

PROPERTY REPORT

NOTICE AND DISCLAIMER

BY OFFICE OF INTERSTATE LAND SALES REGISTRATION

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The Interstate Land Sales Full Disclosure Act specifically prohibits any representation to the effect that the Federal Government has in any way passed upon the merits of, or given approval of this subdivision, or passed upon the value, if any, of the property.

It is unlawful for anyone to make, or cause to be made to any prospective purchaser, any representation contrary to the foregoing or any representations which differ from the statements in this Property Report. If any such representations are made, please notify the Office of Interstate Land Sales Registration at the following address:

Office of Interstate Land Sales Registration  
HUD Building, 451 Seventh Street, S.W.  
Washington, D. C. 20410

Inspect the property and read all documents. Seek professional advice.

Unless you received this Property Report prior to or at the time you enter into a contract, you may void the contract by notice to the seller.

If you received the Property Report less than 48 hours prior to signing a contract or agreement you have until midnight of the third business day following the consummation of the transaction to revoke your contract by notice to the seller.

1. Name(s) of Developer: Vallecitos De Los Indios, Inc.  
Address: P. O. Box 29, Mountain Route  
Jemez Springs, New Mexico
2. Name of Subdivision: Sierra Los Pinos  
Location: Sandoval County, STATE of New Mexico
  - (a) Effective Date of Property Report: April 28, 1976

IMPORTANT READ CAREFULLY

Name of subdivision: Sierra Los Pinos

By signing this receipt you acknowledge that you have received a copy of the property report prepared pursuant to the Rules and Regulations of the Office of Interstate Land Sales Registration, U. S. Department of Housing and Urban Development.

Received by \_\_\_\_\_  
Street Address \_\_\_\_\_  
Date \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_  
Zip \_\_\_\_\_

Notwithstanding your signature by which you acknowledged that you received the Property Report you still have other important rights under the Interstate Land Sales Full Disclosure Act..

NOTICE: YOU WILL BE RESPONSIBLE FOR THE COST OF WATER SERVICE AND EXTENSION OF UTILITIES. THESE COSTS ARE QUITE HIGH AND ARE IN ADDITION TO THE COST OF YOUR LOT. SEE QUESTION TEN (10) OF THIS REPORT.

(b) THIS OFFERING CONSISTS OF 63 LOTS.

Unit 1, Sierra Los Pinos Subdivision map recorded in folio 55524 on September 1, 1972 in the Sandoval County Records.

Lots 1, 3, 5, 6, 9, 10, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 23, 24, 26, 27, 28, and 35

Total of 22 lots

Unit 2, Sierra Los Pinos Subdivision map recorded in folio 62507 on March 26, 1973, in the Sandoval County Records.

Lots 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 19, and 20

Total of 15 lots

Unit 3, Sierra Los Pinos Subdivision map recorded in folio 98293 on November 14, 1975, in the Sandoval County Records.

Lots 1, 2, 3, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34

Total of 26 lots

3. LIST NAMES AND POPULATIONS OF SURROUNDING COMMUNITIES AND LIST DISTANCE OVER PAVED AND UNPAVED ROADS TO THE SUBDIVISION.

Name of community	Population	Distance over paved roads	Unpaved roads	Total
Jemez Springs	450	18	1.2	19.2
*Bernalillo	2016	63	1.2	64.2
Albuquerque	250800	78	1.2	79.2
Los Alamos	11310	22	1.2	23.2

\*County Seat

4. COMPLETE ALL ITEMS UNDER THIS PARAGRAPH REGARDLESS OF WHETHER THE SALE WILL BE AN INSTALLMENT OR CASH SALE.

(a) WILL THE SALES CONTRACT BE RECORDABLE? YES OR NO?

ANSWER: Yes. The contract is recordable and may be recorded at your expense.

(b) IN THE ABSENCE OF RECORDING THE CONTRACT OR DEED, COULD THIRD PARTIES OR CREDITORS OF ANY PERSON HAVING AN INTEREST

IN THE LAND ACQUIRE TITLE TO THE PROPERTY FREE OF ANY OBLIGATION TO DELIVER A DEED? YES OR NO? EXPLAIN .....

ANSWER: Yes. In the absence of recording the contract or deed, your right to the title of the land may be defeated by such third parties as subsequent purchasers or creditors of any person having an interest in the land.

- (c) STATE WHETHER AND/OR WHEN THE CONTRACT OR DEED WILL BE RECORDED, AND WHO WILL RECORD IT. STATE WHO WILL BEAR THE COSTS OF RECORDATION, AND THE AMOUNT IF THOSE COSTS ARE TO BE BORNE BY THE PURCHASER.

ANSWER; Developer will record the sales contract as soon as practicable after closing. You must pay the cost of recordation which will range from \$2.75 to \$4.75. The warranty deed will be delivered to you as soon as practicable after final payment of an installment contract. The recordation of this deed is your responsibility. The cost of recording a deed is \$1.75.

- (d) WHAT PROVISION, IF ANY, HAS BEEN MADE FOR REFUNDS IF BUYER DEFAULTS? IF NONE, AND THE BUYERS PAYMENTS ARE TO BE RETAINED, STATE WHETHER HIS LOSS WILL BE LIMITED TO THE AMOUNT OF HIS PAYMENTS TO DATE, OR WHETHER HE WILL RE RESPONSIBLE TO THE DEVELOPER OR HIS ASSIGNEES FOR ADDITIONAL DAMAGES OR FOR THE BALANCE OF HIS CONTRACT.

ANSWER: None. In the event you default, all payments received by the developer will be retained as liquidated damages and no further action will be taken by the developer.

- (e) STATE PREPAYMENT PENALTIES OR PRIVILEGES, IF ANY.

ANSWER: There are no prepayment penalties. You may pay the entire balance of your contract at any time.

- 5. IS THERE A BLANKET MORTGAGE OR OTHER LIEN ON THE SUBDIVISION OR PORTION THEREOF IN WHICH THE SUBJECT PROPERTY IS LOCATED? YES OR NO? IF YES, LIST BELOW AND DESCRIBE ARRANGEMENTS, IF ANY, FOR PROTECTING INTERESTS OF THE BUYER OR LESSEE IF THE DEVELOPER DEFAULTS IN PAYMENT OF THE LIEN OBLIGATION. IF THERE IS SUCH A BLANKET LIEN, DESCRIBE ARRANGEMENTS FOR RELEASE TO A BUYER OF INDIVIDUAL LOTS WHEN THE FULL PURCHASE PRICE IS PAID.

ANSWER: Yes. There are five liens on the property.

TYPE OF LIEN	EFFECT ON BUYERS IF DEVELOPER DEFAULTS
a. Real Estate Mortgage to Albuquerque National Bank.	None.
b. Real Estate Mortgage to Albuquerque National Bank.	None.
c. Real Estate Mortgage to Albuquerque National Bank.	None.

- d. Real Estate Mortgage to       None.  
Albuquerque National Bank
- e. Real Estate Mortgage to       None.  
Albuquerque National Bank

The mortgages are subject to a Loan Agreement and Addendum that provides that if no default exists under the terms of the mortgages, the bank shall issue a partial release of mortgage of mortgage as to any lot contained in the filed plat subdividing the mortgaged land, upon payment by Developer to the bank of \$300.00 per acre or \$500.00 per lot, whichever is greater. In the event of default by Developer, if you are current on your purchase contract, Albuquerque National Bank will allow you to continue to pay for your lot and obtain title to the lots purchased as provided in your purchase contract.

- 6. DOES THE OFFERING CONTEMPLATE LEASES OF THE PROPERTY IN ADDITION TO, OR AS DISTINGUISHED FROM, SALES? YES OR NO? IF YES, A LEASE ADDENDUM MUST BE COMPLETED, ATTACHED, AND MADE A PART OF THE PROPERTY REPORT.

ANSWER: No. There will be no leases in the subdivision.

- 7. IS BUYER OR LESSEE TO PAY TAXES, SPECIAL ASSESSMENTS, OR TO MAKE PAYMENTS OF ANY KIND FOR THE MAINTENANCE OF COMMON FACILITIES IN THE SUBDIVISION (a) BEFORE TAKING TITLE OR SIGNING OF LEASE OR (b) AFTER TAKING TITLE OR SIGNING OF LEASE? IF YES, COMPLETED THE SCHEDULE BELOW:

ANSWER: (a) Yes, before taking title. (b) Yes, after taking title.

APPROXIMATE AMOUNT OF BUYER'S  
OR LESSEE'S ANNUAL PAYMENTS

TAXES

Property taxes are \$20.88 per \$1000.00 of assessed value. Assessed value is one-third of market value. Consult local taxing authorities for precise amounts.

SPECIAL ASSESSMENTS

Should you join the Sierra Los Pinos Property Owners Association, you will be subject to assessments of the association which shall have the assent of 2/3 of the members who are voting per the By-Laws.

\*PAYMENTS TO PROPERTY OWNERS' ASSOCIATION

\$25.00 membership fee and \$52.50 yearly assessments. If this amount proves to be inadequate for the operation of the association the board of directors has the right to increase this amount not more than 5% without concurrence of the members. Any increase of more than 5% required a assent of 2/3 of the members who are voting per the By-Laws.

OTHER

None

SPECIFY

Not applicable

\*Membership in the Sierra Los Pinos Property Owners Association is not mandatory. However, some purchasers have voluntarily signed Restrictive Covenants prepared by the association which makes membership in the association mandatory. Should you purchase one of these lots or voluntarily join the association, you will be required to pay dues and assessments levied by the association. You should consult the By-laws of the association. Since some lot owners will not be required to pay the assessments, you will have to pay a disproportionate share of the cost of operating the Property Owners' Association. The members of the association control the association.

8. (a) WILL BUYER'S DOWNPAYMENT AND INSTALLMENT PAYMENTS BE PLACED IN ESCROW OR OTHERWISE SET ASIDE? YES OR NO? IF YES, WITH WHOM? IF NOT, WILL TITLE BE HELD IN TRUST OR IN ESCROW?

ANSWER: No. Your downpayment and installment payments will not be placed in escrow or otherwise set aside.

- (b) EXCEPT FOR THOSE PROPERTY RESERVATIONS WHICH LAND DEVELOPERS COMMONLY CONVEY OR DEDICATE TO LOCAL BODIES OR PUBLIC UTILITIES FOR THE PURPOSE OF BRINGING PUBLIC SERVICES TO THE LAND BEING DEVELOPED, WILL BUYER RECEIVE A DEED FREE OF EXCEPTIONS? YES OR NO? IF NO, LIST ALL RESTRICTIONS, EASEMENTS, COVENANTS, RESERVATIONS AND THEIR EFFECT UPON BUYER.

ANSWER: No. There are restrictions of record for Units 1, 2 and 3 of the subdivision. These restrictions, in their entirety, are attached to this Property Report and are hereby incorporated into the Report by this reference. These restrictions are for your general benefit.

There is a right-of-way and utility easement as shown on the recorded plats of the subdivision to provide for access to all lots in the subdivision and for the installation of utility lines to all lots in the subdivision.

All minerals and access rights thereto have been reserved by the developer. This reservation may seriously affect you if exploration were to take place either on the surface or beneath the surface of your lot. There is no provision for compensating you if you are affected by this reservation.

- (c) LIST THE PERMISSIBLE USES OF THE PROPERTY BASED UPON THE RESTRICTIVE COVENANTS, AND WHICH ARE CONSISTENT WITH LOCAL ZONING ORDINANCES.

ANSWER: The restrictions limit the use of the lots being sold to single family dwellings with a minimum of 600 square feet of livable area on the ground floor of the main structure on any lot, exclusive of porches and garages and similar appurtenances. The restrictions are the controlling regulation as there are no zoning ordinances affecting the area.

There is an architectural control committee for each unit within the subdivision. In Unit 1 the committee is

elected or appointed in accordance with the procedures established therefor by the Sierra Los Pinos Property Owners Association. In Unit 2 the committee consists of the developer and two persons designated by the developer until such time as the Sierra Los Pinos Property Owners shall elect a committee. In Unit 3 the committee shall be composed of persons appointed by developer until such time as seventy-five percent of the lots in Unit 3 have been fully developed. The developer has a controlling interest in the Architectural Control Committee for Units 2 and 3. The Architectural Control Committee may alter your plans to build on or to use your lot.

You will be required to obtain a building permit before being able to construct on your lot. Building permits are obtained from:

Construction Industries Commission  
1302 Osage Avenue  
Santa Fe, New Mexico

- (d) LIST ALL EXISTING OR PROPOSED UNUSUAL CONDITIONS RELATING TO THE LOCATION OF THE SUBDIVISION AND TO NOISE, SAFETY OR OTHER NUISANCES WHICH AFFECT OF MIGHT AFFECT THE SUBDIVISION.

ANSWER:

1. Lots 28, Unit 2 and Lots 10, 11, 12, 16, and 19 in Unit 3 may be subject to flooding during heavy spring runoff or heavy rainfall due to arroyos that run through these lots.

No flood study has been performed and it will be up to you to satisfy yourself as to the dangers of a 100 year flood. No flood hazard or flood insurance is available for new construction in the subdivision and none is available.

2. None of the lots in the subdivision are covered by water. However, the lots mentioned above have arroyos running through them which will carry water during heavy rainfall and spring runoff and you should consider carefully the location of any structure you plan to build on one of these lots.

3. Due to the heavy timber on the land in the subdivision, the area is subject to forest fires.

9. LIST ALL RECREATIONAL FACILITIES CURRENTLY AVAILABLE, PROPOSED, OR PARTLY COMPLETED (e.g., SWIMMING POOLS, GOLF COURSES, SKI SLOPES, ETC.) AND COMPLETE THE FOLLOWING FORMAT FOR EACH FACILITY: STATE WHO WILL OWN THE FACILITIES.

ANSWER: There are no recreational facilities currently available, proposed, or partly completed in the subdivision.

10. STATE AVAILABILITY OF THE FOLLOWING IN THE SUBDIVISION: STATE ANY ESTIMATED COSTS OR ASSESSMENTS TO BUYER OR LESSEE. IF

ONLY PROPOSED OR PARTLY COMPLETED, STATE ESTIMATED COMPLETION DATE, STATE PROVISIONS TO ASSURE COMPLETION, AND GIVE AN ESTIMATE OF ALL COSTS TO BUYER OR LESSEE, INCLUDING MAINTENANCE COSTS.

ANSWER: a. ROADS:

1. ACCESS:

PAVED -

The present condition of the single access road to the border of the subdivision is good. State Road 4 is two lane, asphalt road surfaced to a minimum width of 24 feet.

UNPAVED -

None.

2. ROAD SYSTEM WITHIN THE SUBDIVISION:

PAVED -

None.

UNPAVED -

All roads within the subdivision have been graded by developer to a width of approximately 25 feet with barrow ditches. During good weather all lots within the subdivision are accessible by conventional automobile. However, during inclement weather all lots will not be accessible by conventional automobile due to mud and snow.

The roads within the subdivision have not been dedicated to the County and will not be maintained by the County. If the property owners' association does not maintain the roads or if there is an insufficient number of voluntary members, there may be no maintenance and the roads may become unuseable.

The developer has not set aside any money or entered into any escrow or trust arrangements in order to assure continued maintenance of the roads during the life of the subdivision. You may be required to pay all or part of the cost of maintaining the roads in the subdivision. It is estimated that road maintenance will cost \$100.00 per mile per year. This does not include cost of snow removal which is estimated at \$100.00 per lot per year. Since not all purchasers are required to pay the property owners association assessments, members will pay a disproportionate share of the cost of road maintenance.

b. UTILITIES:

1. WATER

Water may be obtained by private wells drilled by the individual lot owners. The probable depth of such wells will range from 250' to 700'. This information is based on the output and depth of two existing wells in the subdivision. There is no assurance that wells will operate successfully in the subdivision. The estimated cost for a 700 feet 6 inch cased well and not including a pump is \$6300.00. A one horse power submersible electric pump will cost you approximately \$450.00. A permit must be obtained from the State Engineer's office before drilling a domestic well. A \$1.00 fee must accompany your application.

As an alternative, you may be supplied water by the Sierra Los Pinos Property Owners Association, P. O. Box 674, Los Alamos, New Mexico. This association is a private association and not regulated by a public body and therefore, you have no assurance of continuous service and/or reasonable rates. This association is in no way controlled by the developer.

Water lines have been extended to all of the lots in Unit 1. This water system has not been approved by the Environmental Improvement Agency. Water lines have been extended to all lots in Unit 2 except Lots 19 and 20. The property owners association plans to have the water lines extended to these lots by August, 1976. The association has not set aside any money or entered into any bond, escrow or trust arrangement to assure completion to the water lines. Accordingly, there is no assurance, other than the promise of the association, that the water lines will be completed. With the exception of the tank design analysis for the water system in Unit 2 the system has been approved by the Environmental Improvement Agency. There are no specific plans for a water system in Unit 3. Should you purchase a lot in Unit 3, there is no assurance that water lines will be extended to your lot.

Requirement for membership in the association is ownership of a lot within a unit of the subdivision in which the developer has deeded commonly held lands and water wells to the Sierra Los Pinos Property Owners Association. You may secure the services of the association by becoming a member of the association and paying the dues and assessments. It is the current policy of the association not to accept new members into the association unless or until they or previous owners have executed a covenant binding themselves and all future owners of the lot to the association by signing covenants for the particular unit in which your lot is located.



You will be assessed \$495.00 per lot to hook up to the system in Unit 1. You will be assessed \$820.00 per lot to hook up to the system in Unit 2. In addition to these assessments you must pay an initial membership fee (currently \$25.00 per lot) and a yearly assessment (currently \$52.50 per lot).

These assessments for the water system are subject to change by assent of two-thirds of the voting members.

Assessments will be increased at such time as the association installs a storage tank for the water system. There are no contracts, bonds or escrows for the installation of a storage tank.

Chemical analysis of the water taken from the two wells within the subdivision indicate that the water is of acceptable quality for human consumption. However, there is no assurance that you will be able to obtain water of acceptable chemical and bacteriological quality.

Neither the developer no the property owners association has obtained an engineers report concerning the continuing availability of adequate water to supply the subdivision.

Since the use of the service of the Sierra Los Pinos Property Owners Association is not mandatory, some of the lot owners may not be required to pay the assessments levied by the association. Therefore, you may have to pay a disproportionate share of the cost of operating the water system.

## 2. ELECTRICITY

Electricity is presently available on Lot 36, Unit 1, and Lot 12, Unit 2, in the subdivision. The supplier is Jemez Mountain Electric Cooperative, Inc. which is a public utility and is regulated by the New Mexico Public Service Commission. The electrical facilities have not been extended to the individual lots and there is no schedule for installation as the responsibility for obtaining power rests with the individual lot owner.

The extension of lines to lots within the subdivision will cost approximately \$3.22 per foot. An estimated cost for line extension to Lot 9, Unit 1, the most remote lot in the subdivision from the current lines would be \$12,000.

3. GAS

Natural gas is not available in this subdivision. Propane is available from Doxel Gas Company in Albuquerque, New Mexico. Rates are competitive and subject to change. Current rates are listed at \$.35 per gallon. Storage facilities are available to you range in lease price from \$100 per year for a 500 gallon tank to \$200 per year for a 1,000 gallon tank. You have the sole responsibility for obtaining and paying for this type of service.

4. TELEPHONE

Limited telephone service is available. Present service is approximately 41,000 feet from the subdivision. The supplier is Western States Telephone Company, Espanola, New Mexico, through their Jemez Springs exchange, a private utility company regulated by the New Mexico State Corporation Commission. "Limited" means upon full development of the subdivision the present lines may not be adequate to service the anticipated population of the subdivision.

The installation of telephone service to your property is your individual responsibility. The estimated cost for installation of lines from existing facilities is \$1,848.00 per mile, less \$700.00 per applicant in the subdivision. This cost is to be divided among all applicants served by the facility during the initial three year service period. There is no assurance that there will be any other applicants.

5. SEWAGE DISPOSAL

Sewers are not available in the subdivision. Individual septic tanks are to be used at an approximate cost of \$800.00 for 1,000 gallon tank. A percolation test has not been performed on each individual lot and the topography on some of the more sloping lots may require more than usual care in the placement of the system. There is no information available verifying that the land is suitable for the use of septic tanks. Therefore, there is no assurance that a septic tank will function on your lot. A permit must be obtained from the Environmental Improvement Agency before a septic tank may be installed. To obtain this permit, you must take a percolation test. The cost for this test must be borne by you. To the best of developer's knowledge, all septic tanks presently installed function properly.

The developer has not obtained a letter or report from a cognizant health officer approving

the use of an onsite sewage disposal system on each and every lot in the subdivision. There is no assurance that you will be able to obtain a permit or approval from the health officials for the installation and use of an onsite sewage disposal system.

The developer has made no provision for the installation of a central sanitary sewerage system, nor has the developer made any provisions to set aside any money to fund the installation of such a system.

6. DRAINAGE AND FLOOD CONTROL

No drainage has been or will be required to render any of the lots suitable for construction purposes. No artificial drains, storm sewers or flood control channels have been installed. No drainage facilities will be constructed by the developer.

7. TELEVISION

Television reception is available to lots within the subdivision without reception cost.

c. MUNICIPAL SERVICES:

1. FIRE PROTECTION

There is no fire protection available within the subdivision. Volunteer fire protection is provided by Jemez Springs Volunteer Fire Department approximately 18 miles from the subdivision.

2. POLICE PROTECTION

Police protection is available from Sandoval County Sheriff Department, Bernalillo, New Mexico, and State Police Officer stationed in Jemez Springs, New Mexico.

3. GARBAGE AND TRASH COLLECTION

There is no garbage and trash collection service in the subdivision at this time and no service is proposed. You must haul your trash to the Los Alamos County Dump, approximately 23 miles.

4. PUBLIC SCHOOLS

The nearest elementary, junior high and senior high school is Jemez Springs Municipal School located approximately 28 miles from the subdivision. School bus transportation is available on State Road 4 adjacent to the subdivision. No public transportation is available.

5. MEDICAL AND DENTAL FACILITIES

The nearest hospital is Los Alamos Medical Center, in Los Alamos, New Mexico, approximately 24 miles from the subdivision. The hospital has 88 beds and is a private hospital offering general services. There is no ambulance service from the subdivision to the hospital.

Doctors and dentists are located in Los Alamos, New Mexico, approximately 24 miles from the subdivision.

6. PUBLIC TRANSPORTATION

Public transportation is not available from the subdivision to nearby municipalities. The closest public transportation is in Albuquerque, New Mexico 80 miles from the subdivision.

7. U. S. POSTAL SERVICE

Mail is not now delivered to lots in the subdivision. Lot purchasers may have their mail addressed "c/o General Delivery, Jemez Springs, New Mexico" and pick it up at the Post Office there. A lot purchaser may rent a box if he chooses. The Post Office is 19.2 miles from the subdivision.

11. WILL THE WATER SUPPLY BE ADEQUATE TO SERVE THE ANTICIPATED POPULATION OF THE AREA?

ANSWER: The developer has not obtained an engineer's report or a hydrological survey indicating the source and quantity of water in the subdivision and accordingly, there is no assurance that a sufficient quantity of water will be available to serve the anticipated population of the area.

12. IS ANY DRAINAGE OF SURFACE WATER, OR USE OF FILL NECESSARY TO MAKE LOTS SUITABLE FOR CONSTRUCTION OF A ONE-STORY RESIDENTIAL STRUCTURE? YES OR NO? IF YES, STATE WHETHER ANY PROVISION HAS BEEN MADE FOR DRAINAGE OR FILL AND GIVE ESTIMATE OF ANY COSTS BUYER WOULD INCUR.

ANSWER: No. The individual lots are large enough to provide a building site within each lot that will not require the drainage of surface water or use of fill.

13. STATE WHETHER SHOPPING FACILITIES ARE AVAILABLE IN THE SUBDIVISION; IF NOT, STATE THE DISTANCE IN MILES TO SUCH FACILITIES AND WHETHER PUBLIC TRANSPORTATION IS AVAILABLE.

ANSWER: No. Shopping facilities are not available in the subdivision. Limited shopping, consisting of one general store, a filling station and garage are available in Jemez Springs 19.2 miles from the subdivision. Complete shopping facilities are available in Los Alamos 23.2 miles from the subdivision.

14. APPROXIMATELY HOW MANY HOMES WERE OCCUPIED AS OF FEBRUARY 1, 1976?

ANSWER: There are approximately 4 homes occupied in the subdivision.

15. a. STATE ELEVATION OF THE HIGHEST AND LOWEST LOTS IN THE SUBDIVISION AND BRIEFLY DESCRIBE TOPOGRAPHY AND PHYSICAL CHARACTERISTICS OF THE PROPERTY.

ANSWER: The elevation of the highest lot in the subdivision is 8358 feet and the lowest lot is 8000.

The subdivision lies in the Jemez Mountain Range. The property is in a small valley surrounded by wooded mountains. The hill sides are thickly covered with tall Ponderosa Pine and Aspen trees. The soil is rocky volcanic ash.

- b. STATE IN INCHES THE AVERAGE ANNUAL RAINFALL AND, IF APPLICABLE, THE AVERAGE ANNUAL SNOWFALL FOR THE SUBDIVISION OR THE AREA IN WHICH IT IS LOCATED.

ANSWER: The average annual precipitation for the area in which the subdivision is located is approximately 17 inches. The records of the United States Weather Service do not break this figure down into rainfall and snowfall. However, due to the elevation of the area heavy snowfall can be anticipated.

- c. STATE TEMPERATURE RANGES FOR SUMMER AND WINTER, INCLUDING HIGHS, LOWS AND MEANS.

ANSWER: The temperature range for summer is

High 90 degrees  
Low 58 degrees  
Mean 74 degrees

The temperature range for winter is

High 45 degrees  
Low 20 degrees  
Mean 32 degrees

16. WILL ANY SUBSURFACE IMPROVEMENT, OR SPECIAL FOUNDATION WORK BE NECESSARY TO CONSTRUCT ONE STORY RESIDENTIAL OR COMMERCIAL STRUCTURES ON THE LAND? YES OR NO? IF YES, STATE IF ANY PROVISIONS HAVE BEEN MADE AND ESTIMATE ANY COSTS BUYER WOULD INCUR.

ANSWER: No. The individual lots offered are large enough to provide a building site within each lot that will not require special construction techniques because of unstable or expansive soil conditions. You may wish to use a post and beam or cantilever design on those lots that have greater than 15% slopes. All lots in the subdivision has a slope greater than 15%. The cost of this special construction will not exceed 15% over the cost of conventional construction of level grade.

17. STATE WHETHER THERE IS PHYSICAL ACCESS (BY CONVENTIONAL AUTOMOBILE) OVER LEGAL RIGHTS-OF-WAYS TO ALL LOTS AND COMMON FACILITIES IN THE SUBDIVISION. STATE WHETHER THE ACCESS WILL BE BY PUBLIC OR PRIVATE ROADS AND STREETS AND WHETHER THEY WILL BE MAINTAINED BY PUBLIC OR PRIVATE FUNDS.

ANSWER: All lots in the subdivision are accessible by conventional automobile during good weather conditions.

However, lots may become inaccessible by conventional automobile due to snow and muddy conditions. There is legal access to all lots by private right-of-way easements. The roads will be maintained by private funds from the property owners' association.

18. HAS LAND IN THE SUBDIVISION BEEN PLATTED OF RECORD? YES OR NO? IF NOT, HAS IT BEEN SURVEYED? YES OR NO? IF NOT, STATE ESTIMATED COST TO BUYER TO OBTAIN A SURVEY.

ANSWER: All the land in Units 1, 2 and 3 have been platted of record and surveyed.

19. HAVE THE CORNERS OF EACH INDIVIDUAL LOT BEEN STAKED OR MARKED SO THAT THE PURCHASER CAN IDENTIFY HIS LOT? IF NOT, STATE THE ESTIMATED COST TO THE PURCHASER TO OBTAIN A SURVEY AND TO HAVE THE CORNERS OF HIS LOT STAKED OR MARKED.

ANSWER: Yes. The corners of each individual lot have been staked so you can identify your lot.

20. DOES THE DEVELOPER HAVE A PROGRAM IN EFFECT TO CONTROL SOIL EROSION, SEDIMENTATION AND FLOODING THROUGHOUT THE ENTIRE SUBDIVISION? YES OR NO? DESCRIBE THE PROGRAM, IF ANY. HAS THE PLAN BEEN APPROVED OR MUST THE PLAN BE APPROVED BY OFFICIALS RESPONSIBLE FOR THE REGULATION OF LAND DEVELOPMENT? YES OR NO. IS THE DEVELOPER OBLIGATED TO COMPLY WITH THE PLAN? YES OR NO.

ANSWER: No. The developer does not have a program to control soil erosion, sedimentation and flooding and he is not obligated to comply with any official plan. Erosion and flooding could result in property damage and could create a health and safety hazard.

21. STATE WHETHER OR NOT THE DEVELOPER HAS A DEFICIT IN RETAINED EARNINGS OR HAS EXPERIENCED AN OPERATING LOSS DURING THE LAST FISCAL YEAR. YES OR NO. IF YES, YOUR ATTENTION IS DIRECTED TO THOSE ITEMS IN THE PROPERTY REPORT WHEREIN THE DEVELOPER MAY HAVE PROMISED TO COMPLETE CERTAIN FACILITIES OR TO DISCHARGE FINANCIAL OBLIGATIONS.

ANSWER: Yes. The developer did experience an operating loss during the last fiscal year.

#### SPECIAL RISK FACTORS

- (a) The future value of land is very uncertain; do NOT count on appreciation.
- (b) You may be required to pay the full amount of your obligation to the bank or third party to whom the developer may assign your contract or note, even though the developer may have failed to fulfill promises he has made.
- (c) Resale of your lot may be subject to the developer's restrictions, such as limitations on the posting of signs,

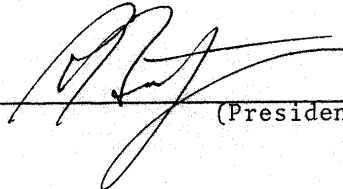
limitations to the rights of other parties to enter the subdivision unaccompanied, membership prerequisites or approval requirements, or developer's first right of refusal. You should check your contract for such restrictions and also note whether your lien or any other liens on the property would affect your right to sell your lot.

- (d) You should consider the competition which you may experience from the developer in attempting to resell your lot and the possibility that real estate brokers may not be interested in listing your lot.
- (e) Changing land development and land use regulations by Government agencies may affect your ability to obtain licenses or permits or otherwise affect your ability to use the land.

#### FINANCIAL STATEMENTS

You should carefully review the attached financial statements of the developer (see Exhibit A).

Signature of the senior Executive Officer of the Developer

  
\_\_\_\_\_  
(President)