
VERRADO® MASTER-PLANNED COMMUNITY
Town of Buckeye, Arizona

MASTER
DISCLOSURE STATEMENT

DMB WHITE TANK, LLC
7600 East Doubletree Ranch Road, Suite 300
Scottsdale, Arizona 85258

Last Updated: February 1, 2010

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 lot or 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) ACKNOWLEDGEMENT 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 PROJECT SALES OFFICE, AS WELL AS THE APPLICABLE GOVERNMENTAL AND PUBLIC AGENCIES, REFERENCED IN THIS DISCLOSURE AND IN THE PUBLIC REPORT PROVIDED TO YOU BY YOUR NEIGHBORHOOD OR OTHER BUILDER FOR THE MOST UP TO DATE INFORMATION.

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VERRADO®
MASTER DISCLOSURE STATEMENT

Updated as of February 1, 2010

Welcome to Verrado® (the "**Community**"). We are pleased that you ("**Prospective Buyer**") have decided to purchase a home or lot in our Community. DMB White Tank, LLC is the master developer and founder of the Community ("**Founder**"). If you are purchasing a new home, the home will be or has been constructed and sold by one of several neighborhood builders in the Community ("**Neighborhood Builders**") or custom homebuilders in the Community ("**Artisan Builders**" and "**Builders**"), which will be sold by their respective Arizona licensed brokers and salespersons. Custom lot sales and resale home sales are made through, but not exclusively by, designated brokers such as Verrado Realty LLC.

This Master Disclosure Statement ("**Disclosure**") discloses to you various matters that might affect your decision to purchase a new home or lot in the 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. After the closing on your lot or home, future updated Disclosures will be provided only to purchasers of new homes offered by Neighborhood Builders, Artisan Builders and other Builders or to purchasers of resale homes or new and resale lots whenever Verrado Realty LLC represents the Seller or Buyer in a new or resale transaction within the Community and the Founder is not otherwise 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 or lot in the Community. Since we cannot predict every circumstance that may be material to you as the Buyer, you must satisfy yourself about the decision to purchase a home or lot by independently investigating all matters of concern to you.

As part of your purchase of a home or lot in the Community, you will receive a purchase agreement and 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 or lot, you will receive the Arizona Subdivision Public Report (and any amendments thereto) for your subdivision ("**Public Report**") prepared and provided by the Neighborhood Builder, Artisan Builder or other Builder from whom you purchase your new home or lot (or, in the case of custom lots purchased directly from the Founder, from the Founder). 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, Neighborhood Builders, Artisan Builders and 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, Governance 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 Covenant and 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 brochures 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.org/housopp.nsf/pages/mortgages.

1. **COMMUNITY:** The Community is a master planned development located on a total of approximately 8,800 acres and is planned as a multi-phased development adjacent to the White Tank Mountains, in the Town of Buckeye ("**Town**"), Maricopa County ("**County**"), Arizona. The Community is planned to consist of a multitude of residential neighborhoods and commercial, public and other uses, including open space and collector roads. The Community presently includes one public golf course, a private health club, public elementary, middle, and high schools, and a "Main Street District" comprised of commercial, office, high-density residential (including apartments) and retail uses. Planning and, in some cases, construction is currently underway for future phases and additional facilities, including one or more additional public or private golf courses, one or more additional schools, one or more resorts and related facilities, a hospital and related facilities, health clubs, worship facilities, and commercial, office, high-density residential and retail facilities within the Community. If developed as planned, the Community will be developed in a series of phases over a period of years.

2. **DEVELOPMENT PLAN:** The Community is entitled as a multi-phased development and the development plan presently contemplates up to approximately 15,000 residential Units including custom lots, as well as commercial, retail, resort, public parks (including sports parks, skate facilities, and dog parks) and trails, open space, golf course, worship facilities and school uses. As currently planned, residential subdivisions in the Community will contain various product types, including a diverse mix of housing types, styles and sizes including production single family attached and detached homes, high density residential (including condominiums and apartments) and townhomes and golf villas in a planned resort village, as well as custom and semi-custom homes, short-term rental units used for marketing purposes, and Live/Work Units ("Live/Work Units" are described in Paragraph 15). Federal and Arizona State law permits assisted living facilities within master-planned communities, including residential homes utilized for assisted living. These facilities, if and when constructed, will nevertheless need to comply with the Governance Documents (as defined below) for the Community, as well as any applicable local codes, rules and regulations. However, future development of the Community and surrounding properties is subject to change and cannot be predicted with accuracy, including that the Founder cannot guarantee that the Neighborhood Builders, Artisan Builders or other 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 actual 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, resort, golf 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 or lot 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 or lease portions of the property remaining in the Community for permitted uses (including, but not limited to, grazing of livestock). You are also advised to obtain a copy of the recorded map and correction documents, if any, from the Seller of your lot or home and note all easements, restrictions and statement contained therein. If of interest, you should contact the Town of Buckeye Community Development Department at (623) 349-6200 for up-to-date zoning or uses for adjacent lands.

NOTICE TO RESALE BUYERS: Land use designations and all other information contained in the Public Report originally prepared by the initial Subdivider for your lot or 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 website at www.re.state.az.us) 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. **GOVERNANCE DOCUMENTS:** Your home or lot will be subject to the following documents, which may be amended or supplemented from time to time (collectively, the "**Governance Documents**"):

- a) The Articles of Incorporation of the Assembly dated and filed October 3, 2002;
- b) The Bylaws of the Assembly dated October 9, 2002;
- c) The Rules and Regulations of the Assembly;
- d) The Covenant for Community for Verrado, recorded on April 28, 2003, as Instrument No. 2003-0531387, in the Official Records of the County, together with all duly adopted amendments and supplements relating thereto (collectively, the "**Covenant**");
- e) The Articles of Incorporation of the Association dated and filed October 3, 2002;
- f) The Bylaws of the Association dated April 9, 2004;
- g) The Rules and Regulations of the Association;
- h) The Community Charter for Verrado, recorded on September 30, 2002, as Instrument No 2002-1008906, in the Official Records, and the First Amendment thereto recorded on January 7, 2004, as Instrument No. 2004-0015591, in the Official Records of the County, together with all duly adopted amendments and supplements relating thereto (collectively, the "**Charter**");
- i) The Supplemental Declaration applicable to your Lot;
- j) The Residential Community Design Guidelines, as established by the Founder;
- k) The Verrado Custom Home Design Guidelines applicable to your Subdivision, as established by the Founder (if you are purchasing a custom lot).
- l) Sub-association or condominium association governing documents (if you are purchasing a Unit that is included in a separate sub-association or condominium association).

The Governance Documents are available for your inspection in the sales office of the Neighborhood Builder, Artisan Builder or other Builder from whom you purchase your new home or lot (or, in the case of new custom lots purchased directly from the Founder, from the Founder, and in the case of resale lots

or homes, from the Association through delivery by your title company). The Governance Documents should be provided to you prior to the purchase of your new home or lot or during the escrow period prior to the purchase of your resale home or lot. In addition, the Governance Documents are made available to home and lot owners on Verrado's community web portal described below.

4. VERRADO ASSEMBLY: Verrado Assembly, an Arizona nonprofit corporation ("**Assembly**") 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 and the surrounding Town area, in accordance with the provisions of the Covenant. The Assembly has no members and is not a property owners association. The Assembly is governed by a Board of Trustees, the members of which are appointed by the Founder during the "**Founder Control Period**" (the period of time that terminates upon the first to occur of occupancy of 75% of the permitted Units in the Community or December 31, 2040). Following the Founder Control Period, the Board of Trustees will select subsequent members that are representative of various groups in the Community, as described more fully in the Assembly Bylaws. The Covenant creates the position of Town Manager, who is to provide leadership for the planning, development, implementation and evaluation of the Assembly's programs, activities and services. To fund expenses necessary to facilitate or provide the activities, services and programs provided by the Assembly, certain fees and assessments are collected by the Association and payable to the Assembly by all owners of residential real property as indicated: an Annual Assessment (currently \$300 per Unit, payable in \$25.00 monthly payments for calendar year 2010), Community Enhancement Fee (currently the sum of 1/2 of 1% of the gross sales price of the Unit transferred plus \$250, payable upon each transfer of a Unit by a Unit owner other than the Founder, a Builder or any other applicable limited exemption described below) and the Builder Community Recreation Fee (currently \$250, payable by the Neighborhood Builder, Artisan Builder or other Builder upon the first transfer of a Unit by a Neighborhood Builder, Artisan Builder or other Builder). Additionally, a separate Telecommunity Fee for high speed internet service (currently \$38.50 per household per month) is collected in the monthly bill from the Association. (The Telecommunity Fee is described in greater detail in Paragraph 6 below.) All of the Assembly fees and assessments, excluding the Telecommunity Fee, are payable commencing as of the date you close the purchase of your home or lot and shall, at a minimum, be equal to a proration of the current closing quarter's assessments plus the full assessments for the following quarter. The Telecommunity Fee is payable commencing the 1st of the month following the date of close of escrow. As described in the Governance Documents, there may be limited exemptions to certain fees and assessments and the Assembly may establish additional fees for Assembly activities, services and programs. Payment of assessments in a timely fashion is recommended to potentially avoid penalty fees, liens, and all other enforcement actions permitted by the Governance Documents and applicable law.

5. VERRADO COMMUNITY ASSOCIATION: Verrado Community Association, Inc., an Arizona nonprofit corporation ("**Association**"), exists to own, operate and/or maintain various common areas and community improvements and to administer and enforce the covenants, conditions and restrictions set forth in the Charter, including collecting assessments, fees or other charges levied by the Assembly and the Association against members of the Association. All owners of residential real property in the Community automatically become members of the Association upon acquisition of a Unit. 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 (one vote per Unit, regardless of the number of members within the household) and, for purposes of exercising your voting right, owners may be grouped into Neighborhoods and Election Districts, with the goal of implementing a representative voting system for all matters to be voted on by members of the Association. To fund the Association's activities and responsibilities, certain assessments are payable to the Association: Base Assessments (currently \$78.50 per month, payable monthly), Service Area Assessments (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) and

Special Assessments and Specific Assessments. In addition, a one-time working capital contribution is required to be paid by the first owner of a Unit other than the Founder, a Neighborhood Builder, an Artisan Builder or other Builder in the amount of 1/6 of the annual Base Assessment (calculated as $\$78.50 \times 12 = \$942/6 = \$157$ currently) (not applicable to a resale buyer). All of the Association fees and assessments are payable commencing as of the date you close the purchase of your home or lot and shall, at a minimum, be equal to a proration of the current closing quarter's assessments plus the full assessments for the following quarter. The Association may also charge use and consumption fees to any person using Association services or facilities. For more information on the establishment and responsibility for payment of assessments, fees and other charges by the Association, please refer to the Charter. Payment of assessments in a timely fashion is recommended in order to potentially avoid penalty fees, liens, etc.

In addition to being a member of the Association and being obligated to pay fees and assessments to the Association, your subdivision may have its own separate sub-association that may levy additional fees and assessments for other additional services provided. Neither the Founder, the Assembly nor the Association has control over the establishment, or collection, of any additional fees and assessments levied by a sub-association. Your Purchase Documents entered into directly between you and your Artisan Builder, Neighborhood Builder or other Builder should identify whether you will be part of a sub-association.

6. **TECHNOLOGY:** The Founder, for the mutual benefit of all residents of the Community, previously entered into an agreement with Cox Communications for the bulk purchase of high-speed internet access at a discounted rate. As a result, a monthly Telecommunity Fee for this discounted Cox service will be collected by the Association and, in the future, a one-time Connection Fee may be collected. The current bulk purchase price for the Cox high-speed internet access is \$38.50 per household per month (the monthly Telecommunity Fee, also referenced in Paragraph 4). The monthly Telecommunity Fee will likely increase sometime in 2010 and will continue to change over time, based on Cox Communication's operating policies or due to market conditions and in accordance with applicable laws governing such increases outside of the Founder's control. Other Cox Communications services, including telephone, cable television, pay-per-view movies and digital music are not included in the bulk purchase agreement, but are currently available from Cox on an individual basis, through an individual subscriber agreement directly between you and Cox and your payment of fees and charges established by Cox from time to time.

All owners will receive Cox Communication's discounted high-speed internet services as part of the Assembly's scope of services provided to owners in the Community. You are free to make individual arrangements for internet services from another provider or elect to not utilize this service through any internet provider but, in either event, it is very important for you to understand that you will nevertheless still be obligated to pay the monthly Telecommunity Fee for the Cox Communication internet access and you will be responsible for any resulting degradation of service (if any) to other owners or providers if you elect to utilize another provider. The Cox Communication high-speed internet service is subject to Cox Communication's standard terms and conditions of service and none of the Founder, the Assembly or the Association has control over or responsibility for the level of service or any service interruptions. Further, the Founder is legally obligated to comply with all obligations under its existing Agreement with Cox Communications. There is no "profit" to the Founder, the Association or the Assembly based on this Agreement, which simply provides its collection of the direct pass-through monthly discount rate secured by the Founder for the benefit of all Unit owners. Since the Community is a new community 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 Assembly, as part of its scope of community programs, will provide for the operation and maintenance of a community web portal, Verrado.net. This Community-wide interactive communication system provides a means of learning about upcoming events, news and other information via message boards and personalized Verrado email that will be offered to all residents. Access to Verrado.net 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 and maintenance of Verrado.net will be funded, initially, through the monthly Telecommunity Fee and, in the future, may also be funded by a one-time Connection Fee and other fees. Verrado.net will be made available on an "AS IS" basis. The Founder, the Assembly and the Association do not make any warranties of any kind with respect to Verrado.net or any of its content although the Assembly 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 Verrado.net. Personal information may be shared on a limited and controlled basis with various designated community partners (e.g., Arizona State University Lifelong Learning, Banner Health, etc.), and you may receive mailings from our community partners because we have conducted business with them. You will be provided the opportunity to request removal of your personal information from any future communications at any time, and we (and our community partners) will honor those requests. All such personal information shall be handled in accordance with the current privacy policy posted to Verrado.net or the current posted privacy policies of our community partners.

In addition to Verrado.net, Cox Communications has established a designated Verrado Community Service Channel ("**CSC**"). The primary purpose of the CSC is to provide useful and positive information regarding the Community to build Community unity and promote knowledge of and adherence to Community rules and regulations. The Assembly is responsible for certain "front-end" CSC equipment and all CSC content and content maintenance. The CSC is not intended to provide a forum for individuals, commercial enterprises or non-approved organizations, clubs and activities. All submissions to and approvals of content will be made pursuant to the "CSC Channel Policy" and accompanying "CSC Request Form" available at Verrado.net. Cox Communications is responsible for CSC "back-end" equipment, installation and maintenance, including a channel elimination filter, fiber optic transmitter, fonz box, co-axial cable and audio wires. None of the Founder, the Assembly, or the Association has control over or liability or responsibility for the level of CSC service or 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.

7. INTELLECTUAL PROPERTY RIGHTS: The Founder owns the exclusive rights to the state and federally registered "Verrado®" mark, name, logos and indicia (collectively referred to as the "**Verrado Marks**"), with all rights reserved. The purchase, lease or sale and related marketing 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 Verrado Marks or any of Founder's copyright protected materials or works. The use, creation, registration and/or application to register any mark, name, domain name, e-mail address, designation, club name, business name, photograph, drawing, vanity license plates, newsletter, magazine publication, entity name (even if such entity is created for the sole purpose of designing, constructing, marketing, owning, leasing, selling or providing any other services to a lot or home within the Community) or any other identifier of source that is comprised of or incorporates the Verrado Marks or are confusingly similar to the Verrado 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, Fact Sheets, architectural plans and drawings, web sites, the contents thereof and any other materials or works (including, but not limited, to the entire contents of this Disclosure), whether in print or online, are strictly protected under copyright law. Notwithstanding any and all costs and fees actually incurred by you/your business or your potential ability to secure any of the following from any

local or state agency, domain name provider, etc. in violation of the Founder's rights in the Verrado Marks, 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.

8. **THE DISTRICTS:** The Community is located within the boundaries of Verrado District No. 1 Community Facilities District ("**District 1**") and Verrado Western Overlay Community Facilities District ("**Western Overlay District**") and (collectively, the "**Districts**"), which were formed to finance the construction and acquisition of public infrastructure that benefits the Community. District 1 includes all of the land within the Community whereas the Western Overlay District is located generally west of Verrado Way in the Community. The Districts finance public infrastructure through the issuance of general obligation bonds. The existence of the Districts will have a beneficial impact on property owners in the Districts because the ability to utilize bond proceeds allows the construction of infrastructure to occur earlier than would otherwise be possible and, in some cases, will provide infrastructure amenities that otherwise might not be available. Property owners in the Districts will also benefit from having higher quality improvements that will be maintained to a higher standard than would otherwise be the case. Each owner of a Unit 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 (you should consult your tax professional for further information). In the case of new sales, your Neighborhood Builder, Artisan Builder or other Builder (or, in the case of persons purchasing custom lots directly from the Founder, the Founder) should provide you with a disclosure statement which sets forth additional specific information regarding the Districts, including but not limited to, an estimate of the amount of the ad valorem taxes which may be levied against your home or lot which you will be required to sign prior to closing the purchase of your new home or lot. In the case of resales, information regarding the Districts should be provided to you in a different format as part of the title and sales documentation provided during the escrow period prior to closing the purchase of your resale home or lot.

9. **CENTRAL ARIZONA GROUND WATER REPLENISHMENT DISTRICT ("CAGRDR"):** The subdivisions in the Community are enrolled as members of the CAGRDR. The CAGRDR is obligated by statute to replenish the groundwater served to its members. The CAGRDR is managed and operated by the Central Arizona Water Conservation District ("**CAWCD**"), which manages and operates the Central Arizona Project. The CAGRDR collects assessments, set each year by the CAWCD Board, based on the estimated cost of performing the CAGRDR's groundwater replenishment obligations. Each owner will pay an annual assessment, which is collected by the Maricopa County Treasurer's Office and is included as part of your annual property tax statement. The assessment is based upon the assessment rate established annually by the CAWCD Board and actual water consumption reported by the water provider, so the actual assessment amount will vary. For the tax year 2009-10, the CAGRDR assessment rate is approximately \$.98 cents per 1,000 gallons of replenishment. Since, on average, homes in the CAGRDR are projected to use about 10,000 to 15,000 gallons of water per month, this would result in an average CAGRDR assessment for residences of approximately \$9.80 to \$14.70 per month, or \$117.60 to \$176.40 per year. Properties within the CAGRDR may be subject to mandatory water conservation requirements in the future. For further information, you may contact the CAGRDR at 623-869-2243 or visit their website at www.cagrdr.com.

10. **SCHOOLS:** There are currently three school districts located on the southern boundary of Section 31 in the Community: Litchfield Elementary School District #79 ("**Litchfield**"), Agua Fria Union High School District #216 ("**Agua Fria**"), and the Saddle Mountain Unified School District #90 ("**Saddle Mountain**"). Additionally, there are currently two school districts located south of McDowell Road: Buckeye Union High School District #201 and Liberty Elementary School District #25. The current boundaries for these 3 school districts, within the Community and the 2 school districts outside the Community are shown on the map attached to this Disclosure as Exhibit "A". Litchfield, Agua Fria,

and Saddle Mountain are parties to an agreement that provides for these three schools to accept any student residing in the Community. Students within Verrado will attend schools located within the Community. The schools that are now open and located in the Community are:

- Verrado Elementary School (Grades K-5) located adjacent to Verrado Middle School in the Community
- Verrado Middle School (Grades 6-8) located at 20880 W. Main Street in the Community
- Verrado High School (Grades 9-12) located at 20050 W. Indian School Road in the Community

If capacity constraints prevent students from the Community from attending one of the above-listed schools located within the Community, then students may attend the following schools, which are in the Litchfield Elementary School District #79 and the Agua Fria School District #216:

- Scott L. Libby Elementary School (Grades K-5), 18701 W. Thomas Avenue, Goodyear
- Western Sky Middle School (Grades 6-8), 4095 N. 144th Avenue, Goodyear
- Desert Edge High School (Grades 9-12), 15778 W. Yuma Road, Goodyear

Students in the school districts as of the date of this Disclosure: Students in Grades 9-12 may continue attending their current school in the Agua Fria High School District #216, if different from above. Under current open enrollment policies, a parent/guardian of a student in one school district may apply for open enrollment of the student in another school within the school districts if, and only if, they are currently accepting open enrollment at that time. Enrollment 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.

School assignments are subject to change. You should contact the applicable school district for verification of schools and school bus schedules and availability. The school districts determine if, when or where additional schools are to be built as well as which schools will service the Community. This determination is based, among other things, on the school districts' periodic analysis of need. Such analysis may affect if, when and what a school district may build on the school sites located within the Community. The Founder makes no representation as to what, if anything, may or will be built on these or any other designated school site located within the Community. Designation as a school site does not guarantee that the site will be developed by a school district as a school; *i.e.*, a site may be developed by a school district for other purposes such as an administrative center or other facility or sold to a third party by the school district or by Founder if the site is not desired by the school district or another site is offered and accepted. For further information, including the potential future schools that will be designated for the Community, you may contact:

| | |
|---|----------------|
| Litchfield Elementary School District #79 | (623) 535-6000 |
| Agua Fria Union High School District #216 | (623) 932-7000 |
| Saddle Mountain Unified School District #90 | (623) 386-5688 |
| Buckeye Union High School District #201 | (623) 386-9700 |
| Liberty Elementary School District #25 | (623) 327-2940 |

Although there is no substitute for an on site 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 <http://www.lesd.k12.az.us/>, www.ade.state.az.us/schools/schools/districts.asp, www.greatschools.net and www.sfb.state.az.us.

School ball fields are owned by the appropriate school district, and these fields are used by the Verrado Assembly for various programs and events. The Association pays for the lighting of these fields. Use of the outdoor facilities at the schools and recreational facilities within the Community, including Verrado Middle School, the Verrado High School, the District Park, the neighborhood parks, landscape, drainage or open space tracts, skate facilities, the Golf Club and the Health Club (the "**School and Recreational Facilities**"), may result in increased light, noise, dust, lack of privacy and increased pedestrian and vehicular traffic, including noise throughout the day from bells, loudspeakers, band and sports practice, fire and other public safety alarms and children attending these facilities. Residents living adjacent to or near the School and Recreational Facilities may experience interference and disturbance (including damage) associated with such facilities including that no netting may be in place to prevent athletic balls, such as golf balls, baseballs, soccer balls, tennis balls or softballs from crossing fences and landing in yards or hitting homes or vehicles parked nearby.

11. GOLF CLUB AND MAINTENANCE FACILITY: The Community includes the Raven Golf Club at Verrado™ and its related amenities which currently include a public, eighteen (18) hole championship golf course, driving range, pro shop, locker rooms, restaurant and lounge consisting of approximately 14,000 square feet with an additional 6,000 square feet of cart storage and maintenance facility (collectively, the "**Golf Club**"). The Golf Club is currently open to the public, subject to daily fees for use and play. The Golf Club is located on land adjacent to and west of the Main Street District (described in Paragraph 13) and is located adjacent to certain lots within the Community. DMB Verrado Golf I, LLC, an affiliate of the Founder, currently owns and is responsible for the operation and maintenance of the Golf Club. The operation, maintenance and use of the Golf Club may cause inconvenience and disturbance to you and to other residents in the Community and potentially cause injury or damage to persons, residents and personal property, including without limitation, the following: (i) errant golf ball overflight and resultant personal injury and property damage; (ii) lakes, water hazards and other "attractive nuisances" located upon or adjacent to the Golf Club; (iii) the use of outdoor speakers and the operation of golf carts and noisy power equipment, such as lawn mowers, tractors and irrigation pumps and motors, on or adjacent to the Golf Club at various times including weekends and early morning and late evening hours; (iv) the operation (including possible overspray) of sprinkler and other irrigation systems during the day and at night; (v) the application (including possible overspray) of pesticides, fertilizer and other chemicals and the use of reclaimed irrigation water on or adjacent to the Golf Club; (vi) the proximity of Golf Club restroom and maintenance facilities to certain lots in the Community; (vii) the use of the Golf Club for tournament play, resulting in additional noise, traffic and pollution due to attendance by large crowds for extended periods of time including, but not limited to, weekends and early morning and late afternoon hours; and (viii) the daily activities of maintaining, operating and playing on or adjacent to the Golf Club.

We make no representation that the Golf Club will continue to be open to the public and, if it is closed to the public, we make no representation concerning the ability of any resident to use the Golf Club or, if applicable, to become a member of any club or association having the right to use the Golf Club and assume no obligation to assist any resident in attempting to gain membership therein. In addition, and without limitation of the foregoing, in purchasing a home or lot in the Community, you will not acquire any rights, interest or membership in, to or over the Golf Club or any rights with regard to the continued existence of the Golf Club or changes to the configuration of the Golf Club or, where applicable, a right to an unobstructed view over or across any portion of the Golf Club. The Founder has no affirmative obligation and we assume no legal duty to take any measures for the benefit of those purchasing lots or homes in the Community with regard to such matters, 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. The Founder has reserved an easement, in the Charter, over portions of the Community adjacent to the Golf Club to accommodate Golf Club operations and golf ball overflight and damage, as further provided in the Supplemental Declaration for lots adjoining the Golf Club.

Additionally, the owner of the Golf Club has the right to install and remove trees and other landscaping at the golf course without the consent of the residents of the Community or the Association.

You shall not, and shall not permit any visitors to, enter into or cross over any portion of the Golf Club to access any portion of your home or lot in the Community. The playing of radios, tape players and other audio equipment in a fashion that is disturbing to players on the golf course is prohibited.

12. HEALTH CLUB: Certain privately owned recreational and other facilities are located in the Community, including without limitation, the Verrado Village Sport & Health Club ("**Health Club**"), located adjacent to and east of the Main Street District. The first phase of the Health Club is complete and includes a two-story building containing approximately 13,500 square feet, with exercise and fitness areas, meeting rooms and space for social functions, an outdoor swimming center, including two swimming pools and a pool house, and an outdoor basketball facility. Neither the ownership of property within the Community nor membership in the Association will confer any right to use the privately owned recreational and other facilities as such use rights will be determined solely by the owners of such private facilities. The Assembly has, however, entered into a recorded license agreement with the owner of the Health Club, DMB Verrado Sports Club Limited Partnership, successor by merger with DMB Verrado Sports Club, LLC, providing for the use of certain of the Health Club facilities (the "**Community Facilities**") by residents of the Community for a minimum 10-year term from the Grand Opening of the Community. The Community Facilities currently consist of the first floor exercise and fitness areas, the first floor meeting rooms, the outdoor swimming center (consisting of two pools and a pool house) and the outdoor basketball facility. Those portions of the Health Club that are not available without payment of membership fees (the "**Private Facilities**") currently consist of the entire second floor (including locker rooms) and any additional expansion or phases of the Health Club built in the future and identified by the owner as Private Facilities (including indoor basketball courts and outdoor tennis courts). Subject to the Private Facilities' current availability, members of the public, including residents, may become dues paying members of the Health Club by separate agreement directly with, and upon the payment of additional charges and fees established by, the owner of the Health Club and thereby gain access to all or specified portions of the Private Facilities. Rules and regulations pertaining to the hours of operation and use of the Community Facilities by residents will be established by the owner of the Health Club, not the Assembly or the Association. Such rules may limit or affect the use of the Community Facilities by social invitees, and may require the payment of certain additional fees and/or deposits in connection with certain proposed uses.

13. MAIN STREET DISTRICT: One of the distinguishing features of the Community consists of the Main Street District, which is comprised of various land uses, including commercial, office, high-density, residential and retail (the "**Main Street District**"). The Main Street District also includes the Golf Club and the Health Club, and may include a resort, resort village, or other commercial or residential uses. Occasionally, the Assembly, the Association, the Golf Club or the Health Club may host community and other public activities involving the Main Street District which may temporarily limit access to the Main Street District and adjacent areas and which may result in increased numbers of people being in such areas. Residents living adjacent to or near the Main Street District may experience increased light, noise, dust and additional pedestrian and vehicular traffic associated with such facilities.

14. HERITAGE DISTRICT: The Heritage District is currently planned to be comprised of various land uses including such proposed or existing facilities as commercial, office, fire station, school, residential and retail (the "**Heritage District**"). The Heritage District includes a currently proposed development concept known as "Heritage Hall" with such planned features as a resort-style swimming pool and meeting rooms. There is no guarantee or representation by the Founder, the Association, the Assembly or their respective employees and agents that it will be built, or if built, when and where it will be built and what programs, dimensions and features it will contain. Any information or marketing materials

regarding Heritage Hall is deemed reliable as of the date created, but its current accuracy is not guaranteed and all such plans remain subject to change. Residents living adjacent to or near the Heritage District may experience increased light, noise, dust and additional pedestrian and vehicular traffic associated with such facilities.

15. WELCOME CENTER AND NEIGHBORHOOD SALES FACILITIES: The Welcome Center and other model home and sales facilities utilized by the Founder and the Neighborhood, Artisan and other Builders will remain open during the active sales period for homes and lots that are the subject of these facilities. Residents living adjacent to or near the Welcome Center or other model home and sales facilities may experience increased light, noise, dust and additional pedestrian and vehicular traffic. Additionally, these facilities may include bathroom facilities, trap fencing, parking areas, signage and other improvements typically associated with the use and operation of such facilities. When the Welcome Center no longer operates for the sales of homes, it may be converted to a new use to include, but not be limited to, office, retail, restaurant, commercial or residential use. In accordance with the development plan and Governance Documents, as well as any amendments or supplements thereto, the Founder reserves the right to make or permit changes in the use or configuration of the Welcome Center, as well as its related facilities, and other model and sales facilities located elsewhere in the Community, including the sale, redesign, relocation, addition to or removal of any such current or future facility. Homes and lots located adjacent to areas used for this purpose now or in the future may be exposed to increased light, noise, dust, additional pedestrian and vehicular traffic, visual impacts such as signage, parking lots and trap fencing and other matters typically associated with the use of such areas for model home and sales facilities and commercial uses such as restaurants, shops, etc.

16. MULTIPLE USES OF UNITS: The Founder has planned future phases of the Community to include parcels within which Neighborhood Builders and other Builders may construct “**Live/Work Units**” allowing for combined residential and business uses. The business uses would take place in an office maintained within a portion of the Live/Work Unit. Any Live/Work Unit may be used entirely for residential use but no Live/Work Unit may be used entirely for non-residential use. Home-Based Businesses are permitted in the Community provided such business use takes place entirely within the Live/Work Unit, such business use is generally performed with one client at a time, and such business use is consistent with applicable laws, ordinances, and regulations, and other governmental conditions of approval of the development plans of Live/Work Units. The use of any Live/Work Unit for a business use shall be subject to various approval requirements of the Founder and the Board of Directors of the Association (“**Board**”). There may be additional restrictions applicable to Live/Work Units including, but not limited to, lighting, loading activities, external impacts, signs, parking and vehicular restrictions, and hours of operation. Prior to undertaking any proposed business use, the owner of a Live/Work Unit shall be required in all cases to submit an application to the Founder and/or the Board and to obtain certain approvals as set forth in the Rules of the Association. Additional specific conditions and requirements applicable to particular Live/Work Units will be included in a recorded Supplemental Declaration to the Charter.

17. ACCESS AND SECURITY: Although certain neighborhoods within the Community have or may have restricted access for privacy purposes, the Community as a whole is not gated and is not otherwise a controlled-access community. None of the Founder, the Assembly or 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; Buckeye Police Department patrols 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 60 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. None of the Founder, the Assembly or the Association assumes any liability for any inconvenience and penalties incurred by owners, tenants or guests for non-compliance with posted signs, marked curbs or other parking restrictions.

18. 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. The natural open space area outside the public trail system is not intended for recreational use and walking or hiking in such area may be hazardous. Certain portions of the trail system in the mountains have been open for temporary use and may be moved or closed in the future. 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, the Assembly, 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 arising from or otherwise relating to your use of the public trail system, or 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) 942-3000, or visit their website at 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. None of the Founder, the Assembly or 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.

19. ONGOING CONSTRUCTION AND SALES ACTIVITY: As presently planned, the Community will be developed in a series of phases, and additional phases may be completed after you purchase your lot or move into your new home. The Community is a master-planned community in the early stages of development and subdivision and non-residential construction is underway and there is likely to be a significant amount of construction-related activity (e.g., construction traffic, on-site rock crushing areas

and off-site rock crushing areas, blasting of rock, hauling of construction materials) and the resulting dust, dirt, debris and noise at varying times of the day. The construction and sales of homes and/or lots in the initial and subsequent phases 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 or lot 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 Assembly, 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, the Assembly 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 lot or home or to any portion of the Community.**

20. **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. If you have purchased a custom lot without a home, you must not deviate from the Community's master drainage plan or the approved drainage plan for your subdivision and must comply with the requirements reflected on the final recorded plat for the subdivision in which your lot is located, the Custom Home Community Design Guidelines, the Community master drainage plan, the approved drainage plan for your subdivision and other applicable laws, ordinances and regulations.

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 continuous flow of drainage water 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 continuous water flows.

Additionally, if you have purchased a custom lot without a home, you must comply with the requirements of the Federal Clean Water Act and the Arizona Department of Environmental Quality pertaining to runoff, erosion, and designated non-disturbance areas, both during construction and in the permanent design of the home and other improvements to be constructed on your lot.

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, the Assembly 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.

Irrigation: You should not construct walls, sidewalks, planters, landscape irrigation systems and other obstructions unless adequate measures for surface drainage are provided to avoid ponding or the saturation of expansive soils, particularly adjacent to the house foundation and other improvements. All landscape areas within a lot shall be irrigated with an automatic, underground irrigation system. Spray type irrigation is only allowed for turf and small beds of annuals. All other landscape areas shall be drip irrigation. Due to issues of overspray and staining of walls, no turf or spray-type irrigation is allowed within three feet (3') of a wall or fence which is located on a property line, including rear and side yards.

Landscape Planter Boxes/Retaining Walls: Planters created by walkways next to the house must contain several drains to carry away excess water. All rain spouts, gutters, surface drains and subdrains, as applicable, must be adequately maintained to channel water away from the house. Raised landscape planter boxes may not be attached directly to common party walls of adjacent lots or walls adjacent to common areas, open spaces or the golf course. Raised landscape planter boxes may not exceed 24 inches in height. The planter must have its own wall adjoining common party walls with a minimum ½" air space between the walls. The inside of all planter walls must be water-proofed to prevent water damage to walls.

21. SOILS CONSIDERATIONS AND LOT SETTLEMENT: All soil, by its nature, exhibits some expansive and/or subsidence potential. However, based on currently available geological information with respect to ground subsidence in Maricopa County, in which the Community is located, the Community is not located within an area known for significant ground subsidence or the presence of earth fissures. Nonetheless, when soil becomes wet it is prone to expand and may cause damage by lifting and cracking improvements built on top of this soil unless adequate precautions have been designed and incorporated into their construction. When preparing to landscape your yard and construct improvements such as masonry walls and planters, slabs, walks, pools, spas, patios and other improvements, including a custom home, you must take special care to accommodate the soils conditions on your property. You will need to obtain, at your own expense, a geology and geotechnical report prior to constructing pools, spas, concrete slabs or other improvements, including a custom home, requiring excavation to ensure proper precautions and stability measures are taken and geotechnical design parameters are recommended. Water should not be allowed to pond near any structures or foundation systems, and the design and

placement of landscaping and irrigation systems should be performed such that bearing soils and backfill materials are not subject to moisture infiltration or significant increases in moisture content.

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 the Community. Due to differences in physical characteristics and the variation of the thickness of fill in different areas, 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."

For further information, you may contact the Arizona Department of Water Resources at 602-417-2400 or visit their website at www.azwater.gov/dwr/.

It is your responsibility, and that of your 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, the Assembly 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 overspray of landscape materials, particularly in close proximity to your home or any walls. 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're your representative. You are required to maintain Lot grade and soil conditions as of the date of Closing (as defined in your Purchase Agreement). It is your responsibility to notify landscape-related providers regarding same.

22. LANDSCAPING: The areas outside the boundaries of your lot are areas maintained by the Association, the Golf Club, the Town or the Districts and under no circumstances are you permitted to alter, adapt or encroach into these areas. All patio area and hardscape area landscaping and hardscape not provided as part of the initial construction of your home is to be installed by you. Installation of any landscape or hardscape is to be completed 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 prior to installation by Founder or subsequent Reviewer, or the Association, in accordance with the Charter.

23. MAIL BOXES, STREET ADDRESSES, UTILITIES AND STREET LIGHTS: The location of mailboxes and above-ground utility structures are determined by governmental agencies and/or utility companies, not the Founder, the Assembly 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 or lot. The Founder makes no representation as to the location of these structures.

Street addresses are determined and approved by the Town 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.

24. **BUYER IMPROVEMENTS:** All residential lots in the Community are subject to the Covenant and the Charter, and each subdivision is subject to one or more Supplemental Declarations, all of which are of public record. The Covenant, Charter, Supplemental Declaration and other Governance 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 Town 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 Governance Documents and check with the applicable utility provider, Town 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 master 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 Town or other public bodies for any requirements, restrictions or required permits.

Leasing and Signage Restrictions: You acknowledge that it is the policy of Founder and the respective Builders to provide as many people as possible with the opportunity for home ownership, to promote stability in home ownership within the Community, to ensure strict compliance with all state and federal regulations relating to fair housing and to discourage speculation. In accordance with the Governance Documents, all leases, including approved subleases, shall be in writing and shall be for an initial term of at least twelve (12) months, except with the Board's prior written consent. Notwithstanding this limitation, in an equitable manner the Board reserves the right not to impose this restriction under certain situations or during particular time periods of the Community's development. In addition, certain Builders within the Community may impose additional restrictions or policies on leasing or resale terms. If this is an area of interest to you, please carefully consult with the respective Seller of your home or lot for complete details relating to leasing opportunities and anti-investor policies (including restrictions and penalties in the event of "investment flips" within a certain timeframe as further set forth in such policies, Purchase Documents and restrictions placed on the deed itself) with respect to your home or lot prior to entering into a binding Purchase Agreement. None of the Founder (or any affiliate of the Founder), the Assembly or the Association has control over or responsibility for any leasing, signage or anti-investor policies and restrictions set forth in the Purchase Documents entered into between you and your Artisan Builder, Neighborhood Builder or other Builder.

In addition, for posting of signs of any kind, permanent or temporary, (including, but not limited to, "for rent", "for lease", "for sale", "open house", and similar real estate signs), please refer to the For Sale/For Lease Signs and Open House Signage Policy, Addendum #3 of the Residential Design Guidelines. The Association and the Design Review Committee reserve all rights to create additional or modified signage criteria and signage design criteria in the future.

25. **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 or the Golf Club, 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 important to note that the Community is a mixed-use master planned community and, as such, the Community includes a range of residential and non-residential uses that vary in density, intensity and height as permitted in the approved Community Master Plan, as amended, on file with the Town of Buckeye. Accordingly, development may occur in any area, adjacent to or within close proximity to any lot that may alter or diminish views, as a result of allowed building heights for commercial purposes in excess of six stories.

It is your responsibility to evaluate the location of the home and lot or custom 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, the Assembly 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, or custom lot, in addition to your use and enjoyment of your home and lot, or custom 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.**

26. **OVERFLIGHTS:** Luke Air Force Base is an active fighter pilot training facility located approximately 6 miles northeast of the Community. In addition, the Luke Air Force Base Decommissioned Auxiliary Airfield (currently closed to the public and a currently inactive airfield with respect to military aircraft taking off from or landing on its runways) is located approximately 3 miles south of the Community. Though the Community is not currently located within the established noise contours or accident potential zone of Luke Air Force Base as defined in A.R.S. §28-8461, portions of the Community are located within the 280-square mile area referred to as "territory in the vicinity of a military airport" and such boundaries are subject to change and outside the control of the Founder, the Assembly and the Association. The Community will be affected by aircraft overflight for aircraft departing from and/or arriving to Luke Air Force Base and the increased noise and accident potential attendant thereto. While there may be certain self-imposed curfews on operations at Luke, due to operational commitments and exceptions, residents within the Community will, at varying times of the day and night, routinely see and hear military aircraft (including the possibility of low flying helicopters) and experience varying degrees of noise, vibrations, fumes, dust, fuel and lubricant particles, and any other effects that may be caused by the operation of aircraft utilizing Luke Air Force Base. The Community may be subject to noise and visual impacts resulting from training activities at Luke at any time and to significantly increased noise and visual impacts when the United States is preparing for or in the midst of war. Weather conditions, such as low clouds and winds, may amplify sounds and reduce flying levels. From time to time, stunt planes may have the right to use the airspace over and around the open space of the Community. The Founder, the Assembly and the Association have no control over flight patterns, which are subject to change, and are not liable for injury, damage or nuisance of any kind to persons or property (including but not limited to noise or air pollution, crashes, emergency landings affecting the Community) 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. The Phoenix-Goodyear Airport is a general aviation facility located approximately 4 miles southeast of the Community. The Community is subject to overflight by general aviation and

recreational aircraft including, without limitation, hot air balloons, fixed wing aircraft, ultralights, hang gliders and helicopters. Residents within the Community may experience increased noise, vibration or other disturbance or interference resulting from such overflights. The Founder has no control over the current and future plans for any of the above operations, which are subject to change. For further information regarding current and future flight patterns, aircraft volume and flight operations, contact Luke Air Force Base at their website at www.luke.af.mil, or the Luke Air Force Base Department of Public Relations at 623-856-7411.

Further details and current maps concerning military, public and municipal airports located in Arizona may be found on the Department of Real Estate's Web site at: [www.re.state.az.us/PUBLIC INFO](http://www.re.state.az.us/PUBLIC_INFO)

27. FEDERAL/STATE LAND: Certain land adjacent to a portion of the western boundary of the Community is presently owned by the Bureau of Land Management, a division of the U. S. Department of the Interior ("BLM"), and is subject to a change of ownership through authorized land use exchanges or sales which are regulated by the Department of the Interior and Congress. BLM may not always remain as owner of this property and, consequently, this land may be subject to development in the future. A future owner of the land parcel along with the appropriate governmental jurisdiction would determine whether the land would be developed, including by Founder if Founder became owner of the land parcel. In addition, a portion of the northern boundary of the Community is adjacent to a parcel of state land administered by the Arizona State Land Department (the "ASLD"). Although the state land parcel may have been designated as subject to preservation in the past, the ASLD is not bound to preserve the property and cannot legally restrict it for preservation other than pursuant to a sale. The state land parcel is subject to auction and the purchaser along with the appropriate governmental jurisdiction would determine whether the land would be developed.

28. AGRICULTURAL AND LIVESTOCK OPERATIONS: The Community is located in the vicinity of current and former agriculture and livestock operations, including agriculture cultivation, burning and use of pesticides, and related odors, dust and noise. Prospective Buyers of the Community should be aware of the many procedures normal and necessary to the operation of agricultural uses, such as field crops, vineyard, orchards, dairy, livestock and poultry farms and feed lots, that result in noise, noxious odors (particularly, fertilizer odor), chemical spraying, dust, irrigation, agricultural burning and pesticides (including aerial spraying) or other potentially detrimental effects to residential use of the adjacent properties. These effects may be of concern to certain individuals.

Grazing on Northeastern Portion of Community: Founder has recently entered into a lease agreement with a local rancher for the purposes of the grazing of livestock and to feed livestock totally biodegradable feed on the ground. The fenced grazing area is located on approximately 1,660 acres in a portion of land north of Indian School Road and Sunrise Wash in the northeastern portion of the Community. Prospective Buyers of the Community should be aware of the potential noise, noxious odors, dust, and related grazing activities typically associated with this type of land use. This current land use is subject to change.

29. FREEWAYS, ROADS, PATHS & TRAILS, OPEN SPACE AND REGIONAL PARK: The Community is located in the vicinity of freeways, including Interstate 10 (which adjoins the Community on its southern boundary) and Loop 303 (the Estrella Freeway, which is located approximately 5.5 miles east of the Community), major roads and intersections, streets and roadways, washes (including the natural washes known as Lost Creek Wash, which bisects the Community, Sunrise Wash, located adjacent to the north boundary of the Community, and Acacia Wash, located adjacent to the east boundary of the Community), trails (including the Acacia, Sunrise and Lost Creek Wash Trails, a 28-acre park system around the perimeter of the Community along Lost Creek Wash, Sunrise Wash and Acacia Wash), regional parks and open space (including White Tank Mountains Regional Park, located north of

the Community, and land currently owned by the Federal Bureau of Land Management, located in the vicinity of the Community), paths and other pedestrian or golf cart uses, which may result in additional noise, dust, lighting and pedestrian vehicular traffic typically associated with these types of facilities. These areas may present a safety hazard to unsupervised children, animals and adults. If of interest to you, the Arizona Department of Transportation [Intermodal Transport Division](http://www.azdot.gov/Highways/) website provides schedules, maps and other information of new freeway construction in the state and is found at <http://www.azdot.gov/Highways/>.

30. UNAUTHORIZED USE OF OPEN SPACE BY BICYCLES, MOTORCYCLES, OFF ROAD VEHICLES, ETC.: Unauthorized bicycles, motorcycles, off road vehicles, etc. have been known to utilize the open space areas within and adjoining the Community. Although these vehicles are not permitted in the open space area, such vehicles may attempt to gain access to the open space area. Additionally, open space in the vicinity of the Community has historically been used as an unauthorized shooting range although these areas are posted against such use and are periodically patrolled by the Maricopa County Sheriff's Department.

31. WASTEWATER TREATMENT PLANT: A wastewater treatment plant has been constructed at the southeast corner of the Community. The wastewater treatment plant is currently operational and will service all property located within the Community when phased expansions are complete. The facility is owned, operated and maintained by Arizona American Water Company. Potential impacts include noise, vibration and unpleasant odors. The Founder, the Assembly and the Association have no control over the use, maintenance or operation of the wastewater treatment plant.

32. UNDERGROUND WATER STORAGE TANKS, BOOSTER PUMP STATION AND WELLS: Underground water storage tanks and associated booster pump stations, and wells, have been constructed within the Community. The storage tanks, pump house and wells are currently operational, including the use of substances common in domestic water production facilities. Additional storage tanks, pump facilities and wells will be constructed as needed. For further information, refer to the Verrado Potable Water Master Plan from Arizona American Water Company. Potential impacts to nearby residents include periodic maintenance traffic, noise, vibration and additional light. The Founder, the Assembly and the Association have no control over the use, maintenance or operation of the water storage tank, booster pump stations or wells and portions of such facilities may be visible from certain lots within the Community.

33. STORM WATER DETENTION AND RETENTION BASINS: Several storm water detention and retention basins, both temporary and permanent, are located in or proposed for the Community. There may be standing water in those basins at times. Standing water has the potential to cause odors and attract mosquitoes, among other insects, and could present a hazard to unattended children or animals. For further information, refer to the specific Stormwater Drainage Master Plan as approved by the Town of Buckeye.

34. SEWER LIFT STATIONS: There are various temporary and permanent sewer lift station facilities located within the Community. Potential impacts include an increase in noise and dust levels in the area of the lift stations during construction and less significant noise levels after completion. Residents may also encounter noise, vibration, maintenance activity and some unpleasant odors in the area near the lift stations typically associated with such facilities. Permanent lift stations will include permanent odor control facilities such as odor scrubbers, scrubber towers, blowers, chemical storage tanks and chemical solution pumps and such chemicals may be stored within the Community from time to time by the provider. The Founder, the Assembly and the Association have no control over the use, maintenance or operation of the lift stations or accompanying water pipe lines. If maintenance is performed on the underground pipelines, a portion of the public streets may be temporarily restricted.

35. NON-POTABLE WATER: Applicable law requires the use of non-domestic water to irrigate various portions of the Golf Club and adjacent slopes and large turf areas. Such non-potable water may include untreated ground water, untreated surface water, domestic water that has been exposed to the atmosphere and recycled water (highly treated waste water which conforms to all applicable standards for irrigation use). In addition, public parks, landscape tracts adjacent to right of way, and other landscaped open space areas may be irrigated with non-potable recycled water as determined necessary or available. Non-potable water is not potable water and, therefore, not suitable for human consumption. The water is suitable for incidental body contact. As with any water spray, the repeated spray of non-potable water may stain or discolor personal property, fencing and structural Improvements over time. Applicable law requires conformance to standards for the operation of the non-potable water system to meet regulatory requirements. These standards are subject to change.

36. UTILITY AND WATER TRANSMISSION LINES: Above-ground and underground utility, water and sewer collection and transmission lines run throughout the Community. 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. The utility, water and sewer collection and transmission lines are subject to easements in favor of the utility and water and sewer providers. Lots affected by such easements may be subject to restrictions, including the prohibition against the placing of structures, hardscaping, sprinkler systems or landscaping (including 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, water or sewer provider. The Founder, the Assembly and the Association have no control over the configuration, location or use, maintenance or care of the utility, water and sewer collection and transmission lines, including the placement of electrical boxes owned by the electric utility provider and used to monitor power usage.

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. None of the Founder, the Assembly or the Association has any special knowledge or expertise on this issue and we assume no legal duty to take any measures for the benefit of those purchasing lots or homes in the Community with regard to such matters, 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, the Assembly, the Association or any other person.

37. WIRELESS FACILITIES: The Founder and its licensees have or will enter into agreements with multiple wireless communication providers for the establishment of wireless communication facilities on portions of the Community. These facilities that may be established from time to time may include microwave and high-band facilities, antenna towers or poles, satellite transmission and receiving dishes, utility lines, transmission lines, equipment shelters, electronic equipment, transmitting and receiving antennas, generators and other wireless facilities, including supporting equipment and structures. Such facilities may be visible from portions of the Community. Potential impacts include the possible obstruction of views, proximity to electromagnetic fields and an increase in noise and dust levels in the area of these facilities during construction and less significant noise levels after completion. The Founder, the Assembly and the Association have no control over the use, maintenance or operation of the wireless communications facilities.

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:

- a. Aircraft Landing Facility: An inoperative crop dusting/landing strip facility is located approximately 2 miles northeast of the Community.
- b. Arizona State Prison Complex: Arizona Department of Corrections' prison complex (Perryville Facility) is located approximately 3-1/2 miles east of the Community.
- c. Canals: Beardsley Canal, which is owned, operated and maintained by Maricopa County Municipal Water Conservation District No. 1, is located approximately 2-1/2 miles east and Roosevelt Irrigation District Canal is approximately 4 miles southeast of the Community.
- d. Flood Control Facility: Buckeye FRS #3, a flood retarding structure intended to protect Interstate 10, is located approximately 2.5 miles southwest of the Community.
- e. Military Reservation: Buckeye Military Reservation, currently owned and operated by the Arizona National Guard, is located approximately 3-1/2 miles southwest of the Community.
- f. Power Plant: Palo Verde Nuclear Power Plant, which is operated by Arizona Public Service, is located approximately 25 miles southwest of the Community.
- g. Radio Communications Site: Radio communications equipment is located on land adjacent to the north boundary of the Community. The owners of that equipment have an access easement through portions of the Community to gain access to the communications equipment site and to use certain portions of the Community as staging areas for the maintenance, replacement or repair of radio communications equipment located within the communications equipment site.
- h. Railroad: Union Pacific Railroad actively utilizes tracks and is located approximately 6 miles south of the Community.
- i. Utility Generating Plants: Utility providers maintain generating plants throughout the areas that they service.
- j. Proposed Fire Station: A proposed fire station facility will be located on the northwest corner of Verrado Way and Point Ridge Road. The current facility is located on the northwest corner of Jackrabbit Trail and Indian School Road.
- k. Arizona Public Service Power Lines: The Arizona Public Service (APS) Approved Power Line Corridor for the West Valley South 230kV project is located approximately 1 mile east of the Community.
- l. BLM Land: Land owned and maintained by the U. S. Department of Interior, Bureau of Land Management, is located adjacent to the western and northern boundaries of the Community.
- m. Child Care Facility: The Goddard School® for Early Childhood Development is located at the southwest corner of Sunrise Lane and School Hill Road.
- n. Proposed Church Facility: A proposed church facility is currently planned to be located at the southeast corner of Sunrise Lane and Indian School Road.

The above information is provided for informational purposes only and 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 Town, the school districts or other special taxing districts, the Assembly, 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, 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.

The Arizona Department of Public Safety's [Sex Offender InfoCenter](http://www.azsexoffender.org) website 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.

39. 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 website at www.valleymetro.org.

40. NO WARRANTY BY FOUNDER: Although the Founder has master-planned and developed certain portions of the infrastructure of the Community, the homes within the Community are built by Neighborhood Builders, Artisan Builders and other Builders, who are independent building contractors that are solely responsible for their products and workmanship. As such, none of the Founder, the Assembly or 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.

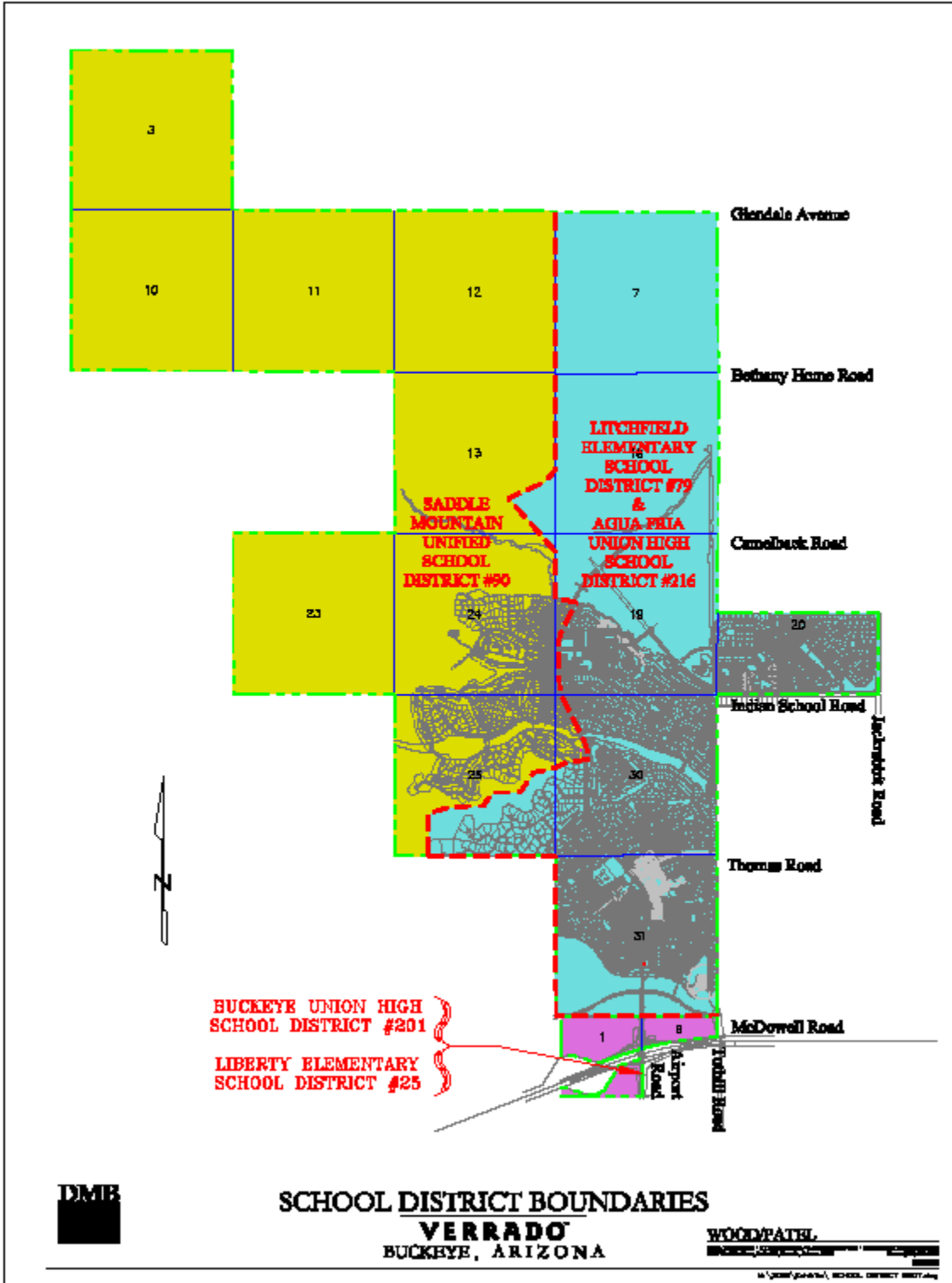
41. MARKETING MATERIALS ARE NOT AN OFFER: All photographs, renderings and site plans provided in connection with any marketing materials for the Community should not be construed as the actual finished plans or final intended development for any area or portion. Any collateral material or website material should not be considered an offering of any purchase or lease of a lot or 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 lot, 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, website or representation (verbal or written) outside of its direct control.

42. NO AFFILIATION WITH NEIGHBORHOOD BUILDER, ARTISAN BUILDER OR OTHER BUILDER. The Founder will receive certain payments from Neighborhood Builders, Artisan Builders or other 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, Artisan Builder or other 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.

43. MODEL RELEASE. By voluntarily participating in various Community events sponsored by the Founder, the Assembly and/or the Association from time to time either before or after the closing of your lot or home ("**Community Sponsored Events**"), you acknowledge and agree that photographs or film footage taken of participants at any Community Sponsored Event ("**Participants**") may be subsequently used by the Founder and its affiliate, DMB Associates, Inc., and the respective affiliates, legal representatives, agents (including Verrado Realty), and assigns of each (collectively, "**DMB**") for commercial purposes in advertising and marketing materials including but not limited to the Verrado® Quarterly Newsletter or other newsletters, magazine, publications, invitations, billboards, Community calendars, Verrado.com, Verrado.net and other DMB affiliated websites, DMB Welcome Centers 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, the Assembly and/or the Association.

44. BUYER ACKNOWLEDGEMENT AND DISCLAIMER. You acknowledge and agree that no sales person, employee or agent of the Founder, the Assembly, the Association or any Neighborhood Builder, Artisan Builder or other 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 Governance 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, the Assembly or the Association unless provided in writing by an authorized officer of the Founder, the Assembly or the Association.

EXHIBIT "A"



[SEE NEXT TWO PAGES FOR ACKNOWLEDGEMENT OF RECEIPT AND SIGNATURES]

BUYER(S) ACKNOWLEDGMENT OF RECEIPT

The undersigned represent that I/we have read and understand the matters set forth in this Disclosure last updated on February 1, 2010, 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 or lot 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 _____, 2010

BUYER'S NAME (Please print): _____

BUYER'S SIGNATURE: _____

BUYER'S NAME (Please print): _____

BUYER'S SIGNATURE: _____

PROPERTY ADDRESS: _____

LOT NUMBER: _____ TRACT: _____

CURRENT ADDRESS: _____

(BUYER'S COPY – RETAIN FOR YOUR RECORDS)

BUYER(S) ACKNOWLEDGMENT OF RECEIPT

The undersigned represent that I/we have read and understand the matters set forth in this Disclosure last updated on February 1, 2010, 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 or lot 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 _____, 2010

BUYER'S NAME (Please print): _____

BUYER'S SIGNATURE: _____

BUYER'S NAME (Please print): _____

BUYER'S SIGNATURE: _____

PROPERTY ADDRESS: _____

LOT NUMBER: _____ TRACT: _____

CURRENT ADDRESS: _____

(FOUNDER'S COPY – SELLER TO DETACH AND DELIVER TO FOUNDER)