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**Amended
DISCLOSURE STATEMENT
FOR
PINON SPRINGS RANCHES
SOCORRO COUNTY, NEW MEXICO**

NEW MEXICO LAND & RANCHES, INC., P.O. BOX 448, SOCORRO, NEW MEXICO 87801

505-835-1008

The following disclosures are prepared in accordance with state and federal rules and regulations.

This Disclosure Statement is intended to provide you with enough information to make an informed decision on the purchase, lease or acquisition of the property described in this statement. You should read carefully all of the information contained in this disclosure statement before you decide to buy, lease or otherwise acquire the described property.

THE STATE OF NEW MEXICO NEITHER HAS PREPARED OR ISSUED THIS DOCUMENT NOR
HAS IT PASSED ON THE MERITS OF THE SUBDIVISION DESCRIBED HEREIN

- 1. NAME OF SUBDIVISION:** Pinon Springs Ranches which is located within the County of Socorro, State of New Mexico
- 2. NAME AND ADDRESS OF SUBDIVIDER:** New Mexico Land & Ranches, Inc., a New Mexico corporation whose business address is P.O. Box 448, 113 Abeytia Ave., Suite A, Socorro, New Mexico 87801
- 3. NAME AND ADDRESS OF PERSON(S) IN CHARGE OF SALE, LEASE OR OTHER CONVEYANCE IN NEW MEXICO:** Daniel W. Dattola, Broker, President, New Mexico Land & Ranches, Inc., a New Mexico corporation, whose business address is P.O. Box 448, 113 Abeytia Ave., Suite A, Socorro, New Mexico 87801
- 4. SIZE OF SUBDIVISION, BOTH PRESENT AND ANTICIPATED:** Pinon Springs Ranches Development consists of 5176.64 +/- acres divided into 187 parcels 20 to 50 acres in size.
- 5. SIZE OF LARGEST PARCEL OFFERED FOR SALE, LEASE OR CONVEYANCE WITHIN THE SUBDIVISION:** The largest parcel in the development is 50 + acres.
- 6. SIZE OF SMALLEST PARCEL OFFERED FOR SALE, LEASE OR CONVEYANCE WITHIN THE SUBDIVISION:** The smallest parcel in the development is 20 acres.
- 7. PROPOSED RANGE OF PRICES FOR SALES, LEASES OR OTHER CONVEYANCES:** Sell price for parcels within Pinon Springs Ranches range from \$19,900 to \$59,900. The parcels range is size from 20 - 50 + acres.. Prices are subject to change depending on market value at time of sale of parcel.
- 8. FINANCING TERMS:** Financing is offered through New Mexico Land & Ranches, Inc., and will be assigned at closing to a financial institution. The current interest rate will be at 3% above the current prime rate for a 10-year term with a down payment of 20% at a fixed rate or variable rate with 30% down and a 7- year term. Closing costs are not to exceed \$500.00 dollars. These figures are subject to change depending on the condition of the financial market and changes in prime as reported in the Wall Street Journal.
- 9. NAME AND ADDRESS OF PERSONS HAVING EQUITABLE TITLE:** New Mexico Land & Ranches, Inc., a New Mexico corporation whose business address is P.O. Box 448, 113 Abeytia Ave., Suite A, Socorro, New Mexico 87801

Daniel W. Dattola, President
P.O. Box 448
Socorro, New Mexico 87801

Gary Sumner, Vice-President
1020 Sandretto Drive
Prescott, Arizona 86305

William MacAlpine, Treasurer
875 Greenland Road, Ste. A-6
Portsmouth, NH 03801

Stacie L. Hunt, Secretary
P.O. Box 448
Socorro, New Mexico 87801

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10. NAME AND ADDRESS OF HOLDER OF LEGAL TITLE: New Mexico Land & Ranches, Inc., a New Mexico corporation whose business address is P.O. Box 448, 113 Abeytia Ave., Suite A, Socorro, New Mexico 87801

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Portsmouth, NH 03801

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P.O. Box 448
Socorro, New Mexico 87801

11. CONDITION OF TITLE: Developer Finance Corporation holds a mortgage on all the subdivision. Lien releases are executed and held with Escrow Agent and will be given on each individual parcel to Buyer at closing and Buyer will own fee simple title to lot. IF THE ABOVE SUPERIOR LIENS ARE NOT PAID, THE BUYER'S ENTIRE INVESTMENT MAY BE IN JEOPARDY OR LOST.

12. STATEMENT OF ALL RESTRICTIONS OR RESERVATIONS OF RECORD OR ACTIVITIES OR CONDITIONS ADJACENT TO OR NEARBY THE SUBDIVISION THAT WOULD SUBJECT THE LAND PROPOSED FOR SUBDIVISION TO ANY UNUSUAL CONDITIONS AFFECTING ITS USE OR OCCUPANCY: No unusual conditions affecting the use or occupancy are known to exist. All restrictions and reservations are set forth in the First Amended Declaration of Covenants, Conditions and Restrictions for Pinon Springs Ranches which have been recorded with the Socorro County Clerk and Recorder on the 7th day of June, 2004 at 1:15 PM at Book 509, Pages 1418 - 4426 144

13. ESCROW AGENT: Socorro County Abstract & Title, P.O. Box 475, 200 Garfield Street, Socorro, New Mexico 87801, 505-835-4743 phone, 505-838-4151 fax, an independent third party in which Seller has no interest or financial ties.

14. UTILITY PROVIDERS AND ESTIMATED COSTS: Seller is not providing potable water. If Buyer intends to build a habitable structure and desires potable water, Buyer is responsible for incurring the cost of well drilling and obtaining a water well permit from *New Mexico State Engineer's Office, 121 Tijeras NE, Suite 2000, Albuquerque, New Mexico 87102, telephone number (505) 764-3888*. The cost for well installation will vary based on an approximate per foot charge depending on the depth of the well. Seller does not warrant the quantity or quality of water or the probability of successfully finding water on a specific lot in conjunction with a local water company or the associated costs.

Conventional landline telephone service is within a reasonable distance from the subdivision and New Mexico Land & Ranches, Inc., does not represent that service is available now nor that service will be available in the near future. At this time, wireless and cellular services are the only communication services available.

Seller will not extend or install any conventional electricity lines and does not represent that electricity is available for each and every lot. Socorro Electric Cooperative, Inc. provides the conventional electrical service in the area. Buyer may contact *Socorro Electric Cooperative, Inc. at 215 Manzanares, Socorro, New Mexico at 800-351-7575* for additional information and costs for hook-up. Buyer is solely responsible for obtaining and paying for all costs incurred regarding providing electricity to his/her lot. Alternative energy source such as solar power is also available. For further information on alternative energy sources you may contact *Direct Power & Water Corp., 4000 Vasser Blvd. N.E., Albuquerque, New Mexico, 800-260-3792*.

Aside from electricity, there are certain other energy sources available for use in the Subdivision. Propane gas service is available from *Sierra Propane, Magdalena, New Mexico whose telephone number is (505) 854-2854*. Currently rental on a 250-gallon tank is \$45.00 plus tax per year and propane gas costs between \$1.30 to \$1.50 per gallon. Installation costs will be determined by location of building site in relation to the tank site. Buyer will be responsible for all costs and permit requirements for installation of propane gas. Natural gas is not available in this Subdivision.

A central sewage system is not available for this Subdivision. Buyer is entirely responsible for the cost of installation, including testing and obtaining approval, of a sewage disposal system for the Buyer's Property. In order to install a sewage system, Buyer must obtain all necessary permits from *New Mexico Environment Department, 336 6th Street Box 14, Socorro, New Mexico, 87801, Jack Hooper*

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whose telephone number is 505-835-1287. Soil tests may be required prior to issuing the permit and a New Mexico registered professional engineer must conduct percolation tests and may be required to design a special sewage system for the Property. A licensed New Mexico engineer must engineer all septic systems. The estimated cost for installation of an on-site individual sewage system will vary depending on the depth of bedrock, slope, or other geographical characteristics. In the event Buyer cannot get a permit for an individual on-site sewage system anywhere on the lot being purchased the Seller will purchase the lot from Buyer for the original purchase price that Buyer paid for the lot.

15. INSTALLATION OF UTILITIES: Seller is not providing utilities. This property is primarily recreational-seasonal-agricultural property. If Buyer is interested in obtaining utilities for his/her lot, Buyer is entirely responsible for the cost and installation of any and all utilities and utilities will be by an underground service.

16. UTILITY LOCATION: Seller is not providing utilities. If Buyer is interested in obtaining utilities for his/her lot, Buyer is entirely responsible for the cost and installation of any and all utilities and utilities will be by an underground service.

17. WATER AVAILABILITY: Seller is not providing potable water. If Buyer intends to build a habitable structure and desires potable water, Buyer is responsible for drilling an individual domestic well. Buyer's responsibility includes incurring the cost of well drilling and obtaining a water well permit from *New Mexico State Engineer's Office, 121 Tijeras NE, Suite 2000, Albuquerque, New Mexico 87102, telephone number (505) 764-3888* at a cost of \$5.00. The cost for well installation will vary based on an approximate per foot charge depending on the depth of the well. Seller does not warrant the quantity of water, the probability of successfully finding water on a specific lot, or the associated costs. The maximum annual water requirement of the subdivision, including indoor and outdoor domestic uses, is 0.30 acre-feet per year (ac-ft/yr) per lot, and a total of 56.4 ac-ft/yr for all 187 lots. Estimated indoor water use is 0.21 ac-ft/yr per lot and estimated outdoor water use is 0.09 ac-ft/yr per lot. Water will be provided to the subdivision by individual domestic water-supply wells drilled under New Mexico Office of the State Engineer 72-12-1 permits for each lot in the subdivision. Residences should have water-conserving plumbing fixtures and appliances. For each lot, a sprinkler-irrigated turf grass area of 700 square feet (ft²) is allowed, a drip-irrigated tree and shrub area of 100 ft² is allowed, and a drip-irrigated vegetable garden area of 150 ft² is allowed. The following are prohibited swimming pools and decorative ponds. The following are restricted and if installed must be included in the maximum annual water requirement of the subdivision as set forth above hot tubs and water fountains.

18. FOR SUBDIVISIONS WITH COMMUNITY WATER SYSTEMS: Not applicable.

19. FOR SUBDIVISIONS WITH INDIVIDUAL DOMESTIC WELLS OR SHARED WELLS: Buyer is solely responsible for drilling an individual domestic well. Buyer's responsibility includes incurring the cost of well drilling and obtaining a water well permit from *New Mexico State Engineer's Office, 121 Tijeras NE, Suite 2000, Albuquerque, New Mexico 87102, telephone number (505) 764-3888* at a cost of \$5.00. The cost of well drilling and well completion in the subdivision is approximately \$25 per foot. *Jim Johnson Drilling Co., P.O. Box 221, Socorro, New Mexico 87801, telephone number (505) 835-2380* quotes a driller cost of \$22.00 to \$25.00 per foot depending on the type of well drilled, therefore the cost of a well would be approximately \$4,400 to \$22,500, plus additional costs of \$1000 to \$4000 for pumps, wiring and pressure tanks as per *Williams Windmill, Inc., P.O. Box 7, Lemitar, New Mexico 87823, telephone number (505) 835-1630*. However, each parcel owner should carefully evaluate and select the best well drilling and Service Company based on cost, service and performance. The only type of water treatment that may be necessary is a water-softening system, which costs about \$700. These costs are reported in U.S. dollars in 2004. Depth to ground water ranges from 200 to 500 feet at the subdivision. New Mexico Land & Ranches, Inc., recommends that domestic water-supply wells be completed to total depths of 500 to 750 feet below ground level, depending on the well location. Wells completed at lower elevations and on hillslopes may need to be completed to total depths of 500 to 650 feet and wells completed on hilltops may need to be completed to total depths of 650 to 750 feet. New Mexico Land & Ranches, Inc., recommends that wells be completed with 150 to 200 feet of screen section. Estimated well yields for wells completed to the recommended total depths with the recommended screen sections would range from 4 to 15 gallons per minute.

20. LIFE EXPECTANCY OF WATER SUPPLY: The primary aquifers for the subdivision are the Santa Fe Group and underlying Datil Group. At the subdivision, the Santa Fe Group is a 300 to 600 feet thick section of volcanic-rich sandstone and conglomerate and the underlying Datil Group is a 1,000 feet thick section of volcanic rock. Both aquifers have been demonstrated to provide a 40-year

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water supply using a ground-water flow model. The model-simulated 40-year drawdowns in wells within the subdivision range from 1 to 5 feet.

21. SURFACE WATER: The subdivision does not have any surface-water supply

22. NEW MEXICO STATE ENGINEER'S OPINION ON WATER AVAILABILITY:

The New Mexico State Engineer's opinion on water and availability is included in its entirety as Exhibit A attached hereto and incorporated herein by reference.

23. WATER QUALITY: Seller is not providing potable water. If Buyer intends to build a habitable structure and desires potable water, Buyer is responsible for incurring the cost of well drilling and obtaining a water well permit from *New Mexico State Engineer's Office, 121 Tijeras NE, Suite 2000, Albuquerque, New Mexico 87102, telephone number (505) 764-3888*. The cost for well installation will vary based on an approximate per foot charge depending on the depth of the well. Buyer may also be able to obtain potable water by installing a cistern system. Seller does not warrant the quality of water, the probability of successfully finding water on a specific lot, or the associated costs. The quality of ground water for the subdivision is good, with soft to moderately hard water and total dissolved solids concentrations below 500 milligrams per liter. In the subdivision, three test wells were sampled for the water quality parameters listed in the Socorro County Land Subdivision Regulations, Ordinance 97-006, and all measured parameters were below the New Mexico Environment Department Drinking Water Bureau standards.

24. NEW MEXICO ENVIRONMENT DEPARTMENT'S OPINION ON WATER

QUALITY: New Mexico Environment Department's opinion on water quality is included in its entirety as Exhibit D attached hereto and incorporated herein by reference.

25. LIQUID WASTE DISPOSAL: A central sewage system is not available for this Subdivision. Buyer is entirely responsible for the cost of installation, including testing and obtaining approval, of a sewage disposal system for the Buyer's Property. In order to install a sewage system, Parcels will be served by individual septic systems and are the responsibility of the buyer. Individual septic systems must be designed by an engineer who is licensed in the state of New Mexico. *New Mexico State Environment Department, 336 6th Street Box 14, Socorro, , New Mexico telephone number (505) 835-1287* issues all septic permits. Alternative systems may be required for some lots. *SMA Enterprises, W. Hwy 60, Socorro, New Mexico 87801 telephone number (505) 835-2417*. The average cost of installing a standard septic system is estimated to range between \$4000 and \$6000.

26. NEW MEXICO ENVIRONMENT DEPARTMENT'S OPINION ON LIQUID WASTE

DISPOSAL: New Mexico Environment Department's opinion on liquid waste disposal is included in its entirety as Exhibit D attached hereto and incorporated herein by reference.

27. SOLID WASTE DISPOSAL: Seller is not providing solid waste pickup services. Solid waste disposal is the sole responsibility of the Buyer. The nearest transfer station is located at Magdalena, New Mexico, a distance of approximately 17 miles southeast from the Subdivision. County permits will be assessed and issued with property taxes for a cost of approximately \$50.00 per year.

28. NEW MEXICO ENVIRONMENT DEPARTMENT'S OPINION ON SOLID WASTE

DISPOSAL: New Mexico Environment Department's opinion on solid waste disposal is included in its entirety as Exhibit D attached hereto and incorporated herein by reference.

29. TERRAIN MANAGEMENT: a) The soils in the subdivision are described in detail in the Terrain Management Plan for Pinon Springs Ranches, August 2003, which is a part of this Subdivision Application. The soil Map (map pocket of the Terrain Management Plan) shows six soil types and the text of the Terrain Management Plan provides a narrative description of each soil type with interpretations of the limitations for residential use. b) Measures necessary for overcoming soil and topographic limitations include leveling of building pad, excavation of rock for foundation and/or basement, importing compactable soil material as needed for building site development and properly contouring private driveways/roads to prevent excessive soil erosion. c) Ephemeral drainage channels that are shown on the Drainage Exhibit (map pocket of the Terrain Management Plan) characterize flood ways, flood fringes and flood plains. The major drainage channels are the Jaralosa Creek and the Abbe Spring Canyon. These and other numerous, smaller drainage channels provide storm water drainage during thunderstorms and spring snowmelt. Typically, all drainage channels are dry or nearly dry except for periodic occurrences of precipitation. Where the flood plains lie within subdivision boundaries, they will be protected by subdivision covenants and restrictions and will not be used for dwelling construction. Buildings should be constructed well above the flood fringe of the Jaralosa Creek, the Abbe Spring Canyon or any other ephemeral drainageway. d) The areas

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that exceed 8% slope are depicted on the Natural Features Map (map pocket of the Terrain Management Plan). **e)** Generally, the surface drainage system will remain unchanged as is shown on the Drainage Exhibit (map pocket of the Terrain Management Plan). The Jaralosa Creek drains an area that lies southwest of the subdivision as well as western one-half of the subdivision. The Jaralosa drains northerly to its confluence with the Rio Salado which drains easterly to the Rio Grande. The Abbe Springs Canyon drains approximately one-third of the northeast portion of the subdivision in a northerly direction and the Dry Lake Canyon drains approximately one-third of the southwest portion of the subdivision in a southerly direction. Both drainageways eventually drain to the Rio Salado. **f)** Storm drainage system components to be constructed consist of drainage culverts to carry storm water across roadways. Culverts will be installed where significant drainage channels cross roads. Refer to the Road/Lot Layout (map pocket of the Terrain Management Plan) for potential culvert locations. **g)** There are no storm drainage system improvement planned for the subdivision. Storm drainage culverts will be installed concurrent with the construction of roads. **h)** Comments from the Soil and Water Conservation District are pending. **i)** Drainage system components include the natural drainage ways and existing channels. Any potential land owner will be made aware of these components which are to remain unchanged. All maps referenced above are available for review at the office of New Mexico Land & Ranches, Inc. 113 Abeytia Ave. Ste. A, Socorro, New Mexico 87801

30. SOIL AND WATER CONSERVATION DISTRICT'S OPINION ON TERRAIN

MANAGEMENT: The Salado Soil and Water Conservation Districts' opinion on terrain management is included in its entirety as Exhibit B attached hereto and incorporated herein by reference.

31. SUBDIVISION ACCESS: There is legal access to the subdivision by means of County/Forest Service Road 123, which is accessed off of State Highway 169. Pinon Springs Ranches Development is approximately 16 miles northwest of Magdalena, New Mexico.

Interior roads within the development will be improved gravel roadways. Seller shall construct 16' private roads with a minimum of a 14' foot wide graveled running surface with proper ditches and drainage. The gradient being less than fifteen (15%) percent where possible which will allow traversing by conventional vehicles and ordinarily available in all seasons and under all weather conditions. The roads within the development are private roads that will be maintained by the Pinon Springs Ranches Homeowner's Association Inc. Dues are paid that provide for the yearly maintenance and grading of interior roads. The initial annual dues are two hundred dollars (\$200.00), per year per parcel. See the Property Owners Association information in the attached Declaration of Conditions, Covenants, and Restrictions. Those parcels accessed by a publicly owned and maintained roadway and are exempt from being members of the Pinon Springs Ranches Homeowner's Association are as follows: Parcel 9, 21, 22 & 23 of the 140's and Parcels 26,29,30,62,63,64,65 & 66 are accessed by publicly owned and maintained roadways.

Seller does not warrant that the private roads within the Subdivision will ever be eligible for acceptance for maintenance by the County after construction of same.

32. MAINTENANCE: Legal access to each lot fronting on private roads within the Subdivision shall be by a recorded dedicated easement. Seller shall construct 16' private roads with a minimum of a 14' foot wide graveled running surface with proper ditches and drainage. The gradient being less than fifteen (15%) percent where possible which will allow traversing by conventional vehicles and ordinarily available in all seasons and under all weather conditions. Pinon Springs Ranches Homeowner's Association shall maintain all private roads within the subdivision. Maintenance on said private roads should include year-round maintenance and snow removal if necessary. Buyer is responsible for construction and maintenance of the driveways fronting the above mentioned private roads leading into Buyer's lot. New Mexico Land & Ranches, Inc. and Socorro County makes no representation concerning the aforesaid road or maintenance thereof, and no mechanism for maintenance of said roads other than as stated above.

Those parcels accessed by a publicly owned and maintained roadway and are exempt from being members of the Pinon Springs Ranches Homeowner's Association are as follows: Parcel 9, 21, 22 & 23 of the 140's and Parcels 26,29,30,62,63,64,65 & 66 are accessed by publicly owned and maintained roadways. No parcel is exempt from the First Amended Declaration of Covenants, Conditions and Restrictions.

33. STATE HIGHWAY DEPARTMENT'S OPINION ON ACCESS: The New Mexico State Highway Department's opinion on access is included in its entirety as Exhibit C attached hereto and incorporated herein by reference.

34. CONSTRUCTION GUARANTEES: Not applicable.

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35. ADVERSE OR UNUSUAL CONDITIONS: Seller is unaware of adverse or unusual conditions affecting the use or occupancy of the Subdivision.

36. MISCELLANEOUS DEVELOPMENT: Owners of parcels within Pinon Springs Ranches Development shall be members of Pinon Springs Ranches Homeowners Association, Inc. (the "Association"). The annual average liability of each lot within the Association with respect to common expenses of the Subdivision, exclusive of optional user fees and any insurance premiums paid by the Association, as of the date hereof is Two Hundred Dollars (\$200) per year per lot. Owners of parcels within Pinon Springs Ranches Development shall be liable for common expenses upon closing. The Developer shall be responsible for paying association dues and fees to the same extent as any other lot owner for the parcels it owns, and shall not be authorized to borrow from the Association. The Association shall control and disperse all funds of the Association. The Seller (Developer) in every contract of sale shall provide to the purchaser, a written statement of assessments. Those parcels accessed by a publicly owned and maintained roadway and are exempt from being members of the Pinon Springs Ranches Homeowner's Association are as follows: Parcel 9, 21, 22 & 23 of the 140's and Parcels 26, 29, 30, 62, 63, 64, 65 & 66 are accessed by publicly owned and maintained roadways.

The Association shall provide such services as the Board of Directors deem necessary or appropriate to (i) manage, operate, construct, improve and maintain any of the amenities of the Association; (ii) administer and enforce the covenants, conditions, restrictions, reservations and easements created by the Articles of Incorporation and By-Laws; (iii) promote recreational and social activities for owners and residents of Pinon Springs Ranches Development and their guests, (iv) protect the general welfare and safety of owners and residents of Pinon Springs Ranches Development and their guests, (v) regulate and manage Pinon Springs Ranches Development with the goal of enhancing and protecting its value.

Seller has exclusive right to appoint all members of the Board of Directors of the Association during the period commencing on formation of the Association and ending on the date on which seventy-five (75%) of the parcels within the Subdivision have been sold to persons or entities other than Seller. Thereafter, Seller has the exclusive right to appoint two-thirds (2/3) of the members of the Board of Directors (rounded upward to the nearest whole director) until such time as Seller no longer owns any lot or tract within Pinon Springs Ranches Development. Seller may relinquish rights of appointment described in this paragraph at any time. All members of the Board of Directors not appointed by Seller pursuant to the exclusive rights described in this paragraph shall be elected by the owners of parcels within Pinon Springs Ranches Development at the annual meeting of the Association as provided in the Bylaws of the Association.

Seller does not have any financial interest in the Association and will not derive any income or profit from the activities of the Association.

37. FIRE PROTECTION: This development is located in a rural, unincorporated area of Socorro County and will not be serviced by water/fire hydrants within the development. Fire Protector of the State of New Mexico Forestry, Magdalena District, a volunteer fire station provides Wildland Fire Protection. The Fire Protector is located approximately 17 miles from the development via County/Forest Service Road 123 and State Highway 169.

38. POLICE PROTECTION: Police protection is provided by the Socorro County Sheriff's Office located in Socorro, New Mexico, approximately 45 miles southeast of the development and New Mexico State Police whose headquarters are also located in Socorro, New Mexico. Either can be reached by dialing 911. The Town of Magdalena has in place a Marshall's Office which can also be reached by dialing 911.

39. PUBLIC SCHOOLS: Public schools for grades K-12 are located in Magdalena, New Mexico, which is approximately 16 miles southeast on Hwy 169 from Pinon Springs Ranches. School buses will pick-up and drop-off children at a designated pick-up location along paved Hwy 169. The School District will pay parents to deliver their children to the designated location at a rate of \$.25 per mile for the 1st child and an additional \$.50 per other children. These rates are based on a 145 day year and are paid monthly by the School District. If a child misses a day of school, the District will deduct \$1.00 per child per day from what is owed to parents for that month. For more information, contact the Magdalena School District telephone 505-854-2241.

40. HOSPITALS: Socorro General Hospital is the nearest full service hospital and is located in Socorro, New Mexico approximately 45 miles from the development via Hwy 169 and Hwy 60. Magdalena Health Center is located in Magdalena, New Mexico which is approximately 16 miles southeast from the development/subdivision.

41. SHOPPING FACILITIES: Groceries and gasoline are available in the town of Magdalena, approximately 16 miles southeast via Hwy 169. Groceries, gasoline, department stores and dining facilities are located in Socorro, New Mexico which is located approximately 45 miles southeast from the development/subdivision via Hwy 169 and Hwy 60. The nearest regional shopping mall with over 100 stores is located in Albuquerque, approximately 120 miles north of the development/subdivision via Hwy 169 south to Hwy 60 east then north on I-25.

42. PUBLIC TRANSPORTATION: There is no public transportation available that serves the Pinon Springs Ranches development at this time. The nearest private airport is located in Socorro, New Mexico approximately 45 miles southeast from the development/subdivision. The nearest regional airport or train service is located in the city of Albuquerque, New Mexico which, is approximately 120 miles northeast of the development/subdivision.

43. RECORDATION OF INTERESTS: No later than thirty (30) business days following the date of closing, Buyer's deed will be delivered to the Clerk and Recorder of Socorro County, New Mexico, for recording.

44. RESPONSIBILITY FOR PERMITTING: Buyer is responsible for any and all permit requirements regarding development of his/her parcel. Buyer is advised to investigate the availability of such permits before purchasing an interest in the Subdivision and also whether these are requirements for construction of additional improvements before the land may be occupied. Names and numbers are provided in paragraph 14 above.

45. RIGHT OF RESCISSION: Buyer has the right to cancel and rescind this contract within seven (7) calendar days after the date of execution of this document. This right of rescission may not be waived. If a Buyer has not inspected the parcel prior to the time of purchase, Buyer has six (6) months within which to personally inspect the land. After making the personal inspection within the six (6) month period, the Buyer has the right to rescind the purchase and receive a refund of the original purchase price paid when merchantable title is revested in the Seller. Notice of such rescission to the Seller shall be made in writing and shall be given within three days of the date of personal inspection.

46. LEGAL COUNSEL: Buyer acknowledges that Buyer has consulted with or has had the opportunity to consult with and to obtain an attorney to review and advise with regard to the aspects of the transaction contemplated by this Contract, including review of the Articles of Incorporation and By-Laws which have been delivered to Buyer, examination of title to the Property, and representation at the closing hereunder.

47. VA, FHA, FHMA: Pinon Springs Ranches Development has not been approved by VA, FHA, FHMA or similar entities, and Seller shall not seek such approvals for all or any portion of Pinon Springs Ranches Development.

48. ARCHAEOLOGICAL SITES: A search of the New Mexico State Register of Historic Places revealed no sites on the State Register either in or adjacent to the subdivision. A reconnaissance survey of the subdivision located twenty-four archaeological sites. Twenty-one of these sites are eligible and one is interpreted as potentially eligible for inclusion on the State and National Register of Historic Places and will be avoided by development activities. For the smaller lots, which are covered under the subdivision law, New Mexico Land and Ranches, Inc., will provide the new owners of parcels with identified eligible or potentially eligible archaeological sites locations of the sites for the purpose of protecting the sites and avoiding them with utility, driveway, and house placement.

The New Mexico Office of Cultural Affairs Historic Preservation Division encourages property owners to avoid and preserve any cultural resources that may exist on their property and strongly recommends "non-disturbance" easements be placed on any cultural sites that may be or have been found. Registered cultural properties are protected by Section 18-6-10 NMSA 1978: it is deemed an act of trespass and a misdemeanor for any person to remove injure or destroy such registered cultural properties without the owner's prior permission."

Where human burials are found on private property it is unlawful to disturb them and they are provided the protection of law and shall receive respectful treatment and disposition. Section 18-6-11.2 NMSA states in part that "A person who knowingly, willfully and intentionally excavates, removes, disturbs or destroys any human burial buried, entombed or sepulchered in any unmarked burial ground in the state, except by authority of a permit issued by the state medical investigatoris guilty of a fourth degree felony and shall be punished by a fine not to exceed five thousand dollars (\$5,000) or by imprisonment for a definite term of eighteen months, or both."

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Financial incentives to landowners and corporations have been established for cultural resources. A credit to state income tax is available to New Mexico landowners who have an archaeological site listed on the State Register. The Cultural Properties Preservation Easement Act allows New Mexico landowners to obtain federal preservation easement tax credits. More information can be obtained from Office of Cultural Affairs Historic Preservation Division, La Villa Rivera Building, 228 East Palace Avenue, Santa Fe, New Mexico 87501, 505-827-6320.

We the undersigned owner(s) of Pinon Springs Ranches, Socorro County, New Mexico, do hereby certify that the foregoing statements are true and correct to the best of our knowledge and belief.

WITNESS our hands and seals on this the 8th day of June, 2004.

New Mexico Land & Ranches, Inc., developer

Daniel W. Dattola

SIGNATORY: Daniel W. Dattola, President

ATTEST:

Stacio L Hunt

STATE OF NEW MEXICO)
)
COUNTY OF SOCORRO)

On this 8th day of June, 2004, before me appeared Daniel W. Dattola to me personally known, who, being by me duly sworn did say that (he/she/they) is (are) the President of New Mexico Land & Ranches, Inc. and that said instrument was signed on behalf of said New Mexico Land & Ranches, Inc.



Official Seal
Toni T. Kirby
Notary Public
State of New Mexico

My Commission Expires: 9/30/07

9/30/07

Toni T. Kirby
NOTARY PUBLIC

BY SIGNING THIS RECEIPT YOU ACKNOWLEDGE THAT YOU HAVE RECEIVED A COPY OF THIS DISCLOSURE STATEMENT.

RECEIVED BY:

BUYER:

BUYER:

Signature: _____

Signature: _____

Name: _____

Name: _____

Address: _____

Address: _____

Telephone: _____

Telephone: _____

Facsimile: _____

Facsimile: _____

Date: _____ Time: _____

Date: _____ Time: _____

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STATE OF NEW MEXICO
OFFICE OF THE STATE ENGINEER
SANTA FE

John R. D'Antonio, Jr. P.E.
State Engineer

BATAAN MEMORIAL BUILDING, ROOM 101
POST OFFICE BOX 25102
SANTA FE, NEW MEXICO 87504-5102
(505) 827-6175
FAX (505) 827-6138

March 22, 2004

MAR 26 2004

Jody McSmith
Socorro County
P.O. Box 1
Socorro, NM 87801

CERTIFIED MAIL
RETURN RECEIPT
REQUESTED

Re: Pinon Springs Ranches Subdivision

Dear Ms. McSmith:

On March 8, 2004, the Office of the State Engineer received a request to review the Preliminary Plat for "Pinon Springs Ranches", a Type Four Subdivision. The proposal is a request to subdivide 5,176.64 acres of land into 187 lots with sizes ranging between 20 and 50 acres. The proposed subdivision is located approximately 16 miles northwest of Magdalena, within Sections 18, 19, 20, 28, 29, 30, 31, 32, 33, and 34, all in Township 1 North, Range 5 West, NMPM; and Section 36, Township 1 North, Range 6 West, NMPM. Water will be provided by individual domestic wells. This submittal was reviewed pursuant to the Socorro County Subdivision Regulations and the New Mexico Subdivision Act. It is the opinion of this office that the developer's water supply proposal satisfies the requirements of the County's subdivision regulations. Accordingly, a favorable opinion is issued.

WATER DEMAND ANALYSIS AND CONSERVATION COVENANTS

The developer has quantified the maximum annual water requirement pursuant to Section II, Article B.3.d (1) of the County Regulations, as 0.30 acre-feet per parcel per year. The developer has also quantified the water budget following the procedures set forth in OSE Technical Report 48 (Wilson, 1996), assuming 2.7 persons per dwelling, low flow water appliances, 700 square feet of non-native grass, 100 square feet of trees, and 150 square feet of garden. The indoor and outdoor water requirements have thus been estimated at 0.21 and 0.09 acre-feet per year per parcel.

Item # 17 of the developer's Disclosure Statement is consistent with this quantification. In fact, it states that the maximum water use should not exceed 0.30 acre-feet of water per year, and, to ensure that this amount is not exceeded, it specifies that low flow water appliances are required, and that irrigation should be limited to 700 square feet of turf, 100 square feet of trees and 150 square feet of garden. Item # W of the Restrictive Covenant refers to water conservation by stating only that low water use landscaping techniques shall be promoted. It is recommended that

509 4436

Jody McSmith
March 22, 2004
Page 2 of 3

Pinon Springs Ranches

the County request the developer to include in the restrictive covenants the same specifications that are included in the disclosure statement. It is also suggested that the developer restrict other outdoor uses such as swimming pools, hot tubs, water fountains, and decorative ponds.

WATER AVAILABILITY ASSESSMENT

The proposed source of water for this subdivision is individual domestic wells. The developer has submitted a geohydrologic report, pursuant to Section III, Article B.3.f (3) of the County Regulations. Aquifer tests were conducted at the following four wells, which were permitted, by the OSE, for exploratory purposes:

- Well RG-80364 is located in the northern part of the proposed subdivision. The log indicates that it was drilled at a depth of 620 feet, that the principal water bearing strata is 288 feet thick, and that the aquifer utilized is moderately to well cemented sandstones and conglomerates of the Tertiary-Quaternary Santa Fe Group. This well was pumped at 7 gpm for 24 hours. The water level dropped approximately 16 feet, and the measured recovery was 95% shortly after the pumping stopped.
- Well RG-80465 is located in the southern part of the proposed subdivision. The log indicates that it was drilled at a depth of 640 feet, that the principal water bearing strata is 253 feet thick, and that it is completed in the Santa Fe Group sedimentaries. It was pumped at 9 gpm for 24 hours. During this time the water level dropped 12 feet, and recovered shortly after the pumping stopped.
- Well RG-81108 is located in the northern part of the proposed subdivision. The geohydrology report states this well was completed to a total depth of 806 feet, had a water level of 421 feet, and that the aquifer utilized is fractured Datil volcanics. Although copy of the well record is not on file with this office (and the developer did not provide one), the review of logs of nearby wells suggest that the statement is correct. The consultant performed a 24 hour pumping test on this well at a rate of 8 gpm. The measured drawdown was 38 feet, and the well fully recovered five hours after the pumping stopped.
- Also a well located to the west of the subdivision, RG-80510, was tested. However, the results might not be indicative of the hydrogeologic conditions that will be encountered in most of the subdivision. In fact, the log and the pumping test indicate that it is completed in fractured layers of Cretaceous shales and sandstones. This formation outcrops west and northwest of the proposed subdivision. It underlies the Tertiary Datil volcanics and the sedimentary beds of the Tertiary and Quaternary Santa Fe Group¹, which dip slightly toward the southeast.

The geohydrology report includes determinations of transmissivities, calculations to predict if there is adequate recoverable water for 40 years, and the projected impacts on nearby wells and

¹ Roybal, F. E., 1991 - Groundwater resources of Socorro County, New Mexico. US Geological Survey, Water-Resources Investigation Report 89-4083.

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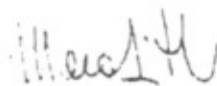
Jody McSmith
March 22, 2004
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Pinion Springs Ranches

springs. The report concludes that there is adequate water available for 40 years, and that the effects of pumping within the Pinion Springs Subdivision on nearby wells and springs will be minor. This office concurs with these conclusions.

Should you have any questions, please call me at 827-4273.

Sincerely,



Mara Smith
Water Use & Conservation Bureau

cc: John T. Romero, P.E., Water Resource Allocation Program Director

589 4438
Book - 1000

Salado Soil and Water Conservation Districts
P.O. Box 136
Datil, N.M. 87821

Socorro County Commissioners
106 W. Center
Socorro, N.M. 87801

April 2, 2004

To Whom It May Concern:

After reviewing the Terrain Management Plan for the Pinon Springs Ranch Subdivision
the District has no negative comments.

Thank you,

Sincerely:

Mike McWhorter
Chairman

589 4439



New Mexico DEPARTMENT OF
TRANSPORTATION
MOBILITY FOR EVERYONE

R/W Bureau

April 27, 2004

Ms. Jody McSmith
Socorro County Manager
P.O. Box 1
Socorro, New Mexico 87801

RE: Pinon Springs Subdivision

Dear Ms. McSmith:

The appropriate engineers of the New Mexico Department of Transportation have reviewed the material submitted on the above referenced development and do not have any further comments.

If you have any questions or need further information please contact me at 827-1879.

/PC

Sincerely,

P. Contreras

Pete Contreras
Property Management Unit
Right of Way Bureau

XC: Harold Love
Kathleen Garcia
Ron Noedel
File

Bill Richardson
Governor

Rhonda G. Faught P.E.
Cabinet Secretary

Commission

Johnny Cope
Chairman
District 2

David Schutz
Vice Chairman
District 5

Gregory T. Ortiz
Secretary
District 6

Norman Assad
Commissioner
District 3

Jim Franken
Commissioner
District 4

Bud Hettinga
Commissioner
District 1



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300K

THE NEW MEXICO DEPARTMENT OF TRANSPORTATION

INTRA DEPARTMENTAL CORRESPONDENCE

Subject: Pinon Springs Ranches Subdivision,
County of Socorro.

Date: April 27, 2004

To: Pete Contreras
Property Management

From: Edward P. Moore
Land/ Title /Research/ROW /Unit

We have reviewed the Pinon Springs Ranches Subdivision in Cibola County, New Mexico, with respect to existing right of way of NM 169 (Formerly NM 52).

The Subdivision does not affect the Right of Way on NM 169 (Formerly NM 52). The subdivision lies approximately 3 miles east of NM 169. A turnout permit may need to be requested from the District.

No further comments.

Please contact me if I can be of any further assistance at (827-5690)

XC: Ed Rios
Dick Toth

509 4441

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S-2704 jrm ma



BILL RICHARDSON
GOVERNOR

State of New Mexico
ENVIRONMENT DEPARTMENT

Rio Rancho Field Office
224 Unser Blvd. SE, Suite B
Rio Ranchos, New Mexico 87124
Telephone (505) 892-4483
Fax (505) 892-4816
www.nmenv.state.nm.us



RON CURRY
SECRETARY

ANA MARIE ORTIZ
DIRECTOR

May 24, 2004

Jody McSmith, County Manager
County of Socorro
P.O. Box I
Socorro, New Mexico 87801

Re: Pinon Springs Subdivision

Description

Pinon Springs Subdivision is to be located within Sections 18, 19, 20, 28, 29, 30, 31, 32, 33, and 34 of T1N, R5W, and Section 35 and 25 of T1N, R6W. The subdivision is located 9.5 miles northwest of Magdalena. A total of 187 lots will range from 20.007 to 50.067 acres in area. A type four subdivision for residential and other uses will result.

Water Quality

The subdivider is proposing the use of individual water supply systems (wells) provided by the lot purchaser. Water quality analyses of water samples obtained from three wells representative of the subdivision has been submitted as representative of the ground water quality available at the subdivision. The samples did not exceed the maximum contaminant level (MCL) for any primary (health related) or secondary (esthetic related) drinking water contaminant. The water proposed is of an adequate quality for human consumption.

Liquid Waste Disposal

The subdivider is proposing the use of individual liquid waste systems (septic tank systems) provided by the lot purchaser. Soils, topographic, and drainage information has been submitted

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FILED FOR RECORD
COUNTY OF SOCORRO
STATE OF NEW MEXICO
AT 1:10 O'CLOCK P M

JUN 14 2004

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AUDREY JARAMILLO, CLERK
DEPUTY

Jody McSmith, County Manager
May 24, 2004
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to show the suitability of the site for the installation and functioning of septic tank systems (septic tank/absorption field). Based on this information the subdivider's proposal concerning liquid waste disposal facilities can be fulfilled by the lot purchaser.

Installation of on-site liquid waste systems permitted pursuant to the Environmental Improvement Board's Liquid Waste Disposal Regulations (20 NMAC 7.3) in areas with steep slopes, bedrock, or fast percolating soils may require site modification and/or the use of alternative systems designed by a professional engineer.

Solid Waste Disposal

The subdivider is proposing lot purchaser responsibility for offsite solid waste disposal by use of the Village of Magdalena transfer station located approximately seventeen (17) miles southeast from the subdivision.

Lot purchaser use of the transfer station is sufficient to fulfill the solid waste disposal requirements of the subdivision. The lot purchaser can fulfill the subdivider's proposal concerning solid waste disposal.

The preceding comments and opinions on the water quality, liquid waste disposal, and solid waste disposal proposals for the proposed Pinon Springs Subdivision were made in response to a request by the County of Socorro as provided for in the New Mexico Subdivision Act. The comments and opinions are not a recommendation for or an endorsement of the proposed subdivision by the New Mexico Environment Department.

If I can be of further assistance in this matter, please do not hesitate to contact me.

Sincerely,



Salomon Romero
Staff Manager

Cc: Consumer Protection Division, Office of the Attorney General
Dan Dattola, Southwest Properties of New Mexico
Tom Skibitski, Acting District 1 Manager
Jack Hooper, Environmentalist, Socorro Field Office