

STATE OF ARIZONA
DEPARTMENT OF REAL ESTATE
SUBDIVISION PUBLIC REPORT

FOR
Mead-O-Rama, Unit No. 3

Registration No. DM 05-049368

SUBDIVIDER

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March 10, 2005

Effective Date

PROPERTY REPORT DISCLAIMER

This report is NOT A RECOMMENDATION NOR 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 CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.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.

FEDERAL LAW STATES:

1. IF YOU RECEIVE THE PUBLIC REPORT PRIOR TO SIGNING A CONTRACT OR AGREEMENT, YOU MAY CANCEL YOUR CONTRACT OR AGREEMENT BY GIVING NOTICE TO THE SELLER ANY TIME BEFORE MIDNIGHT OF THE SEVENTH DAY FOLLOWING THE SIGNING OF THIS CONTRACT OR AGREEMENT.
2. IF YOU HAVE SIGNED A PURCHASE AGREEMENT PRIOR TO INSPECTING THE LOT, YOU HAVE SIX MONTHS TO INSPECT AND UPON INSPECTION MAY RESCIND THE PURCHASE.
3. IF YOU DID NOT RECEIVE THIS PUBLIC REPORT BEFORE YOU SIGNED A CONTRACT OR AGREEMENT, YOU MAY CANCEL THE CONTRACT OR AGREEMENT ANYTIME WITHIN TWO YEARS FROM THE DATE OF SIGNING.

RISKS OF BUYING LAND:

1. The future value of any land is uncertain and dependent upon many factors. DO NOT expect all land to increase in value.
2. Any value which your lot may have will be affected if the roads, utilities and all proposed improvements are not completed.
3. Resale of your lot may be difficult or impossible, since you may face the competition of our own sales program and local real estate brokers may not be interested in listing your lot.
4. Any subdivision will have an impact on the surrounding environment. Whether or not the impact is adverse and the degree of impact, will depend on the location, size, planning and extent of development. Subdivisions which adversely affect the environment may cause environmental agencies to impose restrictions on the use of the land. Changes in plant and animal life, air and water quality and noise levels may affect your use and enjoyment of your lot and your ability to sell it.
5. In the purchase of real estate, many technical requirements must be met to assure that you receive proper title. Since this purchase involves a major expenditure of money, it is recommended that you seek professional advise before you obligate yourself.

GENERAL

This report includes:(Lots List See Attached Exhibit “D”) of Mead-O-Rama, Unit No. 3

The map of this subdivision: is recorded June 22, 1961 at Fee No. 104566 , records of Mohave County, State of Arizona.

The subdivision is approximately 640 acres in size. It has been divided into 600 . Lot boundaries will be staked and radii .

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

SUBDIVISION LOCATION

Location: Antares Road and Acanthus Drive, 25 miles from Kingman, Mohave County, Arizona.

SUBDIVISION CHARACTERISTICS

Topography: Gently sloping areas – Rolling desert hills

Flooding and Drainage: An engineer's statement from C. E. Martin Engineers and Associates, Inc., dated July 29, 2004, cites in part:

“All of the Proposed subdivision lots lie in Flood Zone “C” of the Federal Insurance Rate Maps. Zone “C” is an area of Minimal Flooding.

This subdivision was designed so that all storm run-off will be carried around the building pads through drainage easements established between each lot. Finish floor elevations will be set so they are not influenced by a 100-year storm.”

Soils: Seller advises that the subdivision is not subject to subsidence or expansive soils.

Adjacent Lands and Vicinity: Residential, Recreational and Agricultural

AIRPORTS

Public Airport: Kingman Municipal Airport is located 29 miles of the subdivision

UTILITIES

Electricity: UniSource Energy Service.

Currently, facilities are 3 miles from farthest lot.

Estimated cost to purchasers to complete facilities to the lot line:

UniSource would need to construct a single-phase overhead electric distribution line at varying distances from available to nearest lot to approximately 10,560 feet to reach the properties indicated. The final route is subject to traversable terrain and being able to acquire necessary easements and permits.

UniSource will extend its single-phase overhead distribution line a distance of up to 400 feet without charge to a customer whom Citizens considers permanent. For a single-phase overhead electric line extension in excess of 400 feet, the cost is approximately \$5.00 per foot. Advancement of the total cost of construction to Citizens is required prior to the construction of our electric facilities. The advance is subject to refund.

The above listed properties are within UniSource service area. Electric service will be provided in accordance with UniSources' Rules and Regulations on file with, and approved by, The Arizona Corporation Commission.

A \$90.00 electric security deposit and a \$21.00 service establishment charge are required for each residential meter.

Telephone: Frontier, A Citizens Utilities Company.

Currently, facilities are 3 miles from farthest lot.

Subject to a request for service and successful negotiations with individual lot owners.

Cost to purchasers to complete facilities from lot line to dwelling:

Included in the installation cost.

A purchaser will be required to pay an average residential deposit, which can range from \$25.00 to \$200.00. The deposit and accrued interest are refundable upon one year's satisfactory payment history. Basic installation charges are from \$75.00 depending on the service the customer wishes. The monthly rate for a single residence telephone line is \$15.00. A typical customer would be requested to pay a deposit, installation fees of \$75.00 and the first month's service of \$15.00 in advance. These charges are estimates only.

Water: Private well

Estimated cost to purchasers to complete:

See attached exhibit "B"

Sewage Disposal: Individual sewage disposal systems

Estimated cost to purchasers to complete:

See attached exhibit "C"

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

STREETS, ROADS AND DRAINAGE

Access to the Development: Public dirt road maintained by the Landowners.

Access within the Development: Public dirt road maintained by the Landowners.

COMMON, COMMUNITY AND RECREATIONAL FACILITIES

Within the Subdivision: Seller advises there are no common areas or facilities.

ASSURANCES FOR COMPLETION

Assurances for Completion of Development Facilities: None – Seller is selling as is.

Assurances for Maintenance of Development Facilities: None – Seller is selling as is.

LOCAL SERVICES AND FACILITIES

Schools: Elementary School, Junior High and High School are located 26 miles South in Kingman.

SCHOOL FACILITIES AND BUS SERVICE MAY CHANGE. YOU SHOULD CONTACT THE LOCAL SCHOOL BOARD REGARDING THE CURRENT LOCATION OF SCHOOLS AND BUS SERVICE.

Shopping Facilities: Kingman – 36 miles

Public Transportation: Bus depot – 36 miles south of Development

Medical: Kingman Regional Medical Center – 36 miles

Fire Protection: Seller advises no fire protection services available.

Police Service: Mohave County Sheriff Department

Ambulance: Available by dialing 911

Garbage Services: Seller advises no refuse collection available.

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

SUBDIVISION USE AND RESTRICTIONS

Use: This offering is for unimproved lots.

“Unimproved lot or parcel” means a lot or parcel of a subdivision that is not an improved lot or parcel.

Zoning: Agricultural/Residential

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 Mohave County Recorder. Information about zoning may be obtained at the Office of the Mohave Planning and Zoning Department. Restrictions are recorded as cited in the following title exceptions and per the subdivision plat.

TITLE

Title to this subdivision is vested in First American Title Insurance Agency of Mohave, Inc., Under Trust 9082

Subdivider's interest in this subdivision is evidenced by Seller is 2nd beneficiary of Trust 9082

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 January 5, 2005 issued by First American Title Insurance Agency of Mohave, Inc. . **You should obtain a title report and determine the effect of the listed exceptions.**

EXCEPTIONS: SEE EXHIBIT "A" ATTACHED

METHOD OF SALE OR LEASE

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

Use and Occupancy: Lot purchaser will be permitted to use and occupy his lot upon close of escrow and completion of construction.

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 2004 is \$8.9 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 \$25,000.00, is \$2,225.00

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

PROPERTY OWNERS ASSOCIATIONS

Name and Assessments: Subdivider advises there is no Homeowners Association.

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

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
EXCEPTIONS**

Ad Valorem Taxes.

1. The right to enter upon land, prospect for, mine and remove all coal, oil, gas and other mineral deposits as reserved in Deed recorded as Book 86 of Deeds, page 49.
2. The effect of Dependent Resurvey Plat recorded October 21, 2004 at Fee No. 2004-98635. (Map ID #2425)

**EXHIBIT B
WATER**

Estimated cost for drilling a new water well 700 feet.	\$8,400.00
Estimated cost for 600 feet of plain PVC liner casing.	\$1,800.00
Estimated cost for 100 feet perforated PVC liner casing.	\$ 400.00
Estimated cost for one 20 foot surface steel casing cemented.	\$ 500.00
Estimated cost for one State Water Well Permit Fee.	\$ 50.00

Estimated cost for one complete pump system for 700 foot well, including 3hp pump with control box, drop pipe, submersible wire, 86 gallon pressure tank, well cap, check valve, 40/60 pressure

switch and gauge, 30 amp fused disconnect, up to 100 feet of yard and electrical lines, misc., fittings, labor.	\$5,753.25
Estimated sales tax.	<u>\$ 171.45</u>
Total	\$17,074.70

NOTE:

Mead-O-Rama Unit 3, is being sold with the domestic water supply to be provided by wells to be drilled by the individual lot owners. Because no wells have been drilled on the property, no information is available regarding water quality, decline rates, or the availability of a domestic water supply. Domestic wells deeper than 400 feet exceed normal practice in Arizona. Because it has not been demonstrated that a 100-year water supply is available to each lot in the subdivision, the Department of Water resources, therefore, has determined the supply to be inadequate to meet the subdivision's water demands. Private water systems will generally meet the basic needs of the lot owner.

**EXHIBIT C
INDIVIDUAL SEWAGE DISPOSAL SYSTEM**

Estimated cost of Percolation Test (depending on location and soil types)	\$600.00-1400.00 per test
Estimated cost of Permit (conventional residential)	\$235.00 - \$385 Each
Estimated cost of a 1000 gallon septic tank (minimum size-3 bedroom)	\$800.42 (delivery & install additional)
Estimated cost of Effluent Filter	\$43.89 and up
Estimated cost of Leach Rock (starting at 24 yards)	\$22.00-26.00 per yard (delivery additional)
Estimated cost of Pipes and Fittings (depending on size)	\$500.00 and up
Estimated cost of Backhoe, Installation, Labor rates (vary by contractor)	\$80.00 per hour
Estimated cost of delivery charges of Tank (vary by supplier)	\$75.00 per hour
Estimated cost of Portage charges on Equipment (vary by contractor)	\$75.00 per hour
State tax (combined/calculated rate)	5.85 - 7.85%

Note to Property Owner: Systems need to measure from property lines, surveyed corners, or Monuments to ensure location of system is correct and meets required setbacks. Surveys are not included in the cost of a septic system. Additional terms and conditions may apply to the installation of a septic system.

EXHIBIT D
LOT LIST FOR PROJECT

LOTS 1 through 50, inclusive, Block A;

LOTS 1 through 50, inclusive, EXCEPT LOTS 5, 9, 20, 44 and 45, Block B;

LOTS 1 through 50, inclusive, EXCEPT LOT 36, Block C;

LOTS 2 through 25, inclusive, and LOTS 33 and 34, and LOTS 37 through 43, inclusive, Block D;

LOTS 1 through 20, inclusive and LOTS 22 through 25, inclusive and LOTS 27 through 47, inclusive, and LOTS 49 and 50, Block E;

LOTS 8 through 12, inclusive and LOTS 18 and 19 and LOTS 41 through 44, inclusive, Block F;

LOTS 21 through 27, inclusive, and LOT 30, Block G;

LOTS 24 through 29, inclusive, Block H;

LOTS 6 through 38, inclusive, and LOTS 44 through 50, inclusive, Block I;

LOTS 1 and LOTS 9 through 50, inclusive, Block J;

LOTS 1 through 50, inclusive, Block K;

LOTS 1 through 29, inclusive, and LOTS 41 through 50, inclusive, Block L.

END

PUBLIC REPORT RECEIPT

The owner, agent or developer of this development shall furnish you, as a prospective customer, with a copy of the Public Report. It is recommended that you read the report before you make any written offer to purchase or lease an interest in the development, and before you pay any money or other consideration toward the purchase or lease of an interest in the development.

FOR YOUR PROTECTION, PLEASE DO NOT SIGN THIS RECEIPT UNTIL YOU HAVE RECEIVED A COPY OF THE REPORT AND HAVE HAD THE OPPORTUNITY TO READ. BY SIGNING THIS RECEIPT THE BUYER HAS ACCEPTED THE PUBLIC REPORT AND ACKNOWLEDGES THE INFORMATION IT CONTAINS.

DM 05-049368
(Public Report Registration No.)

Mead-O-Rama Unit 3
(Development Name)

Lot Number(s): _____

I understand that the report is not a recommendation or endorsement of the development by the Arizona Department of Real Estate, but is for information only.

_____ **←Sign Here**

_____ **←Date Here**
(Date)

Current Address:

California Department of Real Estate Out of State Registration number 120136RC 00SR0.
U.S. Department of Housing and Urban Development Registration ILS number 31274.