may be created to Owners other than the Declarant; or (b) four (4) years after all Declarants have ceased to offer Units for sale in the ordinary course of business."

Title to Common Areas: Because this Project is a Condominium, each Unit Owner owns the Common Area in undivided interests in the percentages set forth in the Declaration , as amended. The Common Area will never be deeded or transferred to the Association, although the

Association maintains responsibility for maintenance of the Common Area while the Condominium is in existence.

The Association shall acquire and pay for the following: (a) water, sewer, electric, natural gas and other utility service for the Common Elements and (b) refuse and rubbish collection for the Common Elements and the Units. Each Unit will be separately metered for electric service, and all charges for electric service to a Unit shall be billed directly to the Unit Owner by the electric company and shall be paid by the Unit Owner. The Units are separately metered for water service and each Unit Owner shall be billed directly for such service by the City of Mesa, Arizona.

Membership: All lot owners will be members of the Association.

Article 3, subsection 3.3.1 of the Condominium Declaration for Villa Rialto, A Condominium, says, in part: "Every Owner, Lessee and Occupant shall have a right and easement of enjoyment in and to the Common Elements, which right and easement shall be appurtenant to and shall pass with the title to every Unit"

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

PURCHASERS ARE ADVISED TO READ THE RECORDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, ARTICLES OF INCORPORATION, DECLARATION OF CONDOMINIUM, BYLAWS FOR THIS SUBDIVISION TO DETERMINE THE RIGHTS OF LOT/UNIT 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/UNITS. FURTHER, PURCHASERS SHOULD DETERMINE FOR THEMSELVES IF SUBDIVIDER'S ARRANGEMENTS AND PLANS FOR THE PAYMENT OF ASSESSMENTS ON UNSOLD LOTS/UNITS WILL BE SUFFICIENT TO FULFILL THE NEEDS, DEMANDS AND FINANCIAL OBLIGATIONS OF THE ASSOCIATION, AS SET FORTH IN THE DECLARATION AND BYLAWS.

EXHIBIT "A"**Title Exceptions:**

1. Second installment of 2015 taxes, a lien, payable on or before March 1, 2016, and delinquent May 1, 2016.
2. Any charge upon said land by reason of its inclusion in Villa Rialto Condominium Association.
3. The right to enter upon said land and prospect for and remove all coal, oil, gas, minerals or other substances, as reserved in the Patent to said land.
4. Easements, restrictions, reservations, conditions and set-back lines as set forth on the plat recorded as Book 881 of Maps, Page 29, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).
5. Easements, restrictions, reservations, conditions and set-back lines as set forth on the plat recorded as Book 1250 of Maps, Page 36, 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. All matters set forth in Covenants, conditions, restrictions, easements, liabilities and obligation recorded as December 08, 2006 as 2006-1608343; First Amendment recorded May 12, 2008 as 2008-419072; Second Amendment recorded July 31, 2008 as 2008-668601; Amendment recorded August 07, 2008 as 2008-689343; Third Amendment recorded September 02, 2008 as 2008-758998; Notice of Community Association recorded October 21, 2009 as 2009-973907; Assignment of Declarant's Rights recorded April 08, 2010 as 2010-294064; Assignment of Declarants Rights and Assignment of Approved Housing Plan Rights recorded November 03, 2010 as 2010-965557; Notice of Association Contact Information recorded February 24, 2011 as 2011-161619; Assignment Agreement recorded March 26, 2013 as 2013-0274413; Collateral Assignments of Declarant's Right Pursuant to Declaration of Condominium for Villa Rialto recorded March 26, 2013 as 2013-0274414; Fourth Amendment recorded May 6, 2013 as 2013-0411418; Assignment of Declarants Rights recorded June 26, 2013 as 2013-0587208 and Assignment of Declarants Rights recorded June 26, 2013 as 2013-0587209; Collateral Assignments of Declarant's Right Pursuant to Declaration of Condominium for Villa Rialto recorded June 26, 2013 as 2013-0587210; Confirmatory Declaration of Annexation of Additional Property recorded January 27, 2014 as 2014-054501; Confirmatory Declaration of Annexation of Additional Property recorded July 17, 2014 as 2014-0468494; Assignment of Declarant's Rights Pursuant to Declaration of Condominium for Villa Rialto recorded September 26, 2014 as 2014-0640352; Confirmatory Declaration of Annexation of Additional Property recorded October 14, 2014 as 2014-0679669; Confirmatory Declaration of Annexation of Additional Property recorded February 9, 2015 as 2015-083315; Confirmatory Declaration of Annexation of Additional Property recorded May 8, 2015 as 2015-0324881; Confirmatory Declaration of Annexation of Additional Property recorded November 5, 2015 as 2015-0796178; Fifth Amendment recorded November

24, 2015 as 2015-0840789; Sixth Amendment recorded November 24, 2015 as 2015-0840817; and a Ratification of Fifth and Sixth Amendments to Condominium Declaration and Replat of a Portion of Villa Rialto, A condominium, recorded November 25, 2015, as 2015-0843778, all of Official Records, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes.

7. An easement for electric lines and appurtenant facilities and incidental purposes, recorded as Docket 7958, Page 589 and recorded as Docket 7978, Page 128.

(Affects Common Areas)

8. An easement for public utilities, including irrigation and incidental purposes, recorded as 1984-514143 of Official Records.

(Affects Common Areas)

9. An easement for public utilities, including irrigation and incidental purposes, recorded as 1984-514144 of Official Records.

(Affects Common Areas)

10. An easement for public utilities, including irrigation and incidental purposes, recorded as 1984-514145 of Official Records.

(Affects Common Areas)

11. An easement for public utilities, including irrigation and incidental purposes, recorded as 1984-514146 of Official Records.

(Affects Common Areas)

12. An easement for public utilities, including irrigation and incidental purposes, recorded as 1984-519590 of Official Records.

(Affects Common Areas)

13. An easement for public utilities, including irrigation and incidental purposes, recorded as 1984-519591 of Official Records.

(Affects Common Areas)

14. All matters as set forth in City of Mesa Avigation Easement and Release for Williams Gateway Airport, recorded January 08, 2007 as 2007-0028405 of Official Records.

15. An easement for electric lines and appurtenant facilities and incidental purposes, recorded as 2007-1220656 of Official Records.

(Affects Common Areas)

16. Deed of Trust to secure an indebtedness of \$3,375,000.00, and any other amounts or obligations secured thereby, recorded June 26, 2013 as 2013-0587205 of Official Records.

Dated: June 25, 2013

Trustor: Villa Rialto, L.L.C, a Delaware limited liability company doing business in Arizona as Villa Rialto of Mesa, L.L.C.

Trustee: Stearns Bank, National Association, a national banking association

Beneficiary: Stearns Bank, National Association, a national banking association

An Assignment of Rents and Leases recorded June 26, 2013 as 2013-0587206 of Official Records, as additional security for the payment of the indebtedness secured by the Deed of Trust recorded June 26, 2013 as 2013-0587205 of Official Records.

(NOTE: Lots 122-136, 152, 154-156, 162-164, 171-173, 224, 228-234, 262-264, 271, & 273 have been released. Partial Beneficiary Releases recorded as Document No.'s 2014-0403837, 2014-0403838, and 2015-0710550, of Official Records.)

17. Deed of Trust to secure an indebtedness of \$5,000,000.00, and any other amounts or obligations secured thereby, recorded June 26, 2013 as 2013-0587207 of Official Records.

Dated: June 25, 2013

Trustor: Villa Rialto, L.L.C, a Delaware limited liability company doing business in Arizona as Villa Rialto of Mesa, L.L.C.

Trustee: Stearns Bank, National Association, a national banking association

Beneficiary: Stearns Bank, National Association, a national banking association

(NOTE: Lots 122-136, 152, 154-156, 162-164, 171-173, 224, 228-234, 262-264, 271, & 273 have been released. Partial Beneficiary Releases recorded as Document No.'s 2014-0403836, 2015-0403839, and 2015-0710533, of Official Records.)

18. Deed of Trust to secure an indebtedness of \$3,000,000.00, and any other amounts or obligations secured thereby, recorded September 26, 2014 as 2014-0640350 of Official Records.

Dated: September 26, 2014

Trustor: Villa Rialto, LLC, a Delaware limited liability company

Trustee: Stearns Bank National Association

Beneficiary: Stearns Bank National Association

An Assignment of Rents and Leases recorded September 26, 2014 as 2014-0640351 of Official Records, as additional security for the payment of the indebtedness secured by the Deed of Trust recorded September 26, 2014 as 2014-0640350 of Official Records.

(Affects Unit No. 101-127, 137-151, 201-217, and 219-227)

19. Deed of Trust to secure an indebtedness of \$5,000,000.00, and any other amounts or obligations secured thereby, recorded September 1, 2015 as 2015-0634499 of Official Records.

Dated: August 31, 2015

Trustor: Villa Rialto, LLC, a Delaware limited liability company

Trustee: Stearns Bank National Association

Beneficiary: Stearns Bank National Association

(Affects Unit No. 101, 103-118, 137, 138, 139-151, 153, 201-222, 227, and 235)

20. Water rights, claims or title to water, whether or not shown by the public records.

Exhibit "B"

Phoenix-Mesa Gateway Airport Traffic Pattern Airspace

