

READ THIS PROPERTY REPORT BEFORE SIGNING ANYTHING.

This Report is prepared and issued by the developer of this land divisions. It is not prepared or issued by the Federal Government.

Federal Law requires that you receive this Report prior to your signing a contract or agreement to buy a parcel of land in these developments. However, NO FEDERAL AGENCY HAS JUDGED THE MERITS OR VALUE, IF ANY, OF THIS PROPERTY.

If you received this 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 the contract or agreement.

If you did not receive this Report before you signed a contract or agreement, you may cancel the contract or agreement any time within two years from the date of signing.

Name of Development: Jones Point Estates

Name of Developer: Woods & Waters Inc.

Date of this Report: March 4, 2002

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Note: in this Property Report, the words "you" and "your" refer to the Buyer. The words "we" and "us" refer to the developer.

RISKS OF BUYING LAND

The future value of land is uncertain and dependent on many factors. DO NOT expect all land to increase in value. Resale of your parcel 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 parcel.

Any land division will have an impact on the surrounding environment. Whether or not the impact is adverse, and the degree of impact, will depend on location, size, planning and extent of development.

Land divisions which adversely affect the environment may cause governmental 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 parcel and your ability to sell it.

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 advice before you obligate yourself.

GENERAL INFORMATION

This report covers 16 parcels located in Marion County in Arkansas. See Page 18 for a listing of these parcels. No additional parcels are planned for any of these sites. The developer of this land is:

Woods & Waters Inc.
P.O. Box One
Willow Springs, Mo. 65793

Neil@OzarkLand.com
Phone (417)932-4873
FAX (417)932-6698

Answers to questions and information about these land divisions may be obtained by telephoning the developer at the number listed above.

TITLE TO THE PROPERTY AND LAND USE

GENERAL INSTRUCTIONS

A person with legal title to property generally has the right to own, use and enjoy the property. A contract for sale agreement to buy a parcel of land may give you possession, but does not give you legal title. You do not have legal title until you receive a valid deed. A restriction or an encumbrance on your parcel, or on the land division, could adversely affect your title.

Here, we will discuss the Sale Agreement (contract) you will sign, and the deed you will receive. We will also provide you with information about any land use restrictions and encumbrances, mortgages, underlying contracts or liens affecting your parcel, and some important facts about payments, recordings, and title insurance.

METHOD OF SALE

Sales Contract and Delivery of Deed

Here we discuss our method of selling and financing property: Each property is offered for a set price and monthly payment based on a fifteen-year amortization (unless otherwise stated). Upon receipt of your first monthly payment we will enter into a Contract for Warranty Deed with you. After you have made six monthly payments, or the equivalent thereof, we will issue you a Corporation Warranty Deed and record your Deed of Trust. We will also hold a Quit Claim Deed to be used only in the event of your default. Your Contract for Warranty Deed and Deed of Trust will both show the actual sale price, initial payment, remaining balance, rate of interest and number of installment payments required. When your Corporation Warranty Deed is issued to you, it will be free and clear of all other liens and encumbrances except for easements and reservations referred to herein.

If you fail to make the installment payments on your Contract for Warranty Deed or Deed of Trust, or fail to make other arrangements agreeable to us, you may lose your land and all monies paid.

Because notification of your purchase will be placed on record by way of your Deed of Trust neither we, nor our creditors, nor any underlying owners of record, can encumber your parcel after the Deed of Trust has been signed and recorded (See Method and Purpose of Recording, p. 6).

Type of Deed

All deeds given by us will be Corporation Warranty Deeds conveying fee-simple title to the property free of all liens and encumbrances at the time of generation.

Oil, Gas, and Mineral Rights

The oil, gas and mineral rights to all of the parcels covered in this Report will be passed on to the purchasers.

ENCUMBRANCES, MORTGAGES AND LIENS

In General

We are fee simple owners of the land in this land division. That is, none of the property at Jones Point Estates is subject to any encumbrances, mortgages or liens.

RECORDING THE CONTRACT AND DEEDS

Methods and Purpose of Recording

We will record the Corporate Warranty Deed and Deed of Trust at the appropriate county recorder's office immediately after the 180-day closing. Your parcel will still be subject to the unpaid balance on your Deed of Trust. We will pay the costs of all recording.

Title Insurance

We will pass title to you by way of a Corporation Warranty Deed wherein we guarantee that the title is free and clear of all but noted restrictions, easements and encumbrances. However, you should obtain a title insurance policy which will describe the rights of ownership which you are acquiring in your parcel. We recommend that an appropriate professional should interpret the opinion or policy.

PAYMENTS

Escrow

During the first six months of your transaction, while the Contract for Warranty Deed is in effect, you may lose your deposit and installment payments if we fail to deliver legal title to you as called for in the contract because these installment payments are not held in an escrow account which fully protects you, that is we will hold your payments ourselves.

Prepayments

There are no penalties for prepayment. You may pay any amount in excess of your regular installments at any time.

Default

Should you fail to make the payments stipulated in the Contract for Warranty Deed or Deed of Trust, then at our option, we may declare a forfeiture and retake the property. If you are delinquent in your payments more than 30 days, we will give you written notice of your default or breach of contract, then you will have an additional 20 days from receipt of that notice to bring your payments current or make other arrangements agreeable to us. If you do not bring your payments current or make other arrangements, then we may declare a default and retake possession of the property.

In the case of default after title has been transferred to you but before the full balance of your Deed of Trust has been paid, we will, as title protection for ourselves in the event of your default, record the Quit Claim Deed you were required to sign on closing.

RESTRICTIONS ON THE USE OF YOUR PARCEL

Contract Restrictions

Your Contract for Deed or Deed of Trust contains a restriction that no marketable timber (defined as trees of 8" or greater stump diameter) may be cut without our written permission, other than those required to clear ground for a 1/4 acre garden and a home site, so long as there is a balance due.

Restrictive Covenants

Listed below are the recorded restrictions effective on the date of This Report which affect Jones Point Estates. Please note that some of these restrictions limit your use of these properties and might cause you an additional expense or detract from your intended use of the land. These covenants as listed below are available from our offices or from the Marion County Recorder's Office.

(A) This Property, if occupied, shall not be used for other than private, single family residential purposes. No more than one dwelling may be constructed on any parcel. No commercial or business activities are allowed that require additional parking or signage larger than 2 square feet in area.

(B) All homes constructed on the Property shall be complete on their exterior within 180 days from the date construction above the foundation is begun. Accepted homes shall be one of three types:

1. On-site construction of not less than 600 square feet in living area permanently attached to an adequate concrete foundation.
2. A new modular home of not less than 600 square feet in living area permanently attached to an adequate concrete foundation.
3. A new mobile home of not less than 600 square feet in living area permanently attached to an adequate concrete foundation.

An adequate concrete foundation shall be one consisting of poured concrete or mortared concrete block placed in any combination of beams, piers, pilings and/or footings which supports the dwelling sufficiently that no settling greater than one inch in forty lineal feet shall occur.

(C) Camping for more than thirty days in a twelve-month period is not permitted.

(D) No construction, other than fencing, shall take place within 10 feet of a parcel boundary or within 75 feet of the centerline of the access road easements.

(E) No parcel of the Property as the same shall appear on the official plat of Jones Point Estates as recorded at the Marion County Recorder's Office, Yellville, Arkansas, may be further sub-divided.

(F) Waste materials must be kept in closed containers at all times. Parcels must be kept free of refuse, debris, and rubbish. No derelict vehicles may be kept on any parcel unless kept in an enclosed garage. Derelict vehicles are defined as those which EITHER do not run, or are not licensed.

(G) Any animals kept on this property shall be maintained in such a manner that they do not present a nuisance to owners of neighboring parcels. Kennels and feedlots are not permitted.

(H) All wastewater treatment facilities shall be constructed in accordance with the engineering report provided by Rose's Land Survey, Mountain Home, Arkansas, and with Arkansas State and Marion County laws. It will be the land-owner's responsibility to assure that such facilities receive proper maintenance as required, and effluent shall be contained on the individual parcel of origination and handled in such a manner that there will be no violation of the law.

Easements

The easements of record within the land division included in this report are for roads and utility purposes. They will appear in your title report. Here we will discuss the easements which may affect building or land use in each of these land divisions. Please note that each and every parcel is large enough to accommodate a residence despite the easements. None of the land covered in the report is subject to any type of flood control or flowage easements. No road easements cut across or through parcels. Road easements are 50 feet in width, and utility transmission easements include this 50 feet, plus an additional 15 feet

on either side of the road easements. Additionally there are 10 foot utility easements along all side lines. This will need to be considered in locating a building site.

PLATS, ZONING, SURVEYING, PERMITS AND ENVIRONMENT

Plats

The layouts of the land division included in this Report have been approval by the Marion County Planning Board and the Marion County Court. A complete plat for this subdivisions has been recorded at the Marion County Recorder's Office in Yellville in the Plat Cabinet as Plat 289.

Further divisions of the parcels in any of these land divisions is not allowed by restrictive covenants and may not be in compliance with the county subdivision ordinances.

Zoning

This subdivision is not subject to any state or local zoning laws, therefore, their use for any purpose is not limited in any way other than specified in the Restrictive Covenants of record. (See Restrictive Covenants, page 7)

Surveying

Each lot in this subdivision has been professionally surveyed and marked for identification by Rose's Land Surveying of Mountain Home, Arkansas.

Permits

No building permits are required by county or state authorities for construction on any land divisions covered in this Report. A permit is required from the Arkansas Department of Health, North Office, 27 West Township, Fayetteville, AR 72703, before locating a septic system

Environment

No determination has been made as to the possible adverse effects these land divisions may have upon the environment and surrounding area.

Roads

Here we will discuss the roads that lead to the scattered sites, those within the land divisions and locations of nearby communities.

ACCESS TO THE LAND DIVISION

JONES POINT ESTATES is accessed from Missouri Highway P, a 20 to 24 foot wide two-lane asphalt road maintained by the Missouri State Highway Department and by a two-lane dirt and gravel road 20 to 30 feet in wearing surface width maintained by Ozark County, Missouri and Marion County, Arkansas and known as Marion County Road Number 164. No improvements to these roads are anticipated at this time.

ACCESS WITHIN THE LAND DIVISIONS

We have completed construction of the interior roads at Jones Point Estates in such a fashion as to provide year-round access to every parcel. They consist of dirt, gravel, rock and other on-site material covered with four inches of crushed rock. No further improvements to these roads that would result in extra expense to you are anticipated at this time.

These roads and their easements have been dedicated to and have been accepted for county maintenance by Marion County. Easements have been recorded for the road systems which are described as 50-foot-wide rights-of-way for access. Interior roads are cleared 40 feet in width in most places with approximately 22 feet of wearing surface comprising 2 driving lanes.

NEARBY COMMUNITIES

Nearby community	Population	Distance over paved roads	Distance over unpaved roads.	Total distance
Yellville (co. seat)	1,044	52.3 mi.	2.5 mi.	54.8 mi.
Theodosia	132	7.8 mi..	2.5 mi..	10-3 mi.
Gainesville	659	21.9 mi	2.5 mi..	24.4

UTILITIES

WATER

We do not supply water or water systems to any of these parcels of land. Purchasers of these parcels will have to arrange to drill their own private well or install a cistern if they desire water. For information on drilling procedures you should contact local well drillers which are listed in the yellow pages of local phone books or we will recommend some to you.

THERE HAVE BEEN NO HYDROLOGICAL SURVEYS RELATED TO THE USE OF INDIVIDUAL WELLS WITHIN THESE LAND DIVISIONS; THERE IS NO ASSURANCE OF A SUFFICIENT SUPPLY OF WATER FOR ANY GIVEN SUBDIVISION

Current prices charged by local well drillers run around \$6 per foot to drill and \$8 per foot to install a 6 inch casing. Missouri law requires a minimum of 80 feet of casing in all locations and more in some. The estimated cost of a complete well, casing and pump system in this area is \$5,000.

Well depths will average between 250 to 500 feet throughout the Ozarks. In the absence of a hydrological survey, there is no assurance that a productive well can be installed at any location, and if it cannot, we will exchange your property, but no refund of the purchase price will be made.

Permits are not required if the well is for a single family dwelling.

Purity and chemical content of water cannot be determined until each individual well is completed and tested.

While we discourage the use of cisterns, there are no state, local or private restrictions on such use. Water for cisterns may be obtained from numerous suppliers throughout Southern Missouri and Northern Arkansas at an approximate delivered cost of \$12 to \$25 per 1000 gallons. Water stored for extended periods tends to become stale and may acquire an unpleasant taste or odor.

SEWAGE DISPOSAL

We do not provide any means of sewage disposal for these parcels. Being in rural areas, the most common methods of sewage disposal are by individual on-site septic tanks or septic-lagoons. Septic systems must be constructed in accordance with Marion County and Arkansas State standards, and you must obtain permission from the Arkansas Department of Health in Yellville to install a septic tank or sewage lagoon. The average cost of a septic tank and drain field is \$2500.

ELECTRICITY

We do not provide electrical service to these parcels. You are responsible for extending electrical service from the nearest source if you require electricity. Electric service for the land division covered in this Report is provided

ARKANSAS POWER AND LIGHT P.O. Box 507, Yellville, AR Pho. (870)449-6217 No charge to permanent residences.

TELEPHONE

We do not provide telephone lines or service to any of these parcels. You may provide telephone service at your own expense by Verizon 1-800-483-4000. Their policy is to give the first half mile of service free with a standard \$21 fee.

FUEL OR OTHER ENERGY SOURCE

Propane gas is the most commonly used fuel for heating and cooking in the areas covered by This Report and is broadly available from a number of suppliers. A typical cost for a one-year lease on a 250 gallon propane tank is \$100 per life-time lease. Propane currently sells for \$1.69 per gallon.

FINANCIAL INFORMATION

A copy of our financial statement for the period ended December 31, 2001, and subsequent statements are available from us upon request.

LOCAL SERVICES

FIRE PROTECTION

Fire protection is provided by the Theodosia, Missouri Fire Department (1-417-273-4692) for a cost of \$45 for the first year and \$35 each year thereafter.

POLICE PROTECTION

In addition to the Arkansas and Missouri State Highway Patrols, the Marion County Sheriff's Office out of Yellville, (870) 449-4236 provides police protection.

SCHOOLS

Elementary, junior high and high schools are available to residents of Jones Point Estates.

While there is, at present, no bus, nor any neighbors requesting it, to this property. The Lutie school Board says they will make every effort to bring a bus to this location to pick up children if the need arises.

HOSPITALS

The nearest hospital with ambulance service provided is Baxter County Regional Hospital, Mountain Home, Arkansas

PHYSICIANS AND DENTISTS

The nearest physicians' and dentists' offices to the land division are located in Theodosia, Missouri

SHOPPING FACILITIES

Springfield, Missouri and Mountain Home, Arkansas offer the major shopping facilities one associates with larger communities. Additionally, there are nearby shopping in Gainesville and Theodosia, Missouri where you will find grocery stores, hardware stores, banks, service stations, restaurants and entertainment.

MAIL SERVICE

Mail delivery is provided by the Theodosia, Missouri Post Office. Currently, mail is delivered to within one-half mile of the property. It may be possible to have this extended to the property at the discretion of the Theodosia Postmaster.

PUBLIC TRANSPORTATION

There is no public transportation within or to any of these sites. The nearest public transportation services available will be bus lines running along state highways and taxi services in the larger towns.

RECREATIONAL FACILITIES

There are no recreational facilities provided or contemplated by us for any of the land divisions covered in this Report.

LAND CHARACTERISTICS AND CLIMATE

Here we discuss various natural conditions in and around the land divisions and their influence upon same.

GENERAL TOPOGRAPHY

This subdivision consists of level to rolling terrain on a ridge-top. There is no part of any of the subdivisions which is to remain as natural open space or developed parkland. There are several rock outcroppings present. All of the parcels are covered with a mixture of oaks and junipers.

WATER COVERAGE

None of the parcels in this land divisions are covered by water at any time during the year. time.

DRAINAGE AND FILL

None of the parcels require drainage or fill prior to being used.

FLOOD PLAIN

None of these land divisions are located within a flood plain, or an area designated be any Federal, State or local agency as being flood prone..

FLOODING AND SOIL EROSION

Should a problem arise regarding soil erosion, sedimentation or periodic flooding on any parcel, we bear responsibility for the control of same through mulching, seeding, or construction of silt basins, diversion channels, ditches, outlet channels, or waterway stabilizers as may be appropriate. This program will be implemented in conjunction with our road-building and maintenance program immediately after a problem has been demonstrated. There are no governmental bodies which regulate the control of erosion on areas of less than 5 acres so our erosion control methods have not been approved by any governmental official or officials. Since no appropriate government officials have approved of our flood or erosion control program, the measures being taken may not be sufficient to prevent property damage or health and safety hazards.

NUISANCES

There are no known nuisances in or around these land divisions, other than the right-of-way and utility easements described in "Easements" herein.

HAZARDS

There are no known hazardous conditions in or around these land divisions.

CLIMATE

Average summer temperature range58.5 - 81.2 mean temperature.....69.9
Average winter temperature range.....31.6 - 49.8 mean temperature.....40.7
Average annual rainfall.....39.47 inches
Average annual snowfall.....16.1 inches

Figures given are according to the National Weather Service at Springfield, MO. (417) 869-4491.

OCCUPANCY

As of the date of this report, there were no homes within the boundaries of the land development which were occupied on a full or part-time basis.

ADDITIONAL INFORMATION

PROPERTY OWNER'S ASSOCIATION

There is no Property Owner's Association for of the land division covered in this Report, and there are no plans for forming any Property Owner's Association.

TAXES

Your obligation to pay property taxes begins the day that you purchase your property. However, since county governments are sometimes quite lax at proper billing, and because local real estate taxes are fairly insignificant, we will pay your tax bill for the first calendar year of your ownership. Thereafter taxes are due November 1st of each year and penalties are assessed if they are not paid by December 31. The tax office will be notified of your new ownership by January of each year and you should receive the tax notices thereafter. The fact that you do not receive the notice does not relieve you of the responsibility to pay your annual property taxes before they become delinquent.

Taxes are paid to the Mairon County Collector at the courthouse in the Yellville, Arkansas.

Since this is a new subdivision of property, no figures are yet available for taxes. We own and have subdivided property adjoining this and found that parcels like this are taxed from \$1.60 per acre to as much as \$15.19 per acre, apparently at the whim of the county assessor

RESALE OR EXCHANGE PROGRAM

We do not broker properties which we have sold or other properties, however, we will assist you in finding a local broker for your property in the event you wish to sell it, and we will allow your buyer to assume the Contract for Deed or Deed of Trust under the same terms and interest without charge

If, during the time your Contract or Trust Deed is in force, you wish to exchange your equity in your property, exclusive of interest, for equal dollar equity in any other property in our inventory at that time, for whatever reason, you may do so, so long as your balance is current and the property is clean and in essentially the same condition as when you purchased it.

EQUAL OPPORTUNITY IN LOT SALES

We do not discriminate on the basis of race, color, religion, sex or national origin in advertising, marketing, rendering of lot services, where applicable or in providing terms or conditions in sales of our parcels.

LISTING OF PARCELS

Below is a listing of all the parcels covered in this Report, by parcel letter.
A,B,D,E,F,G,H,I,J,K,L,M,N,O,P