

**READ THIS PROPERTY REPORT
BEFORE SIGNING ANYTHING**

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

Federal law required that you receive this Report prior to your signing a contract or agreement to buy or lease a lot in this subdivision. However, **NO FEDERAL AGENCY HAS JUDGED THE MERITS OR VALUE, IF ANY, OF THIS PROPERTY.**

If you receive 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 Subdivision: Dos Griegos Subdivision
Name of Developer: Jim Carris
Date of this Report: 8/21/01

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In this Property Report, the words "you" and "your" refer to the buyer. The words "we", "us" and "our" refer to the developer.

RISKS OF BUYING LAND

- (1) The future value of any land is uncertain and dependent upon many factors. DO NOT expect all land to increase in value.
- (2) Any value which your lot may have will be affected if tile roads, utilities and all proposed improvements are not completed.
- (3) Resale of your lot 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 lot.
- (4) Any subdivision will have an impact on the surrounding environment. Whether or not the impact is adverse and the degree of impact, will depend on the location, size, planning and extent of development. Subdivisions 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 lot and your ability to sell it.
- (5) 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.

WARNINGS
THROUGHOUT THIS PROPERTY REPORT THERE
ARE WARNINGS CONCERNING THE DEVELOPER,
THE SUBDIVISION, OR INDIVIDUAL LOTS.
BE SURE TO READ ALL WARNINGS CAREFULLY
BEFORE SIGNING ANY CONTRACT OR AGREEMENT.

GENERAL INFORMATION

This Report covers sixty five residential lots located in Grant County, New Mexico. See Page 16 for a listing of these lots. It is estimated that this subdivision will eventually contain 190 residential lots. This report does NOT cover the 22 lot Subdivision previously developed by Developer as Unit One.

The developer of this subdivision is:

James Carris, General Partner
Dos Griegos Limited Partnership
7 Avenida Vista Grande
Suite B7-103
Santa Fe, NM 87505
(505) 466-4122

Answers to questions and information about this subdivision 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 to buy a lot may give you possession but doesn't give you legal title. You won't have legal title until you receive a valid deed. A restriction or an encumbrance on your lot, or on the subdivision, could adversely affect your title.

Here we will discuss the sales 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, or liens affecting- your lot and some important facts about payments, recording, and title insurance.

METHOD OF SALE.

Sales Contract And Delivery Of Deed.

You will not be signing a purchase money or installment contract or similar instrument in connection with the purchase of a lot. Instead, you will be required to sign the Realtors Association of New Mexico Deposit Receipt And Purchase Agreement For Vacant Land and Addenda. Immediately UPON closing, the title company which closes your transaction will cause the deed to be recorded in the Office of the Grant County Recorder's Office. The Recorder's Office will then IMMEDIATELY mail the deed to you at the address specified by you. Said deed will be free and clear of liens and encumbrances.

An installment contract will not be used.

Type Of Deed.

A warranty deed will be used to convey title to lots in the subdivision.

Quitclaim deeds will not be used to convey title to lots in the subdivision.

Oil, Gas And Mineral Rights.

The oil, gas and mineral rights on each lot in this subdivision will not belong to the purchaser of these lots. The exercise of these rights could affect the use, enjoyment and value of your lot.

ENCUMBRANCES, MORTGAGES AND LIENS.

In General.

No lots or common facilities which serve the subdivision are subject to a blanket encumbrance, mortgage or lien.

RECORDING THE CONTRACT AND DEED.

Method Or Purpose Of Recording.

The recording of deeds or contracts in the Grant County Recorder's Office gives public notice to the world of said transaction. It also gives you notice of any encumbrances, mortgages or liens on a particular lot.

A warranty deed representing a conveyance of a lot from us to you will be recorded by the title company which closes your transaction.

Sales contracts will not be recorded because it is not the customary practice in Grant County.

Title Insurance.

We are delivering the title insurance policy to you.

PAYMENTS.

Escrow.

Your deposit and/or down payment shall be placed in a third-party controlled escrow at Western New Mexico Title Insurance Company in Silver City, County of Grant, New Mexico.

Default.

In the event you default on your obligations you could forfeit any and all earnest money or deposits placed in escrow.

RESTRICTIONS ON THE USE OF YOUR LOT.

Restrictive Covenants.

Restrictive Covenants have been recorded against all lots in the subdivision. Said Restrictive Covenants contain items such as architectural standards and designs which must be approved by an Architectural Review Committee. A copy of the Restrictive Covenants is attached herein as Appendix A and must be reviewed and acknowledged by you prior to the closing of your transaction.

The Restrictive Covenants have been recorded in the Grant County Recorder's Office.

Easements.

No structure shall be built nearer than twenty-five (25) feet from any lot line or less than fifty (50) feet from any road right-of-way. This setback requirement does not apply to utility structures and utility lines. In addition, there exists a five foot public utility easement within the perimeter of all sides of your lot.

To review any drainage easements you should refer to the final plat which is enclosed herein as Appendix B.

PLATS, ZONING, SURVEYING, PERMITS AND ENVIRONMENT.

Plats.

The final plat for Units Three and Four of the subdivision has been approved by the County of Grant and the Town of Silver City as Phase II and III.

The final plat has been recorded in the Grant County Recorder's Office.

Zoning.

The lots within the subdivision have been restricted by the Restrictive Covenants to single-family residences. Therefore, the lots may be used for single family homes. Since Grant County has no zoning policy, the Restrictive Covenants which restrict the subdivision to single-family residences control.

Surveying.

Each lot has been surveyed and each lot corner is marked by metal pins and flags.

Permits.

You must obtain a building permit before beginning construction. A building permit may be obtained by your contractor at the C.I.D., P.O. Box 939, Las Cruces, N M 88004. You must also obtain a permit from the local representative of the State Environmental Department for the construction of your individual liquid waste disposal system.

Environment

No environmental impact study has been conducted.

NO DETERMINATION HAS BEEN MADE AS TO THE POSSIBLE ADVERSE EFFECTS THE SUBDIVISION MAY HAVE UPON THE ENVIRONMENT AND SURROUNDING AREA.

ROADS.

Here we discuss the roads that lead to the subdivision, those within the subdivision and the location of nearby communities.

ACCESS TO THE SUBDIVISION.

Access to the subdivision is provided by Swan Street, a public road. This road is part pavement and part gravel. The paved portion of Swan Street has two lanes and will be twenty two feet in paved width. The starting date of construction was September, 1999, and will be completed on or before August 31, 2000. All costs of construction are to be paid by Developer. The unpaved portion of Swan Street has been widened by Grant County to a two lane road with funds provided by us.

The County of Grant is responsible for the maintenance of Swan Street. There will be no cost to you for this maintenance. As stated immediately above, the County has widened the unpaved portion of Swan Street with funds provided by us.

ACCESS WITHIN THE SUBDIVISION

We have dedicated a sixty foot right-of-way to the County of Grant along all roads within the subdivision. Access can be accomplished via conventional automobile.

We are responsible for the construction of the roads within the subdivision. There is no cost to you. We have given the County a Letter of Commitment in the amount of \$1,200,000 which serves as a surety that the roads and all utilities will be completed.

The interior roads will have two lanes. The starting date of construction was September, 1999. The present percentage of construction now complete is 40%. The present surface is a graded, compacted four wheel drive dirt road. The estimated completion date is before August 31, 2000, and the final surface will be hot mix asphalt.

At present we are responsible for road maintenance. The road surface has been designed by us above county standards (hot mix asphalt) for the purpose of quality and to allow for the acceptance for maintenance by the County. All phases of road construction shall be stringently conducted and inspected by us. During road construction, the County will also regularly inspect its progress. At completion, we will make application for County acceptance of the road for maintenance. However, the County might not accept the responsibility for maintaining the roads. If the County chooses not to accept maintenance, the roads will be maintained by the Dos Griegos Homeowners' Association II. There is no cost to you during the interim period. The interior roads will be maintained to provide year round access.

County Seat: Silver City, Grant County
Nearby Communities: Bayard; Hurley
Population: 3,000; 3,000
Distance Over Paved Roads:
3 miles to Silver City
10 miles to Bayard
12 miles to Hurley

You are not individually responsible for providing access to your lots.