

SUBDIVISION PUBLIC REPORT

FOR

LAKESIDE VILLAGE CONDOMINIUM

Registration No. DM06-052014

SUBDIVIDER

**Lakeside Village Condominium, LLC.,
a Arizona limited liability company
855 N. Dobson Road (Clubhouse)
Chandler, AZ, 85224**

With a copy to:

**Sonnenschein Nath & Rosenthal LLP
2415 East Camelback Road - Suite 700
Phoenix, AZ, 85016**

June 20, 2006

Effective Date

DISCLAIMER

This report is NOT A RECOMMENDATION NOR AN ENDORSEMENT by the State of Arizona of this land. The application and public report have not been subjected to a detailed examination by the Department. The report was prepared by the subdivider and none of the information in this report has been verified by the Department. All information has been accepted by the Department as true and accurate based on attestation of the subdivider and/or the subdivider's agents. The purchaser should verify all facts before signing any documents. The Department assumes no responsibility for the quality or quantity of any improvement in this development.

ARIZONA DEPARTMENT OF REAL ESTATE

**PHOENIX OFFICE:
2910 N. 44th Street
First Floor
Phoenix, Arizona 85018
(602) 468-1414 ext. 400**

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 CONTRACTS OR AGREEMENTS FOR THE PURCHASE OF AN UNIMPROVED LOT (WITHOUT A BUILDING)* MAY BE RESCINDED BY YOU WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING.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

This report includes: Units 1001 through 1076, 1078 through 1116, 2001 through 2076, and 2078 through 2116.

The map of this subdivision: is recorded in 830 of Maps, page 40, records of Maricopa County, State of Arizona, and Declaration of Condominium/Horizontal Property Regime, if applicable, recorded at Instrument No. **2006-0516098**, records Maricopa County, State of Arizona.

The subdivision is approximately 12.3170 acres in size. It has been divided into 230 units. All construction was previously completed.

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: Southeast corner of Dobson Road and Ray Road, City of Chandler, Maricopa County, Arizona. Take I-101 south to Ray Road, east to Chandler Road, left into subdivision.

SUBDIVISION CHARACTERISTICS

Topography: Land is level.

Flooding and Drainage: Subdivider advises that there are no known flooding or drainage problems. David M. Schlieff, R.L.S. of RBF Consulting, in his letter dated February 14, 2006, has stated:

“The site known as Lakeside Village Condominium located at the intersection of Dobson Road and Andersen Boulevard lies within Flood Zone “X” shaded as shown on the F.E.M.A. Flood Insurance Range Map. Map Numbers 04013C2655G and 04013C2635H with a revision date of September 30, 2005 for Community Number 040040, Chandler, Arizona.

‘Flood Zone “X” shaded is described on said F.E.M.A. Flood Insurance Rate Maps as: An area between the limits of 100-year flood and 500-year flood, or areas subject to a 100-year flood with average depths less than one (1) foot, or where the contributing drainage is one square mile, or the areas are protected by levees from the base flood.

I am not aware of, nor do I have any evidence of, flooding or drainage problems on the Lakeside Village Condominium site and Flood Insurance is not required by F.E.M.A. in Flood Zone "X".

Soils: Subdivider advises that the subdivision units are not subject to expansive or subsidence soils.

Adjacent Lands and Vicinity: North – PAD (Planned Area Development); East – MF-3 (High Density Residential); South – SF 8.5 (Single Family Minimum Lot 8,500 S.F.); West – PAD (Planned Area Development).

NOTE: Owners of the adjacent lands described above may seek to rezone their property, may seek zoning variances for their property or may modify their site plan within existing zoning. Consequently, no assurance can be given that the zoning or uses for the adjacent lands will not change from that described above. Purchasers should contact the City of Chandler's Zoning Department for further and up to date zoning information.

Apartments/Condominiums:

- Lakeshore at Andersen Springs Condominium is adjacent to the north
- Soleil at Andersen Springs Condominiums is adjacent to the south of the subdivision
- Various other apartments and condominiums are within a ¼ mile to ½ mile radius (La Glorieta Condos, Andersen Springs, Village Oaks at Anderson Springs)

Parks/Golf Courses:

- Apache Park is approximately 1 ¼ miles northeast
- Brooks Crossing Park is approximately 1 mile north
- Thude Park is approximately 1 mile west
- Pequeno Park is approximately 1 mile west
- Navarrete Park is approximately 2 miles east
- Harter Park is approximately 2 miles west
- Price Park is approximately 2 ¼ miles southwest
- Arrowhead Meadows Park is approximately ½ of a mile south
- Hoopes Park is approximately 2 ½ miles north
- Shawnee Park is approximately 1 ¾ miles north
- Gazelle Meadows Park is approximately 2 miles southeast
- Amberwood Park is approximately 1 mile northwest
- Stonegate Park is approximately 2 ¾ miles northeast
- Maggie Ranch Park is approximately 1 ¼ miles southeast
- Pecos Ranch Park is approximately 2 ½ miles south
- Armstrong Park is approximately 2 ¾ miles southeast
- San Marcos Country Club is approximately 1 ½ miles southeast
- Palo Verde Park is approximately 2 ½ miles northwest

- Various other neighborhood parks are within 3 to 5 miles north, east and west
- Dobson Ranch Golf Course is approximately 3 ¼ miles north
- Riparian Preserve at Neely Ranch is approximately 3 ¾ miles northeast
- Ocotillo Golf Club is approximately 3 ¼ miles south
- Kokopelli Golf Club is approximately 5 ¼ miles northeast

Canals/Lakes :

- Western Canal is approximately 2 ½ miles north
- Consolidated Canal is approximately 4 ¼ miles east
- A man made lake is located on site

Due to the proximity of these canals and lakes, they may present a safety hazard, especially during times of heavy rainfall, for unsupervised children and adults. Purchasers are advised to independently investigate this matter.

Roadways:

- State Highway 87 is approximately 2 miles east
- Price Freeway (Loop 101) is approximately 1 mile west
- Freeway (Loop 202) is approximately 3 ¼ miles southwest

Educational Facilities:

- Knox Elementary School is approximately 1½ miles east
- Hartford Elementary School is approximately 1¾ miles southeast
- Erie Elementary School is approximately ¾ of a mile southwest
- St. Mary-Basha Elementary School is approximately 2¾ miles southeast
- Anderson Elementary School is approximately 1 ½ miles southwest
- Sistine Elementary School is approximately 2 ½ miles northeast
- Goodman Elementary School is approximately 1 ½ miles northwest
- Conley Elementary School is approximately 1 ¾ miles southwest
- Galveston Elementary School is approximately 2¾ miles southeast
- San Marcos Elementary School is approximately 2 ¾ miles southeast
- Anderson Junior High School is approximately ¼ of a mile north
- Seton Catholic High School is approximately ¼ of a mile north
- Chandler High School is approximately 1 ¾ miles southeast
- Various other elementary, junior high and high schools are located within 3 to 5 miles north, east, south and west
- University of Phoenix is approximately 1 mile west
- Chandler Gilbert Community College is approximately 6 miles southeast

Railroads:

- Union Pacific Railroad Tracks are approximately 2 ¼ miles east

Due to the proximity of the railroad, this subdivision may experience train horns and other noise, traffic, vibrations, odors, dust, lights or other effects that may be disturbing to some individuals. Purchasers are advised to independently investigate this matter.

Landfills/Transfer Station/Recharge Sites:

- City of Chandler Landfill & Transfer Station is approximately 6 miles southeast
- Neely Recharge Site (Riparian Preserve at Neely Ranch) is approximately 6 ¼ miles Northeast

The City of Chandler Landfill is closed; the Transfer Station is open to the public Thursday thru Monday from 8:00 AM to 4:00 PM. For more information and hours of operation please contact the City of Chandler's Solid Waste Services at (480) 782-3510 or visit their website at www.chandleraz.gov.

Many normal activities at Landfill facilities may create noise, pests, odors, smells, dust, traffic, and/or other effects that may be disturbing to some individuals. Purchasers are advised to independently investigate this matter.

Airports

- Stellar Airpark is approximately 3 miles southwest
- Memorial Airfield (private) is approximately 5 ½ miles southwest
- Chandler Municipal Airport is approximately 5 ½ miles southeast

Police/Fire/Hospital/Municipal

- Post Office is approximately ¼ of a mile south
- Chandler Regional Hospital is approximately 1 mile south
- Library is approximately 3 ¼ miles north
- Fire Station is approximately 1 ½ miles southwest
- Fire Station is approximately 2 ¼ miles northeast
- Post office, library and municipal buildings are approximately 2 ¾ miles southeast
- Fire Station is approximately 3 miles north
- Fire Station is approximately 3 ¼ miles north
- Police Department is approximately 3 ¼ miles north
- Police Department is approximately 3 ¼ miles southeast

Other

- 69kV power lines running north and south along the Dobson Road less than 1/8 of a mile north
- Fry's Grocery and various retail stores located approximately 1/8 of a mile north in the Andersen Springs Market Place
- Various Churches are located within 1/8 of a mile to ¼ of a mile
- Various retail centers and strip malls are located within a 1 mile radius
- Chandler Fashion Center is approximately 2 ¼ miles southwest

- ASU Research Park is approximately 2 ¼ miles northwest
- Chandler Center for the Arts is approximately 2 ¾ miles southeast
- Gila River Indian Community is approximately 3 miles southwest
- Arizona Railway Museum is approximately 3 miles southeast
- East Valley Mall is approximately 3 miles northeast
- Tempe Sports Complex is approximately 5 ½ miles northwest
- Arizona Cardinals Headquarters and Training Facility is approximately 5 ½ miles northwest
- West Chandler Aquatic Center is approximately 5 ½ miles southwest
- Compadre Stadium is approximately 5 ¾ miles south
- Snedigar Sportsplex is approximately 5 ¾ miles south
- Hamilton Aquatic Center is approximately 6 miles southeast

Parks/Recreation:

NOTE: Reclaimed water may be used for open space/lakes/park irrigation. Reclaimed water is non-potable, may have an odor and is not suitable for human and animal consumption.

Transmission Lines:

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

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

THE GILA RIVER INDIAN COMMUNITY IS LOCATED APPROXIMATELY 3 MILES SOUTHWEST OF THIS COMMUNITY. IT IS UNKNOWN WHAT DEVELOPMENT OR INDUSTRIAL USES THIS PROPERTY MAY BE USED FOR, SINCE IT IS UNDER THE JURISDICTION OF THE INDIAN NATION. PURCHASERS MAY CONTACT THE GILA RIVER INDIAN COMMUNITY, LARRY STEPHENSON, LAND USE PLANNING DIRECTOR AT (520) 562-3301 FOR INFORMATION ON THEIR LAND USES AND DEVELOPMENT

THIS SUBDIVISION IS LOCATED WITHIN FIVE MILES OF AN AMERICAN INDIAN RESERVATION. ACTIVITIES ON THE RESERVATION INCLUDE OR MAY INCLUDE OPEN RANGE, AGRICULTURAL OPERATIONS, AIRCRAFT OPERATIONS, INDUSTRIAL OPERATIONS AND DAIRY FARMS. A RESERVATION HAS ITS OWN LAWS GOVERNING THE LAND WITHIN ITS BOUNDARIES. THESE MAY INCLUDE TRESPASSING, DUMPING, ARCHAEOLOGY, HUNTING, FISHING, ETC. IN ADDITION, CERTAIN AREAS OF THE RESERVATION MAY BE NONPUBLIC-CLOSED AREAS WHICH REQUIRE SPECIAL PERMISSION TO ENTER. THOROUGHFARES AND ROADS ON THE RESERVATION MAY NOT BE AVAILABLE FOR PUBLIC USE.

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

Purchasers are advised that operation, maintenance and use of the lake may cause inconvenience and disturbance to you due to water hazards and other 'attractive nuisances' located upon or adjacent to the lake; the use of outdoor speakers, operation of power equipment, such as irrigation pumps and motors; and the use of reclaimed irrigation water on or adjacent to the lake, the use of the lake for play, resulting in additional noise, traffic due to attendance by large crowds for extended periods of time and the daily activities of maintaining, operating and playing on the lake.

ARIZONA NATIVE DESERT LANDS:

Cockroaches, rattlesnakes, black widow spiders, scorpions and other pests and animals are common in parts of Arizona. Fortunately, most pests can be controlled with pesticides. Scorpions, on the other hand, may be difficult to eliminate. If a buyer has concerns, they should seek the advice of a pest control company.

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

USES ADJACENT TO OR IN THE VICINITY OF THE SUBDIVISION WILL HAVE ON THE USE AND ENJOYMENT OF THEIR LOT.

Subdivider has used its best efforts in an attempt to disclose all noteworthy activities and conditions surrounding this subdivision using the resources reasonably available to developer at the time this Public Report was prepared. This information may change from time to time. Prospective purchasers are encouraged to (i) drive through the areas surrounding the subdivision (at different times of the day) to determine whether any activities or conditions exist that may be of concern to purchasers and (ii) determine to purchasers' satisfaction whether or not the items mentioned in the Public Report or discovered by purchasers' own inspections are of concern to purchasers.

AIRPORTS

Airport: Stellar Airpark is approximately 3 miles southwest; Memorial Airfield (private) is approximately 5 ½ miles southwest; and Chandler Airport, located at 2380 S. Stinson Way, is approximately 5 ½ miles southeast.

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

UTILITIES

Electricity: Salt River Project (SRP), (602) 236-8888 (website: www.srpnet.com). Facilities to the units were previously completed. Purchaser's costs to receive service is a \$28.00 plus tax service establishment fee for next day service or \$48.00 plus tax for same day or Saturday turn on service and a \$120.00 to \$240.00 security deposit may be required.

Street Lights: Facilities to the subdivision were previously completed. The City of Chandler will provide maintenance. Purchaser's costs to receive service are included in their property taxes.

Telephone: QWest Communications, 1-800-244-1111 (website: www.qwest.com) Facilities to the units were previously completed. Purchaser's cost to receive service depends on the packaged services ordered. Installation fee could be anywhere from Free to \$24.95. A deposit may be required, based on utility credit check, from \$0.00 to \$150.00 payable in three installments of \$50.00.

IT IS POSSIBLE THAT YOU MAY NOT HAVE TELEPHONE SERVICE AT THE TIME OF CLOSING. YOU ARE ADVISED TO CONTACT YOUR

SERVICE PROVIDER TO DETERMINE THE STATUS OF TELEPHONE SERVICE. YOU MAY ALSO WANT TO CONSIDER TEMPORARY ALTERNATIVES (E.G. CELLULAR TELEPHONE).

Cable: TVMax (866) 846-3488 website www.tvmax.com. Facilities to the units were previously completed. Purchaser's cost to receive service is a installation fee of \$25.00 up front or on payment plan; basic service available at \$38.95 per month or digital service at 46.99 per month. For additional information regarding premium channels please contact TVMax directly or view their website.

Natural Gas: Not available.

Water: City of Chandler, (480) 782-2280 (website: www.chandleraz.org). Facilities to the units were previously completed. Purchaser's cost to receive service is a \$15.00 service establishment fee. Units are not individually metered and monthly service costs are included in Unit Owner's monthly Association fee.

Sewage Disposal: City of Chandler, (480) 782-2280 (website: www.chandleraz.org). Facilities to the units were previously completed. Purchaser's cost to receive service is included in the water set up fees of \$15.00. Monthly service costs are included in Unit Owner's monthly Association fee.

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: The asphalt paved public streets to the subdivision were previously completed. The City of Chandler currently provides maintenance. Purchaser's cost for maintenance is included in their property taxes.

Access within the Subdivision: The asphalt paved private streets within the subdivision were previously completed. The Condominium Association currently provides maintenance. Purchaser's cost for maintenance is included in their Condominium Association 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.state.az.us, or call (602) 542-4631.

Flood and Drainage: Drainage/retention tracts and channels and typical street drainage for flood and drainage protection were previously completed. The Condominium Association provides maintenance of the drainage/retention tracts and channel. The City of Chandler previously accepted and currently maintains the typical street drainage. Purchaser's costs for maintenance are included in their Condominium Association fees and property taxes, respectively.

COMMON, COMMUNITY AND RECREATIONAL FACILITIES

Within the Subdivision: Two swimming pools, spa/jacuzzi, tennis courts, clubhouse, fitness center, internet access, laundry facilities and covered parking. The Condominium Association currently maintains the facilities. Purchaser's cost for maintenance is included in their Condominium Association fees.

Within the Master Planned Community: Andersen Springs is master planned community that consists of approximately 1,054 residential homes and 4 neighboring condominium developments. The fully completed community facilities include a man-made lake, common areas with large greenbelt, tot lot with playstructures, 2 ramadas and a barbecue.

ASSURANCES FOR COMPLETION

Assurances for Completion of Subdivision Facilities: All subdivision improvements are complete.

Assurances for Maintenance of Subdivision Facilities: As cited in the Declaration of Condominium, Filed Articles and Bylaws for this subdivision.

LOCAL SERVICES AND FACILITIES

Schools: Erie Elementary School (K-6), located at 1150 W. Erie Street, is approximately ¼ of a mile southeast; Anderson Junior High School (7-8), located at 1255 N. Dobson, is

approximately ¼ of a mile north; Chandler High School (9-12), located at 350 N. Arizona Avenue, is approximately 1 ¾ miles southeast.

Seton Catholic High School (private) is approximately ¼ of a mile north.

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 CHANDLER UNIFIED SCHOOL DISTRICT AT (480) 812-7000 FOR THE MOST CURRENT INFORMATION.

Shopping Facilities: Fry's Food Store, located at 1950 W. Ray Road, is approximately ¼ of a mile north; Sprouts Farmers Market, located at 1959 W. Ray Road, is approximately ¼ of a mile north.

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

Public Transportation: Valley Metro Bus Stop is located on Dobson Road and Ironwood Drive, approximately ¼ of a mile north.

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

Medical Facilities: Chandler Regional Hospital, located at 475 S. Dobson Road, is approximately 1 miles south.

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

Ambulance Service: Available by dialing 911.

Police Services: City of Chandler Police Department.

Garbage Services: Allied Waste (602) 237-2078. Purchaser's costs are included in their Condominium Association fees.

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 Improved lots.
Zoning: Multi family residential

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

Conditions, Reservations and Restrictions: In accordance with the recorded Declaration of Condominium Covenants, Conditions and Restrictions; the Condominium Association’s Articles of Incorporation and Bylaws; and existing zoning ordinances.

The property is a conversion from a multifamily residential rental project to a residential condominium project. The original construction of the property was completed in 1987.

YOU ARE ADVISED THAT THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THIS SUBDIVISION PROVIDES FOR AN ARCHITECTURAL CONTROL COMMITTEE.

Restrictions and Other Matters of Record: Conditions, reservations and restrictions that may run with the land including City or County zoning restrictions should be investigated by you. Copies of those items, which are recorded may be inspected at the Office of the Maricopa County Recorder. Information about zoning may be obtained at the Office of the City of Chandler Planning and Zoning Department. Restrictions are recorded as cited in the following title exceptions and per the subdivision plat.

METHOD OF SALE OR LEASE

Sales: 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. **YOU SHOULD READ THESE DOCUMENTS BEFORE SIGNING THEM.**

Purchasers are advised that notwithstanding deposit of the Earnest Money with Escrow Agent, within two (2) business days following the date on which Seller

accepts this Agreement, Escrow Agent shall release to Seller all Earnest Money then held by Escrow Agent, and Escrow Agent shall immediately release to Seller all Earnest Money thereafter received by Escrow Agent immediately upon receipt from Buyer. Upon release of the Earnest Money to Seller, Seller shall use all such Earnest Money in connection with the construction, operations and marketing of the Project.

Release of Liens and Encumbrances: Individual lot release provisions are contained within the Deed of Trust.

Use and Occupancy: Purchaser's will be permitted to use and occupy their lot upon completion of upgrade installations as purchased by buyer, close of escrow and recordation of deed.

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.

TITLE

Title to this subdivision is vested in Lakeside Village Condominium 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 30, 2006 issued by Fidelity National Title Insurance Company. **You should obtain a title report and determine the effect of the listed exceptions.**

EXCEPTIONS: SEE EXHIBIT "A" ATTACHED

TAXES AND ASSESSMENTS

Real Property Taxes: The combined primary and secondary property tax rate for this subdivision for the year 2005 is \$10.8466 per \$100.00 assessed valuation. The estimated property tax for an improved lot (lot with dwelling), based on the above tax rate and average sales price of \$175,000.00, is \$1,613.43.

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

PROPERTY OWNERS ASSOCIATIONS

Name and Assessments: Lakeside Village Condominium Association, with current assessments in the amount of \$155.08 per month, on average; Andersen Springs Community Association (Master Association), with a current annual assessment of \$178.37 payable in semi annual installments (April and October), subject to increase.

Control of Association: As defined by the Declaration of Condominium and Covenants, Conditions and Restrictions and Grant of Easements for Lakeside Village Condominium, "Period of Declarant Control" means the time period commencing on the date this Declaration is Recorded and ending the earlier of: (i) ninety (90) days after the individual conveyance of seventy-five percent (75%) of the Units, subject to conversion, to Unit Owners other than the Declarant; (ii) four (4) years after the Declarant has ceased to convert and offer Units for sale in the ordinary course of business; and (iii) such earlier date selected of by Declarant in its sole discretion. "

Title to Common Areas: "Each Unit's current percentage of undivided interest in the Common Elements shall be allocated equally among all the Units in the Condominium ("Percentage Interest"). The Percentage Interest of each Unit in the Common Elements shall be an undivided interest, and the Common Elements shall be owned by the Unit Owners as tenants in common in accordance with their respective Percentage Interest."

Membership: All Unit Owners will be members.

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"

1. Any action by Maricopa County Assessor and/or Treasure, altering the current or prior tax assessment, subsequent to the date of the Policy or Title Insurance.
2. TAXES AND ASSESSMENTS collectible by the County Treasurer not yet due and payable for the following year:
Year: 2006
3. The liabilities and obligations imposed upon said land by reason of: (a) inclusion thereof within the boundaries of the Slat River Project Agricultural Improvement and Power District; (b) membership of the owner thereof in the Salt River Valley Water Users' Association, an Arizona corporation and (c) the terms of any Water Right Application made under the reclamation laws of the United States for the purpose of obtaining water rights for said land.
4. WATER RIGHTS, claims or title to water, whether or not shown by the public records.
5. Liabilities and Obligations imposed upon said land by reason of the formation of the following named Association:
Andersen Springs Community Association.
6. Liabilities and Obligations imposed upon said land by reason of the formation of the following named Association:
Lakeside Village Condominium Association, Inc.
7. Easements, setback lines, terms, conditions and matters as shown on the recorded plat of said subdivision.
8. The Map of Dedication of Andersen Springs recorded in Book 295 of Maps, page 18.
(Affects Parcel 2)
9. Easement and rights incident thereto, as set forth in instrument:
Recorded: in Instrument No. 87-128942
Purpose: Ingress and egress.
10. Easement, Access & Right of Way Agreement recorded December 11, 1987 in Instrument No. 87-734680;
And thereafter Assignment and Assumption of Agreement recorded December 18 1989 in Instrument No. 89-581502.

11. Easement and rights incident thereto, as set forth in instrument:
Recorded: in Instrument No. 90-478838
Purpose: Underground power.
12. Certificate of Grandfathered Groundwater Right recorded in Instrument No. 84-276923.
13. Leasehold, under the terms and conditions of Lease:
Lessor: LAKESIDE VILLAGE
Lessee: WEB SERVICE CO.
Dated: May 6, 1987
Term: 10 years
Recorded: November 17, 1987 in Instrument No. 87-695356;
And Extension of Lease recorded November 18, 1994 in Instrument No. 94-0820951
14. RESTRICTIONS, CONDITIONS, COVENANTS, LIABILITIES, OBLIGATIONS AND EASEMENTS, (Deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) contained in instrument recorded in Instrument No. 85-622938, Tract Declaration recorded in Instrument No. 86-480143 and thereafter Assignment of Declarant's Rights recorded in Instrument No. 94-462612.
15. Homeowners Association disclosure pursuant to A.R.S 33-1807J recorded in Instrument No. 2004-1090088.
16. RESTRICTIONS, CONDITIONS, COVENANTS, LIABILITIES, OBLIGATIONS AND EASEMENTS, (Deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) contained in instrument recorded in Instrument No. 2001-0106071 and Amendment recorded in Instrument No. 2002-1021962.
17. RESTRICTIONS, CONDITIONS, COVENANTS, LIABILITIES, OBLIGATIONS AND EASEMENTS, (Deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) contained in instrument recorded in Instrument No. 2006-0516098
18. Deed of Trust given to secure the original amount shown below, and an other amount payable under the terms thereof.

Trustor: Lakeside Village Condominium LLC, an Arizona limited liability company
 Trustee: Republic Title of Texas, Inc.
 Beneficiary: Nevada State Bank
 Amount: \$22,872,000.00
 Dated: March 15, 2006
 Recorded: March 21, 2006 in Instrument No. 2006-0378209

19. Assignment of Rents executed:

By: Lakeside Village Condominium LLC, an Arizona limited liability company
 To: Nevada State Bank
 Dated: March 15, 2006
 Recorded: March 21, 2006 in Instrument No. 2006-0378210

20. Deed of Trust given to secure the original amount shown below, and an other amount payable under the terms thereof:

Trustor: Lakeside Village Condominium LLC, an Arizona limited liability company
 Trustee: First American Title Insurance Company
 Beneficiary: Rose Investments I Limited Partnership, an Ontario Limited Partnership
 Amount: \$3,250,000.00
 Dated: March 21, 2006
 Recorded: May 24, 2006 in Instrument No. 2006-0706477

21. The rights of parties in possession by reason of any unrecorded lease or leases or month to month tenancies affecting any portion of the within described property.