



Arizona Department of Real Estate (ADRE)
Development Services Division
www.azre.gov

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SUBDIVISION DISCLOSURE REPORT

(PUBLIC REPORT)

FOR
Whispering Canyon Phase 5

Registration No. DM21-060598

SUBDIVIDER

Old Capitol Investment, LLC
1620 Willow Creek Road
Prescott, Arizona 86301

Effective Date

5/21/21

PROPERTY REPORT DISCLAIMER

This report is NOT A RECOMMENDATION OR AN ENDORSEMENT by the State of Arizona of this land but is provided for informational purposes ONLY. The report reflects information provided by the subdivider and obtained by the Department in its review process in accordance with the provisions of Title 32, Chapter 20, Article 4, of the Arizona Revised Statutes, as amended. **NOTE** that not all of the information in this report has been verified by the Department; certain information has been accepted by the Department as true and accurate based on attestation of the subdivider and/or the subdivider's agents. You should verify all facts before signing any documents. The Department has not passed upon the quality or quantity of any improvement or structure and does not assume responsibility in either event.

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THE ARIZONA DEPARTMENT OF REAL ESTATE

REQUIRES THAT:

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

RECOMMENDS:

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

ARIZONA LAW STATES:

1. THE SALE OR LEASE OF SUBDIVIDED LANDS PRIOR TO ISSUANCE OF THIS REPORT OR FAILURE TO DELIVER THIS REPORT TO YOU SHALL RENDER THE SALE OR LEASE RESCINDABLE BY YOU. ACTION TO RESCIND MUST BE BROUGHT WITHIN 3 YEARS FROM DATE OF EXECUTION OF PURCHASE AGREEMENT.
2. CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.
3. IF YOU HAVE SIGNED A PURCHASE AGREEMENT FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* PRIOR TO INSPECTING THE LOT, YOU HAVE SIX MONTHS TO INSPECT AND UPON INSPECTION MAY RESCIND THE PURCHASE AGREEMENT.

*A contract or agreement for purchase of a lot which includes a building or obligates the seller to complete construction of a building within two years from the contract date does not constitute the purchase of an unimproved lot. Therefore, if your purchase includes a lot and a building or a building to be built, you are not entitled to the rescission rights described in paragraphs 2 and 3.

GENERAL

This report includes: Lots 176-203, Phase 5, inclusive

The map of this subdivision Phase 5, recorded in Instrument No. 2019-0033307, records of Yavapai County, Arizona.

Phase 5 is approximately 26.109 acres. It has been divided into 28 lots.

The entire subdivision is approximately 900 acres divided into approximately 400 lots.

Lot boundaries will be staked at Lot corners and radii with survey pins.

“PROSPECTIVE PURCHASERS ARE ADVISED THAT THE FOLLOWING “GENERAL NOTES” ARE CONTAINED IN THE RECORDED PLAT:

THIS SUBDIVISION IS LOCATED WITHIN THE INSCRIPTION CANYON RANCH WATER AND SEWER SERVICE AREA OF YAVAPAI COUNTY, ARIZONA, WHICH IS AN AREA DESIGNATED AS HAVING AN ASSURED WATER SUPPLY PURSUANT TO SECTION E OF ARS 45-576

THIS PLAT IS IN CONFORMANCE WITH CRITERIA ESTABLISHED BY THE STATE STANDARD ATTACHEMENT 2-96 (SSA 2-96) UNDER THE AUTHORITY OF THE DIRECTOR OF THE ARIZONA DEPARTMENT OF WATER RESOURCE (ADWR).

DRAINAGE EASEMENTS CONFORM TO NATURAL OR MAN-MADE WATER COURSES. THESE WATER COURSES WILL REQUIRE PERIODIC MAINTENANCE TO CONVEY ON-SITE OR OFF-SITE DISCHARGES. PERIODIC MAINTENANCE WILL CONSIST OF THE REMOVAL OF EARTH AND/OR VEGETATIVE MATERIALS THAT HAS BUILT UP SINCE THE ORIGINAL APPROVAL OF THE FINAL PLAT FOR THIS SUBDIVISION. RESPECTIVE HOMEOWNERS ARE RESPONSIBLE FOR MAINTENANCE EASEMENTS INTEGRITY.

IN THE EVENT SAID DRAINAGE IMPROVEMENTS ARE NOT ADEQUATELY MAINTAINED, IN THE OPTION OF THE YAVAPAI COUNTY FLOOD CONTROL DISTRICT, THEN THE “WHISPERING CANYON DEVELOPMENT COMMUNITY ASSOCIATION, INC. “SHALL HAVE THE AUTHORITY TO ENTER THE PROPERTY AND/OR CAUSE THE NECESSARY MAINTENANCE, AND SHALL FURTHER HAVE THE AUTHORITY TO PASS ON ALL COSTS ASSOCIATED WITH SAID MAINTENANCE TO THE PROPERTY OWNER.

THE SUBDIVIDER HEREBY DECLARES AND AGREES THAT THE NUMBERED LOTS ARE SHOWN AT THE MINIMUM SIZE PERMISSIBLE AND SHALL NOT BE FURTHER DIVIDED. THIS PROHIBITION AGAINST FURTHER DIVISION OF NUMBERED LOTS SHOWN HEREON SHALL BECOME BINDING UPON EACH AND EVERY SUCCESSIVE OWNER. THIS PROHIBITION SHALL NOT APPLY TO THE CREATION OF EASEMENTS, OR RIGHT-OF-WAY, NOR TO THE CONVEYANCE OF MINOR PORTIONS OF A LOT TO

THE OWNER OF A CONTIGUOUS LOT FOR ATTACHMENT TO THAT LOT. IN NO CASE SHALL ANY LOT BE SO DIVIDED AS TO CREATE A LOT OF LESSER SIZE THAN THAT ALLOWED WITHIN THE ZONING DISTRICT IN FORCE OVER THIS PLAT.

A DETAILED 100-YEAR FLOODPLAIN HAS BEEN DELINEATED ON THIS PLAT IN ACCORDANCE WITH THE CRITERIA ESTABLISHED BY STATE STANDARD ATTACHMENT (SSA 2-96) UNDER THE AUTHORITY OF THE DIRECTOR OF THE ARIZONA DEPARTMENT OF WATER RESOURCES.

THE AREA HEREON, WITHIN THE 100-YEAR FLOODPLAIN LIMITS REPRESENTS AN AREA SUBJECT TO FLOODING FROM THE REGULATORY FLOOD EVENT. ALL DEVELOPMENT AND USES WITHIN THIS AREA IS SUBJECT TO THE REQUIREMENTS OF THE YAVAPAI COUNTY FLOOD CONTROL DISTRICT ORDINANCE. A FLOODWAY AND MINIMUM FINISHED FLOOR ELEVATION (IF REQUIRED) HAVE BEEN ESTABLISHED AND PRESENTED ON THIS PLAT. ADDITIONALLY, RESTRICTIVE BUILDING ENVELOPES HAVE BEEN ESTABLISHED FOR THOSE LOTS AFFECTED BY OTHER DRAINAGE RELATED FACILITIES PLACING THEM OUTSIDE THE 100-YEAR FLOODPLAIN. FLOODPLAIN LIMITS, BASE FLOOD ELEVATIONS AND REGULATORY ELEVATIONS MAY BE MODIFIED BY SUBSEQUENT STUDIES APPROVED BY THE YAVAPAI COUNTY FLOOD CONTROL DISTRICT.

NO CHAIN LINK, WOVEN WIRE, OR BLOCK WALL FENCES ARE TO BE PLACED WITHIN THE 100-YEAR FLOODPLAIN AREAS (OF THOSE AREAS NECESSARY TO CONVEY STORM RUNOFF FROM THE SUBDIVISION).

PRIOR TO ANY WORK BEING CONDUCTED WITHIN THESE WATERCOURSES, THE PROPERTY OWNER(S) SHALL VERIFY THAT SUCH MAINTENANCE ACTIVITY COMPLIES WITH ALL APPLICABLE FEDERAL, STATE, AND LOCAL REQUIREMENTS INCLUDING BUT NOT LIMITED TO THE CORPS OF ENGINEERS 404 PERMIT REQUIREMENT.

NATURAL GROUND CONDITIONS MAY CONVEY FLOWS THROUGH INDIVIDUAL LOTS. CAUTION SHOULD BE EXERCISED IN SELECTING A BUILDING SITE. PROPERTY OWNERS MAY WISH TO CONTACT THE YAVAPAI COUNTY FLOOD CONTROL DISTRICT FOR ADDITIONAL DIRECTION.

ALL PROPOSED HOUSE IN "WHISPERING CANYON- PHASE 5, PHASE 6, AND PHASE 7" WILL BE REQUIRED TO HAVE A MINIMUM OF "CLASS B" FIRE RATED ROOFING.

ALL STREETS (EXCLUDING WHISPERING CANYON DRIVE) ARE TO BE MAINTAINED BY THE WHISPERING CANYON DEVELOPMENT COMMUNITY ASSOCIATION, INC.

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

SUBDIVISION LOCATION

Location: 12 miles northwest from the City of Prescott on Williamson Valley Road at proposed Road 2 South, Yavapai County, Arizona.

North on I-17 to Hwy 69, Hwy 69 to Fain Rd., West on Fain Rd to 89-A, 89A to Pioneer Parkway, Pioneer Parkway to Williamson Valley Rd., Williamson Valley Rd., to Whispering Canyon Drive.

UTILITIES

Electricity: Arizona Public Service, (APS), (800) 253-9405, www.aps.com Subdivider advises that facilities are completed to the lot line. Cost to purchaser to complete facilities from the lot line to the dwelling, unimproved lot, includes trenching fee of approximately \$18.00 per linear foot, (also used for telephone and cable TV facilities) depending on soil conditions. Cost to purchaser for improved lot with dwelling is included in the sales price. Cost to purchaser to receive services includes an establishment fee of \$8.00 plus tax. A security deposit may be required depending on past credit. Once service is established monthly user fees will apply.

Fees and/or deposits are subject to change, purchaser should contact the provider for further details..

Telephone: Ponderosa Telephone

Or

Sparklight formerly Cable One, (928) 445-4511, www.sparklight.com

Subdivider advises that facilities are complete to the lot line. Cost to purchaser to complete facilities from the lot line to the dwelling, unimproved lot, is included in the electrical fees. Cost to purchaser for improved lot with dwelling is included in the sales price. Utility provider offers numerous service packages with varying charges. A deposit may be required depending upon past service history and credit. Once service is established, direct user charges will apply.

Fees and/or deposits are subject to change, purchaser should contact the provider for further details.

Cable: Sparklight formerly Cable One, (928) 445-4511, www.sparklight.com Provider offers numerous service packages with varying charges. A deposit may be required depending upon past service history and credit. Once service is established, direct user charges will apply.

Fees and/or deposits are subject to change, purchaser should contact the provider for further details.

NOTE: IT IS POSSIBLE THAT YOU MAY NOT HAVE CABLE SERVICE AT THE TIME OF CLOSING. PURCHASER IS ADVISED TO CONTACT THEIR SERVICE PROVIDER TO DETERMINE THE STATUS OF CABLE SERVICE.

Internet or Fiber Optic: Sparklight formerly Cable One, (928) 445-4511, www.sparklight.com Provider offers numerous service packages with varying charges. A deposit may be required

depending upon past service history and credit. Once service is established, direct user charges will apply.

Fees and/or deposits are subject to change, purchaser should contact the provider for further details.

Natural Gas: Subdivider advises that natural gas is not being provided to this subdivision.

Bottled Gas is available from a number of suppliers, including Yavapai Bottle Gas who advises that a complete setup with a full tank will cost Lot Purchasers approximately \$633.84, some of the suppliers offer discounted prices for purchases arranged for during the off season (Summer).

Water: Inscription Canyon Water Company , (928) 445- 6581, <http://icrwua.com/forms/> Subdivider advises that facilities are complete to the lot line. For unimproved lot an estimated costs to purchaser, approximately \$750.00 for trenching, private water line and backfill, \$636.59 to \$806.59 water service and water meter deposit . Cost to purchaser for improved lot with dwelling is included in the sales price. Each lot owner is automatically a member of the Inscription Canyon Water Company. Cost to purchaser to receive service are included in the above listed charges. Inscription Canyon Water Company will be responsible for maintenance of the water lines within the subdivision. Inscription Canyon Water Company will be responsible for maintenance of the water lines outside this subdivision.

Fees and/or deposits are subject to change, purchaser should contact the provider for further details.

Sewage Disposal: Inscription Canyon Sanitary District, (928) 445-6581 <http://icrwua.com/forms/> Subdivider advises that facilities are completed to the lot line. Cost to lot purchaser to complete facilities from lot line to dwelling, unimproved lot, are approximately \$500.00 for trenching sewer line and backfill; \$3,250.00 expansion lot fee, \$35.00 transfer fee and \$250.00 expansion fee. Cost to purchaser for improved lot with dwelling is included in the sales price. The expansion fee is to be paid upon close of escrow for a lot purchase. Cost to lot purchaser, a one time, non-refundable activation fee of \$35.00. Inscription Canyon Sanitary District will be responsible for maintenance of sewer lines and sewage collection within and outside the subdivision with cost to lot purchasers included in monthly fees assessed by Inscription Canyon Sanitary District.

Fees and/or deposits are subject to change, purchaser should contact the provider for further details.

NOTE: One Sewer Lift Station affecting Lots 176 through 280 is located on Whispering Canyon Drive. Inscription Canyon Sanitary District is responsible for maintenance with the cost to purchaser included in ICSD Fees.

Garbage Services: Patriot Disposal with costs to purchaser of approximately \$18.00 per month. Other retail providers are available.

Subdivider has completed the extension of the utilities to the lot line.

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

STREETS, ROADS AND DRAINAGE

Access to the Subdivision: Developer advises that conventional 2-wheel drive automobiles and emergency vehicles may traverse over terrain the legal and permanent access provided to the subdivision. Asphalt paved public streets will be completed by June 15, 2021. Yavapai County will be responsible for street maintenance with cost to purchaser included in property taxes.

Access within the Subdivision: Developer advises that conventional 2-wheel drive automobiles and emergency vehicles may traverse over terrain the legal and permanent access provided to the subdivision. Private asphalt paved roads will be completed by June 15, 2021. Whispering Canyon Development Community Association will be responsible for the maintenance with cost included in the Association Assessment.

Street Lights: Subdivider advises that street lights are not available.

Flood and Drainage: Drainage easements conform with natural or man-made water courses. Subdivider advises that facilities are completed. Whispering Canyon Development Community Association, Inc., will be responsible for maintenance of the facilities with cost to purchaser included in the Whispering Canyon Development Community Association, Inc., fees.

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

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

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

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

LOCAL SERVICES AND FACILITIES

Schools: Abia Judd Elementary School, Grades K-5, located at 1749 Williamson Valley Road, Prescott, AZ., (928) 717-3263, approximately 12 miles from subdivision
Granite Mountain Middle School, grades 6-8, located at 1800 Williamson Valley Road, Prescott, AZ., (928) 717-3253, approximately 12 miles from subdivision
Mile High Middle School, grades 7-8, located at 300 S. Granite Street, Prescott, AZ, (928) 717-3241, 18 miles from subdivision
Prescott High School, grades 9-12, located at 1050 North Ruth Street, Prescott, AZ., (928) 445-2322, is approximately 17 miles from subdivision

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

PURCHASERS ARE ADVISED THAT SCHOOL BOUNDARIES AND SCHOOL BUS TRANSPORTATION MAY CHANGE. YOU SHOULD CONTACT THE PRESCOTT UNIFIED SCHOOL DISTRICT AT (928) 445-5400 OR www.prescottschools.com REGARDING THE CURRENT LOCATION OF SCHOOLS AND BUS SERVICE.

Shopping Facilities: Fry's Food Store, located at 3198 Willow Creek Road, Prescott, AZ., Fry's Food Store, located at 950 Fair St., Prescott, AZ., Safeway Food & Drug, located at 1044 Willow Creek Road, Prescott, AZ., Farm Fresh Market, located at 1120 Gurley Street, Prescott, AZ., Wal-Mart, located at 1280 Gail Gardner Way, Prescott, AZ., Fry's Food Store, located at 3100 N. Glassford Hill Road, Prescott Valley, AZ., Safeway Food & Drug, located at 7720 E. State Route 69, Prescott Valley, AZ., Walmart Superstore, located at 3450 N. Glassford Hill Road, Prescott Valley, Az.

Public Transportation: Subdivider advises that there is no public transportation available to this subdivision.

Medical Facilities: Yavapai Regional Medical Center, 1003 Willow Creek Road, (928) 445-2700, approximately 13.6 miles from subdivision

Fire Protection: Central Yavapai Fire Medical with cost to purchaser to be included in property taxes

Ambulance Service: Available by dialing 911. Ambulance provider may access a fee for service.

Police Services: Yavapai County Sheriff's Department with cost to purchaser included in property taxes.

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

COMMON, COMMUNITY AND RECREATIONAL FACILITIES

Within the Subdivision: Tract “5A”, “5B” are designated as Open Space, (allowing for drainage, and slopes.

Yavapai County will be responsible for maintenance of all slopes and drainage structures within those tracts lying adjacent to Whispering Canyon Drive.

Whispering Canyon Development Community Association will be responsible for maintenance of all slopes and drainage structures adjacent to streets (except Whispering Canyon Drive).

Within the Master Planned Community: Subdivider advises this is not a Master Planned Community.

ASSURANCES FOR COMPLETION OF IMPROVEMENTS

Assurances for Completion of Subdivision Facilities: Subdivider has obtained Performance Bonds to assure the completion of the improvements.

Assurances for Maintenance of Subdivision Facilities: Utility companies will maintain their respective utilities. Regulations for ICR Water Users Association require its continued maintenance of the water lines. Order of Establishment for ICR Sanitary District requires its continued maintenance of the sewer lines. Yavapai County is responsible for maintenance of the public streets. Whispering Canyon Development Community Association is responsible for maintenance of the private street, drainage easements and culverts and natural open areas, per the recorded Declaration of Covenants, Conditions and Restrictions (CC&R’s), Whispering Canyon Development Community Association’s Articles and Bylaws.

PROPERTY OWNERS ASSOCIATIONS

Name and Assessments: Whispering Canyon Development Community Association, Inc., \$177.50 per quarter for assessment fees.

Control of Association: Upon earlier of: (1) When 100% of the total number of lots permitted under the most current and approved PAD have been conveyed to the Owners other than the Declarant or Affiliates thereof; or (2) when the Declarant notifies the Board and records said written notice.

Title to Common Areas: Upon completion and Yavapai County final inspection and approval of the subdivision improvements. Title to the common areas will be transferred to the Association.

Membership: All purchasers will be members of the Whispering Canyon Development Community Association.

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

SUBDIVISION CHARACTERISTICS

Topography: Subdivider advises the terrain is hilly, with washes, canyons, and areas of boulders. Views and scenes that are visible from particular portions of the subdivision or lots will change over time and may be blocked or partially obstructed as development activity continues and landscaping matures within and outside the subdivision.

Flooding and Drainage: Subdivider advises the subdivision is not subject to any known flooding or drainage problems or downstream from any existing flood structure/dam.

Scott Lyon, P.E., R.L.S. of Lyon Engineering in his letter dated December 16, 2020 states that:
Re: Whispering Canyon Phase 5- Flood Letter

“Whispering Canyon Phase 5 is a subdivision in Yavapai County, located within Sections 33 & 34, Township 16 North, Range 3 West of the Gila and Salt River Base and Meridian, recorded in instrument number 2019-0033307 of the Yavapai County Recorder’s Office. All of the proposed lots (Lots 176-203) within Whispering Canyon Phase 5 have buildable areas that are outside of existing drainage courses and are not subject to 100-year flooding frequency.

Whispering Canyon Phase 5 falls within Zone “X” according to the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM). Antelope Crossing Phase 4, falls within FIRM map number 04025C1675H dated February, 2019 published by FEMA. Flood insurance is not required by FEMA for areas located within Zone “X”.”

Soils: State whether the subdivision lots are subject to subsidence or expansive soils. Then restate the Executive Summary information from the soils report.

Michael P. Wilson, P.E. of Engineering & Testing Consultants, Inc., in a letter dated January 12, 2007 states:

Subject: Subsurface Soil Exploration for Whispering Canyons, Phase 5, Yavapai County, Arizona.

“As requested, Engineering & Testing Consultants, Inc., (ETC) has completed our geotechnical soil exploration for the subject development referenced above. The purpose of these services is to

determine the existing subgrade conditions at the locations indicated which provide a basis for the conclusions and recommendations for payment thickness design and soil design factors.

This report discusses the general site conditions, laboratory test results, and provides pavement structure recommendations and suggested construction procedures and design parameters. These services were provided following accepted soil mechanics and engineering practices. We make no other warranty, either implied or expressed. If soils conditions are encountered during construction that differ from those presented herein, this firm should be notified for evaluation.

SITE CONDITIONS

Phase 5 contains 28 lots, No. 176 to 203. North Whispering Canyons Drive is located along the southern side of Phase 5. Other roads in this phase are: Jocelyn Road, Mirk Road and Nola Circle.

The topography consists of hilly terrain with moderate to steep grades. Granite rock outcrops were observed throughout all three phases. Vegetation includes a moderate to dense amount of trees and brush.

SUBSURFACE CONDITIONS

ETC performed a total of three exploratory test pits throughout the subject phase. Test pits were located using a preliminary site plan and roadway centerline staking observed in the field. If subsurface conditions encountered during construction differ from those presented in this report, this firm should be contacted to review our recommendations provided herein. A Test Pit Location Map is presented as Figure 1.

The test pits generally encountered 2 to 3 feet of medium dense to dense, sands and gravel with low plasticity and low to medium silt and clay fines contents. The overlying soils transitioned into weathered/fractured rock material. Backhoe refusal on rock was encountered at varying depths of 3.5 to 5 feet. Relatively intact rock is shallower in some areas.

A more detailed description of the subsurface soils encountered is presented on the test pits logs included in Appendix A. A Test Pit Location Map is presented as Figure 1.

Subsurface water, or a saturated conditions, was not encountered at the locations explored. However, joints and fractures within the granite bedrock often provide a conduit for subsurface water to flow. Therefore, water may be encountered in excavations at this site, especially when construction coincides with inclement weather conditions.

LIMITATIONS

The figures and recommendations in this report were prepared in accordance with accepted professional engineering principles and soil mechanics practices. We make no other warranty, either implied or expressed. If during subsequent planning and construction, conditions are different than as indicated, this firm should be notified for evaluation.

This report is not a bidding document. Any contractor reviewing this report must draw his own conclusions regarding site conditions and specific construction techniques to be used on this project.”

low plasticity and low to medium silt and clay fines contents. The overlying soils transitioned into weathered/fractured rock material. Backhoe refusal on rock was encountered at varying depths of 2 to 5.5 feet. Relatively intact rock is shallower in some areas.

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LIMITATIONS

The figures and recommendations in this report were prepared in accordance with accepted professional engineering principles and soil mechanics practices. We make no other warranty, either implied or expressed. If during subsequent planning and construction, conditions are different than as indicated, this firm should be notified for evaluation.

This report is not a bidding document. Any contractor reviewing this report must draw his own conclusions regarding site conditions and specific construction techniques to be used on this project.”

Adjacent Lands and Vicinity:

North: RCU2A- Residential 2- acre Planned Area Development (P.A.D.)

East: RCU5A- Residential 5-acre P.A.D.

South: Agricultural; RCU5A- Residential 5-acre P.A.D.

West: RCU2A-Residential 2 acre P.A.D.

Subdivider advises that area surrounding the subdivision is open range and subject to cattle grazing.

OPEN RANGE FOR LIVESTOCK

SUBDIVIDER ADVISES THAT THIS SUBDIVISION IS LOCATED IN AN OPEN RANGE AREA IN WHICH LIVESTOCK MAY ROAM AT LARGE UNDER THE LAWS OF THE STATE AND THAT NO PROVISIONS HAVE BEEN MADE FOR THE FENCING OF THE SUBDIVISION TO PRECLUDE LIVESTOCK FROM ROAMING WITHIN THE SUBDIVISION.

OWNERS OF THE ADJACENT LAND DESCRIBED ABOVE MAY SEEK TO REZONE THEIR PROPERTY, MAY SEEK ZONING VARIANCES FOR THEIR PROPERTY OR MAY MODIFY THEIR SITE PLAN WITHIN EXISTING ZONING. CONSEQUENTLY, NO ASSURANCE CAN BE GIVEN THAT THE ZONING OR USES FOR THE ADJACENT LANDS WILL NOT CHANGE FROM THAT DESCRIBED ABOVE.

There are no natural gas pipelines within 500 feet of the subdivision boundaries.

High Voltage Lines: The Subdivision has existing or proposed high voltage powerlines (115KV or greater) within the boundary of the subdivision or within ½ mile of the subdivision boundary.

Existing 230 kilovolt towered overhead transmission lines exist within ¼ mile of the subdivision. There is a dirt maintenance and right of way road in a 125 foot wide easement, below the lines. Authority over, and maintenance of these lines, is the responsibility of the United States Department of Energy, Western Area Power Administration, Desert Southwest Region.

INFORMATION ON A PROPOSED OR EXISTING TRANSMISSION LINE AND SUBSTATION MAY BE AVAILABLE FROM THE ARIZONA CORPORATION COMMISSION OR FROM THE UTILITY COMPANY. IN ADDITION TO THE ABOVE DISCLOSED INFORMATION, BUYER SHOULD CONTACT THE UTILITY COMPANY FOR FURTHER AVAILABLE INFORMATION WHICH MAY INCLUDE STRUCTURE HEIGHTS, SCHEMATICS OF WHAT THE STRUCTURES WILL LOOK LIKE AND CONSTRUCTION SCHEDULES.

SUBDIVISION USE AND RESTRICTIONS

Use: This offering is for unimproved lot (vacant land) and improved lots with dwellings.
Zoning: Single Family Residential

Conditions, Reservations and Restrictions: Purchasers are advised to read the declaration of Covenants, Conditions, and Restrictions (CC&R's), Architectural Guidelines, and other such restrictive documents, which may have an effect on your use and enjoyment of your property.

Subdivider advises that this subdivision is located in an open range area in which livestock may roam at large under the laws of this state and that there is existing forest service fencing around the boundary of the forestland that prevents livestock from roaming within the subdivision.

Restrictions and Other Matters of Record: Conditions, reservations and restrictions that may run with the land including City or County zoning restrictions should be investigated by you. Copies of those items which are recorded may be inspected at the Office of the Yavapai County Recorder. Information about zoning may be obtained at the Office of the Yavapai County Planning

and Zoning Department. Restrictions are recorded as cited in the following title exceptions and per the subdivision plat.

AIRPORTS

Military Airport: No portion of the development is located in territory in the vicinity of a military airport in the vicinity as defined in A.R.S. 28-8461.

Public Airport: Prescott Airport, 6500 Maccurdy Drive, Prescott, Arizona, (928) 777-1114, approximately 14.2 miles from subdivision.

SUBDIVISION IS LOCATED IN THE VICINITY OF PRESCOTT AIRPORT. ALL AREAS WITHIN AN OVER-FLIGHT DISTRICT ARE SUBJECT TO AIRCRAFT ACTIVITY. SINGLE AIRCRAFT OVER-FLIGHTS, CERTAIN AIRCRAFT AND PARTICULAR NOISE LEVELS AFFECT EVERYONE DIFFERENTLY. IF A RESIDENCE IS OUTSIDE THE OVER-FLIGHT DISTRICT IT IS STILL SUBJECT TO OVER-FLIGHTS BY AIRCRAFT FROM THE CLOSEST AIRPORT, ANOTHER AIRPORT IN THE VALLEY OR FROM AN AIRPORT OUTSIDE THE VALLEY.

TITLE

Title to this subdivision is vested in Old Capitol Investment, LLC., an Arizona limited liability company

Subdivider's interest in this subdivision is evidenced by fee title

Title is subject, among other things, to all taxes, assessments, covenants, conditions, restrictions, limitations, reservations, rights, obligations, powers, easements, rights of way, liens, and charges of record. **YOU SHOULD INVESTIGATE THE TITLE AND SATISFY YOURSELF AS TO WHAT EFFECT, IF ANY, THESE MATTERS MAY HAVE ON THE USE OF THE LAND.** Title exceptions affecting the condition of title are listed in the Preliminary Title Report dated May 4, 2021 issued by Pioneer Title Agency. **You should obtain a title report and determine the effect of the listed exceptions.**

EXCEPTIONS: SEE EXHIBIT "A" ATTACHED

METHOD OF SALE OR LEASE

Sales: Sales will be made utilizing the services of a professional Real Estate brokerage firm and/or directly from Subdivider. Purchasers vested interest/ownership interest in the property will be evidenced by the Subdivider delivering a recorded deed to purchasers and by purchasers signing a promissory note and mortgage or deed of trust for the unpaid balance, if any.

NOTE: PURCHASERS SHOULD READ THESE DOCUMENTS BEFORE SIGNING THEM.

Purchasers are advised that earnest money deposits, down payments and other advanced money will be placed in an escrow account, with the exception of design options and upgrades which are paid directly to the seller. The seller is able to draw from these funds for the lot improvement and build of subject home and/or sales commissions. This means the purchaser assumes a risk of losing such money if the seller is unable or unwilling to perform under the terms of the Purchase Contract (referred to as “SALES AGREEMENT”).

EARNEST MONEY AND DOWN PAYMENTS

YOU ARE ADVISED THAT EARNEST MONEY DEPOSITS, DOWN PAYMENTS AND OTHER ADVANCED MONEY MAY NOT BE PLACED IN A NEUTRAL ESCROW. SUCH MONEY MAY BE PAID DIRECTLY TO THE SELLER AND MAY BE USED BY THE SELLER. THIS MEANS THE PURCHASER ASSUMES A RISK OF LOSING SUCH MONEY IF THE SELLER IS UNABLE OR UNWILLING TO PERFORM UNDER THE TERMS OF THE PURCHASE CONTRACT.

Release of Liens and Encumbrances: Subdivider has ensured that the deeds of trust provide for the release by the applicable lender of individual improved lots upon Purchaser's payment to Subdivider of the purchase price required under Purchaser's purchase contract with Subdivider for such improved lot.

Use and Occupancy: Lot purchasers will be permitted to use and occupy his lot upon close of escrow and recordation of Deed.

Leasehold Offering: This is not a leasehold offering.

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

TAXES AND ASSESSMENTS

Real Property Taxes: The combined primary and secondary property tax rate for this subdivision for the year 2020 is 12.5146 per \$100.00 assessed valuation. The estimated property tax for an unimproved lot (vacant), based on the above tax rate and average sales price of \$150,000.00, is

\$2,102.46. The estimated property tax for an improved lot, based on the above tax rate and average sales price of \$499,000.00 to \$700,000.00 is \$4,371.26 to \$6,132.06.

Special District Tax or Assessments: Subdivider advises that there are no known Special District Taxes or Assessments.

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

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

EXHIBIT "A"

TAXES AND ASSESSMENTS collectible by the County Treasurer, a lien not yet due and payable for the following year:

2021

1. OBLIGATIONS imposed upon said land by its inclusion within any district formed pursuant to Title 48, Arizona Revised Statutes, excluding, however, Municipal or County Improvement Districts.
2. Water Rights, claims or title to water, and agreements, covenants, conditions or rights incident thereto, whether or not shown by the public records.
This exception is not limited by reason of the disclosure of any matter relating to Water Rights as may be set forth elsewhere in Schedule B.

3. Exceptions, reservations, covenants and conditions as set forth in instrument:

Recorded in Book 120 of Deeds
Page 434

THEREAFTER a portion of the reservation was relinquished in instrument:

Recorded in Book 365 of Official Records
Page 15
(Affects Section 33)

4. Easements and rights incident thereto, as set forth in instrument:

Recorded in Book : 194 of Deeds
Page : 41
Purpose : electric transmission line

5. Easements and rights incident thereto, as set forth in instrument:

Recorded in Book : 277 of Official Records
Page : 479
Purpose : Prescott Simmons Highway
(Affects the easterly line of the Northeast quarter of Section 34)

6. The effect of Resolution #00-2 by the Central Yavapai Fire District, recorded in

Book : 3744 of Official Records
Page : 125
Concerning : fire district boundaries

7. Terms and conditions contained in that Agreement recorded in Book 3758 of Official Records, Page 795.
8. Inclusion within the ICR Sanitary District as disclosed in Resolution No. 2002-4 recorded in Book 3986 of Official Records, Page 130.

9. Matters Shown on Survey:

Recorded in Book	53 of Land Surveys
Page	32
And thereafter Affidavit of Correction	
Recorded in Book	3974 of Official records
Page	<u>44</u>

10. RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS, including but not limited to any recitals creating easements, liabilities, obligations or party walls, omitting, if any, from the above, any restrictions based on race, color, religion, sex, handicap, familial status or national origin contained in instrument:

Recorded in Book	3982 of Official Records
Page	<u>365</u>
Re-recorded in Book	3994 of Official Records
Page	<u>422</u>
And in Book	4414 of Official Records
Page	<u>466</u>
And in Book	4414 of Official Records
Page	<u>467</u>
And in Instrument No.	<u>2021-0028753</u>

11. Easements and rights incident thereto, as set forth in instrument:

Recorded in Book	: 4197 of Official Records
Page	: <u>179</u>
Re-recorded in Book	: 4257 of Official Records
Page	: <u>40</u>
Purpose	: ingress, egress and public and private utilities
(Affects Section 34)	

12. Intentionally deleted.

13. Intentionally deleted.

14. All matters contained in Instrument No. 2014-0052370.

15. Easements and rights incident thereto, as set forth in instrument:

Recorded in Book	: <u>2016-0014058</u>
Purpose	: ingress, egress and waterlines

16. Intentionally deleted.

17. DEED OF TRUST given to secure the original amount shown below, and any other amount payable under the terms thereof:

Amount	\$3,540,000.00
Dated	May 22, 2019
Recorded	May 23, 2019
Document No.	<u>2019-0025475</u>

LICENSE NO.

Whispering Canyon Phase 5
Lots 176 through 203, inclusive

Trustor	Old Capitol Investments, L.L.C., an Arizona Limited Liability Company
Trustee	Yavapai Title Agency, Inc.
Beneficiary	Whispering Canyon INCA, LLC, a Delaware Limited Liability Company

And thereafter amended in Instrument No. 2020-0023106 and second amended in Instrument No. 2020-0066103

18. FINANCING STATEMENT between:

Debtor	Old Capitol Investments, L.L.C.
Secured Party	Whispering Canyon INCA, LLC
Recorded	October 29, 2020
Document No.	<u>2020-0066104</u>

19. Any charge due Whispering Canyon Development Community Association by reason of its inclusion within said Homeowners Association.

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

END OF EXCEPTIONS