

STATE OF ARIZONA
DEPARTMENT OF REAL ESTATE

SUBDIVISION DISCLOSURE REPORT

(Public Report)

FOR

LAKE MEAD RANCHOS, UNIT 2

Registration No. DM08-054459

SUBDIVIDER

**ShadowLand Enterprises, Inc.
an Arizona Corporation**

c/o Chicago Title

**2699 E. Andy Devine Avenue
Kingman, AZ 86401**

May 16, 2008

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.

PHOENIX OFFICE:
2910 N. 44th Street
Suite 100
Phoenix, Arizona 85018
(602) 771-7750

TUCSON OFFICE:
400 West Congress
Suite 523
Tucson, Arizona 85701
(520) 628-6940

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 CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.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

The intent for this offering for Lake Mead Ranchos Unit 2 is to sell existing lots as is, per the plat of record, and subdivider proposes no changes to the plat, no alteration to the level of improvements to the lots, no extension of any facilities to lot lines or no dwellings.

This report includes: LOTS 2265, 2270, 2305, 2307 through 2309, inclusive, 2314, 2315, 2332, 2333, 2340, 2369 through 2373, inclusive, 2375 through 2380, inclusive, 2391 through 2393, inclusive, 2396, 2397, 2399, 2404 through 2408, inclusive, 2414, 2426 through 2432, inclusive, 2435, 2436, 2440, 2458 through 2460, inclusive, 2466 through 2473, inclusive, 2475 through 2489, inclusive, 2491 through 2496, inclusive, 2499, 2502 through 2507, inclusive, 2510 through 2512, inclusive, 2514, 2515, 2517, 2529 through 2534, inclusive.

The map of this subdivision is recorded June 20, 1961, at Fee No. 104504, records of Mohave County, Arizona.

The subdivision is approximately 320± acres in size. It has been divided into 294 Lots. Lot boundaries will be staked at corners.

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: 27.06 miles from Meadview, Mohave County, Arizona. The North end of development is bordered by Spring Drive ("Greg's Hideout Road"), the South end is Valley of Fire Drive, the West side is Hideout Drive and the East side is God's Pocket Road. The nearest major crossroads: Pierce Ferry Road. From Meadview, AZ, start out going West on Meadview Blvd. toward Sandy Point Dr. for 0.9 miles. Turn left onto Pierce Ferry Rd. for 2.9 miles. Turn slight right onto Pierce Ferry Rd (CR-25) for .1 mile. Turn slight right to stay on Pierce Ferry Rd. (CR-25) for 16.1 miles. Turn right onto God's Pocket Rd. for 6.5 miles. Turn right onto Hideout Dr. for .2 miles. End at Hideout Dr. & Valley of Fire Dr., Meadview, AZ 86444.

SUBDIVISION CHARACTERISTICS

Topography: The subdivision is generally flat to rolling desert terrain. The land consists of sandy, silty, loamy soil, gently sloping to the Northeast about 1-2%. The existing vegetation is range grasses, greasewood bushes, yucca, Joshua trees, Palo Verde trees and various types of cactus. A large wash runs diagonally across the subdivision from Hideout Drive & Burro Drive to Gods Pocket Drive & Emery Falls Drive.

Flooding and Drainage: Bruce A. Mitchell, Registered Professional Engineer, in his sealed Drainage Report of 7/10/07, states in part that, "The land is well drained by sheet flow predominantly with a few washes. The FEMA-Flood Insurance Rate Map, Community Panel 040058-1450 C indicates the area is primarily Zone "C" (area of minimal flooding) with a small area of lots 2321, 2322, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2380, 2381, 2382 &

2383 showing a classification of “A” (area of 100 year flood; base elevation and flood hazard factors not determined).

The roads are dedicated and are constructed to access all lots and will drain the area to the existing channels under normal storm conditions.

Runoff from the calculated 100-year event can be carried through the site without encroaching on the properly constructed future structures. No Detention will be provided as the post and pre development runoff difference are small for these large rural lots.

To the best of my knowledge, there are no known geological conditions that would influence the development in this area. Flood insurance is required for any lots above “B” zone in the FEMA maps for the area.”

Soils: Subdivision is not subject to expansive or subsidence soils. Bruce A. Mitchell, Registered Professional Engineer, in his sealed Soils Report of 7/10/07, states in part that, “Medium dense to dense sands with various amounts of silt, clay, and gravel was encountered. Caliche layers were encountered from 2’ to 8’ below the surface. “Caliche” refers to a lime cemented stratum of sand and gravel with occasional boulders.

The soils were found to have negligible corrosive potential for concrete or metal.” (Soils Report on file with the ADRE.)

Adjacent Lands and Vicinity: Property in this subdivision is currently zoned A-R for single family dwellings, noncommercial use. Mobile homes, pre-manufactured homes, trailers and recreational vehicles are approved, along with light farming-agricultural use. All lands adjacent to and in the vicinity of the subdivision are currently VL Rural Vacant, un-zoned public land (Bureau of Land Management) or other units of Lake Mead Ranchos zoned AR. There are no known unusual safety factors and uses that may cause a nuisance or adversely affect lot owners within or near the subdivision.

AIRPORTS

Airport: Kingman Airport, 7000 Flightline Dr., Kingman, AZ – approximately 65 miles

UTILITIES

Electricity: Electric facilities will not be offered by the Subdivider but can be extended to this subdivision. They are presently approximately 2500 LF from the farthest lot offered. In order for a Purchaser to bring service to their lot line, they must contact UniSource Energy Services at (877) 837-4968 www.uesaz.com for a line extension request. The company will prepare a preliminary sketch and rough estimate and payment terms of the cost of installation to be paid by applicant. The company will extend single phase overhead distribution facilities without charge to any customer whom the company considers permanent, provided that the length of extension does not exceed four hundred (400) feet. The company will make extensions in excess of four hundred feet if a refundable construction advance and/or contribution in aid of construction to cover cost of construction and if such extension does not exceed a total construction cost of \$25,000.00. Costs of extension in excess of 400 feet: Overhead service wire - \$1.50/per LF, service line support pole for longer lines - \$215.00, and overhead primary distribution line - \$4.50/per LF. Service line extension is contingent on traversable terrain and being able to acquire necessary easements and permits.

The average price for trenching, supplies and backfill is approximately \$12.00 to \$15.00/per LF.

In order to receive service, all Purchasers are required to pay an approximate security deposit of \$90.00, depending on individual credit circumstances and a \$21.00 service establishment fee. Once service is established, direct user charges will apply. Fees and/or deposits are subject to change. Please contact the utility company for further details.

Street Lights: None

Telephone: There are no telephone facilities available to this subdivision, however, Subdivider advises that cellular telephone reception quality is generally regarded as good.

Cable: No

Propane Gas: A Will Serve letter from Ferrellgas, stating they will provide service to this subdivision and describing all requirements to be met and costs to be paid by lot Purchasers in order to receive service, is attached as Exhibit "B".

Water: Subdivider is selling property as dry lots with the potable water systems to be the responsibility of each Purchaser. The potable water supply can either be provided by wells to be drilled by the individual lot Purchasers or making arrangements to purchase potable water provided by a bulk carrier or lot owner's purchasing and hauling their own water.

Pursuant to A.R.S. §32-2181(F), Subdivider discloses the following:

Lake Mead Ranchos Unit 2 Subdivision is being served groundwater by individual wells. The developer has chosen not to demonstrate a 100-year adequate water supply. The applicant has not demonstrated that the criteria for physical, legal and continuous availability, water quality, and financial capability have been met. Therefore the Department must find the water supply to be inadequate. For additional information please contact Richard Obenshain, of the Office of Assured and Adequate Water Supply at (602) 771-8585.

If a Purchaser chooses to install a private well, B & M Well Drillers, Inc., has provided an estimate attached as Exhibit "C", for a private well and system. If a source of potable water cannot be obtained from a private or shared well, lot Purchaser will not be offered a refund of the purchase price.

If Purchaser chooses to have water transported/hailed to their lot, Mohave Rancho Lumber has provided an estimate for a water haul system, attached as Exhibit "D". The Grand Wash Company has provided the costs for their water hauling services, attached as Exhibit "E". Agua Fria Enterprises, Inc. has provided their costs for water hauling services, attached as Exhibit "F".

If a Purchaser chooses to haul their water, Mt. Tipton Water Company, Inc., Service office located at 15996 North Ironwood Drive, Dolan Springs, AZ 86441, telephone no. (928) 767-3298, operates a coin operated facility that dispenses water at 83 gallons for \$.25 directly into your own portable water tank. Mt. Tipton's bulk sales are on the honor system at \$5.00 per thousand and will be billed to your billing address monthly. Mt. Tipton does not have the capability of hauling water for customers directly to the subdivision.

Sewage Disposal: Purchasers will be required to install individual on-site wastewater treatment systems. The ADEQ has issued a Certificate of Approval of Sanitary Facilities for Subdivisions Incorporation On-Site Sewage Systems subject to the following disclosure (a.-h.):

- a. The Subdivider or his/her agent shall disclose prior to sale of each approved lot of these ADEQ provisions and those of the ADEQ ATC for Drinking Water Facilities (Initial Lot Owner).
- b. The owner of an approved lot shall obtain site-specific permits for construction and operation from Mohave County Health Department before constructing any on-site wastewater treatment facility or Arizona Department of Environmental Quality, if the County or City is not delegated authority to approve the on-site wastewater treatment system.
- c. If any approved lot is determined to be not suitable for construction and operation of a conventional septic disposal system, the lot owner shall obtain site-specific construction and operating permits for an alternative on-site wastewater treatment facility from ADEQ or from the local agency authorized by ADEQ to issue such permits. The cost of an alternative on-site wastewater treatment facility may be in excess of \$15,000.00.
- d. Given the information contained in the geological report, it must be assumed that alternative on-site systems will be required for certain lots depending on the site specific characteristics.
- e. Substantial portions of the following lots contain watercourse or other topographic features or easements which restrict the space available for placement of the on-site sewage system (including the reserve disposal area) and consequently may restrict the location and/or size of the home to be constructed on lots: 2414; 2440; 2459; 2460; 2467; 2466.
- f. This approval is based upon ADEQ evaluation of sanitary facilities for a single family dwelling with four or less bedrooms on each lot. Some lots may accommodate larger sewage disposal capacities, subject to local approvals.
- g. The Subdivider or his/her agent shall disclose prior to sale of each of the lots, all of the following information: That the Adequacy of the 100-year water supply was reviewed by the Arizona Department of Water Resources with regard to physical, legal and continuous availability, and to determine if the water supply is of adequate quality. Information provided to that agency indicates that the applicant has not satisfied the adequate water supply requirement as set forth in A.A.C. R12-15-715 etseq., and that the agency found the water supply to be inadequate to meet the subdivision's projected needs. The applicant has stated the water supply for the development will be by individual wells or by water hauling. No information is provided as to the estimated 100-year depth and current water depth.
- h. Potable water systems to serve each Approval Lot in this subdivision will be the responsibility of each respective Approved Lot Owner. ADEQ has not evaluated the adequacy of the water supply (groundwater) at any point in or near this subdivision.

In the event that the owner of each Approved Lot desires to drill a well to serve the property, the owner shall obtain site-specific permits for well drilling and well operation from the Arizona Department of water Resources before constructing or operating an on-site domestic well system. Each well must be located at least 100 feet from an existing or proposed on-site wastewater system, including wastewater systems within the same lot as the proposed well and those wastewater systems in nearby lots. Cost involved in drilling an on-site well would be approximately \$34,900.00 per 960 foot well.

According to the applicant, an available secondary source of water supply is to utilize a water delivery system to supply the demands for water usage. Cost involved in water hauling as stated by Aqua Fria Enterprise, Inc., 928-753-3791, on January 28, 2008 would be

approximately at \$250/2,000 gallons for one trip, but is adjusted based upon the current cost of water and fuel expenses.

An alternative on-site wastewater treatment facility costs more than a conventional septic tank and drain field system, depending on the severity of the site and soil conditions, and will require more frequent maintenance for proper operation.

A Septic Cost Installation Estimate from Mohave Rancho Lumber, Inc. is attached as Exhibit "G". If an operational individual on-site wastewater treatment system cannot be installed, Purchaser will not be offered a refund of the purchase price.

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 Subdivision: Dedicated public road, accepted for maintenance by Mohave County, allows permanent access to the land available via Greg's Hideout Road, as dedicated by instrument recorded in Book 1178 of Official Records, page 755, and as granted by instrument recorded in Book 3063 of Official Records, page 334, records of Mohave County, Arizona.

Access within the Subdivision: The interior roads are dedicated to the public but are not maintained by Mohave County. Presently, the roads are graded dirt roads, constructed to access all lots and will drain the area to the existing channels under normal storm conditions. Grand Wash Excavating has done road maintenance for several years and they are currently in good condition, traversable in a conventional motor vehicle such as a 2-wheel drive automobile. If the roads are brought up to county minimum standards by lot owners and the county approves and accepts them for maintenance, the costs for maintenance would be included in property taxes. If the roads are not accepted by the county, the costs for maintenance will vary significantly, depending on whether an individual lot owner receives cooperation from adjacent lot owners for bearing the cost of maintenance. At this time, the average grading and excavating company will charge approximately \$100/per hour for grading, repairing or maintenance of a road. Roads in the development area generally require a minimum of twice yearly maintenance, based on an owner's ability to be able to "drag" the roads in between scheduled maintenance, thereby providing some degree of maintenance themselves. Road repair must typically take place after the monsoon season and possibly at intervals during the monsoon season, depending on the severity of any one storm. The desert monsoon season typically takes place from June to August.

Grand Wash Excavating, 28694 N. Sandy Point Dr., Meadview, AZ 86444 (928) 715-2764 is willing and able to continue to maintain the interior roads for future owners of the properties. In their letter of March 31, 2008, attached as Exhibit "H", the costs to maintain the interior roads of the subdivision, at today's fuel prices, are listed at approximately \$2,150.00/per year.

THE COUNTY WILL NOT MAINTAIN THE STREETS UNTIL THEY HAVE BEEN CONSTRUCTED TO MINIMUM STANDARDS AND THE COUNTY APPROVES AND ACCEPTS THEM FOR MAINTENANCE. IF THE STREETS ARE NOT ACCEPTED FOR MAINTENANCE, THE FUTURE COST OF MAINTENANCE WILL HAVE TO BE PAID BY

THE ADJACENT PROPERTY OWNERS. IF THE ADJACENT LOT OWNERS FAIL TO COOPERATE, THEN A LOT PURCHASER MAY HAVE TO INDIVIDUALLY BEAR THE ENTIRE COST OF MAINTAINING THE ROAD TO HIS LOT

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 openspace without compensation.

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

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

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

COMMON, COMMUNITY AND RECREATIONAL FACILITIES

Within the Subdivision: None

Within the Master Planned Community: No Master Planned Community

ASSURANCES FOR COMPLETION

Assurances for Completion of Subdivision Facilities: No assurances are in place as Purchaser will be responsible for the extension or installation of all facilities or improvements.

Assurances for Maintenance of Subdivision Facilities: Purchaser will bear the responsibility for the maintenance of any facilities installed by them or to enter into maintenance agreements with facility providers contracted by Purchaser to extend facilities.

LOCAL SERVICES AND FACILITIES

Schools: Mt. Tipton Elementary School, 16500 Pierce Ferry Rd., Dolan Springs (Approximately 14.99 miles away); Kingman Jr. High School, 1969 Detroit Ave., Kingman (Approximately 58.92 miles away); Kingman High School South, 400 Grandview, Kingman (Approximately 56.11 miles away); Kingman High School North, 4182 N. Bank St., Kingman (Approximately 62.44 miles away). School bus service is available.

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: Food, drink and medical supplies can be purchased at Meadview Market in Meadview, approximately 27 miles away, Double D Market in Dolan Springs, approximately 20 miles away, or Safeway Food & Drug Store in Kingman, approximately 56 miles away.

Public Transportation: None provided to this subdivision

Medical Facilities: The two nearest hospitals are Boulder City Hospital, 901 Adams Blvd., Boulder City, NV (39.60 miles away) and Kingman Regional Medical Center, 3269 N. Stockton Hill Rd., Kingman, AZ (41.32 miles away).

Fire Protection: Lake Mohave Ranchos Fire District, 16126 Pierce Ferry Road, Dolan Springs, with a substation in Meadview as well – Costs included in property taxes.

Ambulance Service: Lake Mohave Ranchos Fire District, 16126 Pierce Ferry Road, Dolan Springs, (928) 767-3300 has a Certificate of Necessity to operate ambulance Services to this area.

Police Services: Mohave County Sheriff's Department

Garbage Services: Westside Disposal Services of Golden Valley (928) 565-9369. Rates are approximate depending on the amount of customers in subdivision, but start at \$18.50/per month, billed every two months, picked up weekly. Purchasers may choose to haul waste to the Cerbat Land fill, located off Highway 93, approximately 25 miles away, near Dolan Springs.

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. The intent of this offering is to sell existing lots as is, per the plat of record, and subdivider proposes no changes to the plat, no alteration to the level of improvements to the lots, no extension of any facilities to lot lines or no dwellings.

Zoning: Subdivision is currently zoned A-R for single family dwellings, noncommercial use. Mobile homes, pre-manufactured homes, trailers and recreational vehicles are approved, along with light farming-agricultural use.

Conditions, Reservations and Restrictions: None

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 County 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 Chicago Title Insurance Company, a Nebraska Corporation, who acquired title as a Missouri Corporation, as Trustee under Trust No. 2063.

Subdivider's interest in this subdivision is evidenced by Trustee for the Beneficial Interest of ShadowLand Enterprises, Inc., an Arizona Corporation.

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 March 18, 2008, issued by Chicago Title Insurance Company. **You should obtain a title report and determine the effect of the listed exceptions.**

EXCEPTIONS: SEE EXHIBIT "A" ATTACHED

METHOD OF SALE OR LEASE

Sales: Standard Real Estate Purchase Contract, Escrow Instructions, recorded Deed and a Note and Deed of Trust for any remaining balance.

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.

Release of Liens and Encumbrances: There are no liens or encumbrances on this property.

Use and Occupancy: Upon close of escrow and recordation of the deed.

Leasehold Offering: None offered.

TAXES AND ASSESSMENTS

Real Property Taxes: The combined primary and secondary property tax rate for this subdivision for the year 2007 is \$7.16 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 \$30,000.00, is \$171.84.

Special District Tax or Assessments: None

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

PROPERTY OWNERS ASSOCIATIONS

Name and Assessments: None

Exhibit "A"

CONDITION OF TITLE REPORT

SCHEDULE B

1. Unpatented mining claims; water rights, claims or title to water; reservations or exceptions in patents or in acts authorizing the issuance thereof, including but no limited to those shown in the Patent to said land, whether or not of public record.

THIS IS NOT A COMMITMENT TO INSURE OR A TITLE INSURANCE POLICY.

1. Ad Valorem Taxes.
2. The liabilities and obligations against said land by reason of its inclusion within the boundaries of the following districts: CHLORIDE ELEMENTARY SCHOOL DISTRICT and KINGMAN UNIFIED SCHOOL DISTRICT.
3. Reservations and rights of the SANTA FE PACIFIC RAILROAD COMPANY, including, but not limited to, the reservation of all oil, gas, coal and other minerals in said land, together with the right to prospect for, mine and remove the same, all as set forth in Deed recorded in Book 86 of Deeds, page 49.
4. Easements, set-backs, reservations and restrictions, as shown on the recorded plat of said subdivision.
5. Easement and rights incident thereto for utilities, as set forth in instrument recorded in Book 4441 of Official Records, page 44.

NOTE: No further matters appear of record in the indices of Mohave County, Arizona, affecting subject land through the date of this report.

Exhibit "B"



MAY 30th, 2006

Chicago Title Insurance Company
Attention: Nancy Frye-Swope
2202 Stockton Hill Rd
Kingman, AZ 86401

RE: **Lake Mead Ranchos, Unit 2.**

Dear Nancy Frye-Swope;

This letter is in response to your request for a statement of availability and cost for propane tank installation and service. Ferrellgas of Kingman will service the area you refer to in your letter.

Our annual lease fees for tanks are as follows:

150 – 176 gallon tank - \$40.00 plus tax
200 – 288 gallon tank - \$50.00 plus tax
320 – 360 gallon tank - \$60.00 plus tax
500 – 575 gallon tank - \$65.00 plus tax

Our prevailing price per gallon is \$2.649 at this time. Our minimum delivery is 100 gallons.

We have a one-time fee of \$55.00 for delivery and set down of tank. We have pre-formed slabs for \$55.00, if required. We also install lines and equipment at \$55.00 per hour, plus material.

All installations by our company or the property owner must meet and comply with all codes having jurisdiction.

We also offer various specials through out the year. Please check with us when ready for the installation. At this time, we are offering a \$120 tank set special, which includes complete set down, plus our first tank fill up is at a discount price.

Thank you for your interest in our company.

Sincerely,

Kelly Kite
Service Center District Manager

KK/cas

Exhibit "C"



Kingman Airport & Industrial park • Kingman, AZ
 (928) 681-4747 Fax: (928) 632-1912
www.BMWellDrillers.com • Email: BMWellDrillers@aol.com

Quotation

Quote Number:
1154

Quote Date:
Jan 9, 2008

Page:
1

Quoted to:

CHICAGO TITLE INSURANCE CO.
928-753-5614

Customer ID	Good Thru	Payment Terms	Sales Rep
CHICAGO TITLE INS. C	2/8/08	WATER WELL ESTIMATE	

Quantity	Item	Description	Unit Price	Extension
960.00		ESTIMATE FOR DRILLING A NEW WATER WELL 960 FT. STEEL IN KINGMAN. WITH 8" BOREHOLE ON PARCEL #LAKE MEAD RANCHOS UNIT 2.	18.00	17,280.00
		860 FT. – 6 5/8" STEEL LINER CASING-SOLID.	11.67	10,036.20
		100 FT. – 6 5/8" STEEL LINER CASING PERFORATED.	15.08	1,508.00
		20 FT. – 8 5/8 SURFACE STEEL CASING CEMENTED.	700.00	700.00
		WELDING OF STEEL LINER CASING/RIG TIME FOR INSTALLATION OF STEEL DRIVE SHOE.	4.00	3,840.00
		AZ STATE WATER WELL PERMIT FEE	100.00	100.00
		MOHAVE COUNTY WATER WELL PERMIT FEE	100.00	100.00
		(APPLICABLE ONLY ON PARCELS 5 ACRES OR LESS)	121.00	121.00
		MOBILIZATION/FUEL	500.00	500.00
		THANK YOU!		

Subtotal	34,185.20
Sales Tax	722.14
Total	34,907.34

ROC#183464
ADWR#742

Exhibit "D"

Mohave Rancho Lumber Inc.
SPECIALIZING IN WATER AND SEPTIC TANK
SALES AND INSTALLATION

14500 N. Pierce Ferry Rd.
Dolan Springs, AZ 86441
(928)767-3339 fax(928)767-6245

February 26, 2007

To Whom It May Concern:

In the Mohave County Arizona areas of Dolan Springs, Meadview, Greggs Hide Out, White Hills and Golden Valley water haul systems are very common. A Water system consists of a water storage tank either above or below ground and a pressure system. The water storage tanks are new tanks that are FDA approved for drinking water.

The pressure system consists of a new bladder tank and ½ hp jet pump. This system is more than adequate for a family of four.

If we can be of further assistance in this matter please don't hesitate to call.

Sincerely,

[signed]

Frank Geraci
Mohave Rancho Lumber

Exhibit "D"
(continued)

Mohave Rancho Lumber Inc.

Specializing in Water and Septic Tank Sales and Installation

Family owned and operated since 1975

14500 N. Pierce Ferry Rd.

Dolan Springs, AZ 86441

(928)767-3339 fax(928)767-6245

Residential license #101886 Commercial license #149886

February 26, 2007

WATER SYSTEMS

1050	Gallon Below ground fiberglass water system. Includes 20 gallon pre-charged pressure tank and ½ hp motor. Pressure safety switch, 40' of ¾" PVC to house and 20' of electric hookup.	\$2600.00
1950	Gallon Below ground fiberglass water system. Includes 20 gallon pre-charged pressure tank and ½ hp motor. Pressure safety switch, 40' of ¾" PVC to house and 20' of electric hookup.	\$2600.00
2150	Gallon Below ground fiberglass water system. Includes 20 gallon pre-charged pressure tank and ½ hp motor. Pressure safety switch, 40' of ¾" PVC to house and 20' of electric hookup.	\$4100.00
2250	Gallon Below ground fiberglass water system. Includes 20 gallon pre-charged pressure tank and ½ hp motor. Pressure safety switch, 40' of ¾" PVC to house and 20' of electric hookup.	\$4300.00
2550	Gallon Below ground fiberglass water system. Includes 20 gallon pre-charged pressure tank and ½ hp motor. Pressure safety switch, 40' of ¾" PVC to house and 20' of electric hookup.	\$4800.00
2500	Gallon Above ground water system. Includes 20 gallon pre-charged pressure tank and ½ hp motor. Pressure safety switch, 40' of ¾" PVC to house and 20' of electric hookup.	\$2350.00
	PUMP HOUSE for 20 gallon bladder tank	\$350.00

***PRICES ARE SUBJECT TO CHANGE DEPENDING ON LOT AND DIGGING CONDITIONS.**

***Some conditions may require bedding material. Travel time charges may apply outside the Dolan Springs area**

***CUSTOMER IS RESPONSIBLE FOR ENCLOSING PRESSURE TANK & PUMP TO
PROTECT FROM THE WEATHER**

Exhibit "E"

THE GRAND WASH WATER COMPANY
P.O. Box 539
Meadview, Arizona 86444
(928) 564-2500

March 17, 2008

TO: CHICAGO TITLE INSURANCE CO.
Attn. Nancy Frye-Swope
2699 E. Andy Devine Avenue
Kingman, AZ 86401

RE: Water Hauling to Lake Mead Ranchos Unit 2

The Grand Wash Water Company is a water hauling company in the Meadview, Mohave County area.

The Grand Wash Water Company is available to haul water to Lake Mead Ranchos Unit 2, depending on the weather, road conditions and availability. The Grand Wash Water Company uses only ADEQ approved water service systems and Certified Potable Water trucks. Each truck is inspected and certified with the Western Regional ADEQ office.

The Grand Wash Water Company, at its sole discretion, is available for hauling water. Currently, the cost for hauling is four (4) cents per gallon. Delivery is set up for 2,000 gallon minimum delivery. The costs for one trip of water delivery to Lake Mead Ranchos Unit 2, for one (1) load of 2,000 gallons of water, would be \$80.00.

Sincerely,

THE GRAND WASH WATER COMPANY

[signed]

Jerry Paustell, Owner

Exhibit "F"

Agua Fria Enterprises, Inc.

1021 Parkview Avenue
Kingman, AZ 86401
(928) 753-3791

March 11, 2008

Arizona Department of Environmental Quality
1110 West Washington Street
Phoenix, AZ 85007

RE: Water Hauling to Lake Mead Ranchos Unit 2

TO: Whom It May Concern:

Agua Fria Enterprises, Inc. is a water hauling company in the Kingman, Mohave County area.

Agua Fria Enterprises, Inc. is available to haul water to Lake Mead Ranchos Unit 2, depending on the weather, road conditions and availability. Agua Fria Enterprises, Inc. uses only ADEQ approved water service systems and certified Potable water trucks. Each truck is inspected and certified with the Western Regional ADEQ office.

Agua Fria Enterprises, Inc., at its sole discretion, is available for hauling water. Costs involved in hauling are \$100.00 per hour. Costs will vary, depending on water and fuel prices.

Currently, an estimated cost for one trip of water delivery to Lake Mead Ranchos Unit 2, for 2,000 gallons of water, would be \$250.00.

Thank you,

[signed]

Henry Mahan
Owner
Agua Fria Enterprise, Inc.

Exhibit "G"

14500 N. Pierce Ferry Rd
Dolan Springs, AZ 86441

(928) 767-3339
Fax (928) 767-6245

Mohave Rancho Lumber Inc.

*Specializing in Water and Septic Tank Sales and Installation
Family owned and operated since 1975*

14500 N. Pierce Ferry Rd.

Dolan Springs, AZ 86441

Residential license #101886 Commercial license #149886

February 26, 2007

To Whom It May Concern:

Mohave Rancho Lumber has estimated the cost of a three bedroom septic system located in Meadview Greggs Hide Out and Dolan Springs areas of Arizona to be approximately \$4400.00* plus tax. This price includes 20' of inlet pipe, the septic tank and filter, leach line, Mohave County Septic Permit and perk test. Mohave Rancho Lumber is insured, bonded and license numbers 101886 and 149886.

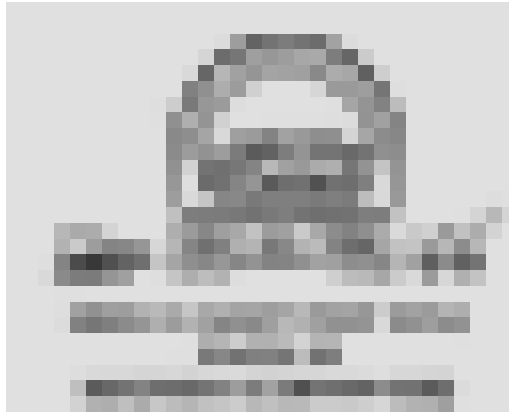
Sincerely,

[signed]

**Frank Geraci
Mohave Rancho Lumber**

***These prices are subject to change and contingent to perk test and digging conditions on the property.**

Exhibit "H"



March 31, 2008

To Whom It May Concern:

Grand Wash Excavating has been responsible for road maintenance for ShadowLand Enterprises, Inc. for several years. This includes the existing roads in Lake Mead Rancho's II. The costs to maintain these roads, at today's fuel prices, are approximately \$2150.00 per year.

Grand Wash is willing to continue to maintain these roads for future owners of the properties currently owned by ShadowLand Enterprises.

Sincerely,

[signed]

Curt Audis
Owner