

UTILITIES

WATER.

We will extend a central water system to tile individual lots from the Silver City Water System.

Central System.

The Town of Silver City is the supplier of water. Their address is: 101 West Broadway, Silver City, New Mexico, 88061.

We will extend the water lines to the front of each lot. construction did begin in March, 2000. At present the percentage of completion is 15%. Service will be available to individual lots before August 31, 2000.

The contract between to town of Silver City and us, dated October 16, 1995, specifically states that the Town of Silver City can supply enough water to the anticipated population of the subdivision. That same Agreement also states that the Town of Silver City will provide 80 acre feet of water per year to not more than 226 users, comprising of approximately 213 individual households in the subdivision, approximately 7 commercial users and 6 additional users to be determined by us.

A forty-year plan for water has been conducted by the Town of Silver City and is on record at the City Clerk's Office. The water in the central system has been tested for purity and chemical content. The results showed that the water meets all standards for a public water supply.

We have tendered a Letter of Commitment to the County of Grant in the amount of \$1,200,000 as security for the completion of the central water system.

The proposed design of the central water system has been approved by the Town of Silver City.

At the time of connection to the water line provided by us, you will be required to pay a tap in fee to the Town of Silver City in the amount of approximately \$1,500.00. The cost of construction of extending the water line from the front of your lot to your building site must be paid by you. Due to our inability to predetermine the location of your building site, it is impossible for us to ascertain this cost.

You may not install an individual water system at anytime in the Dos Griegos subdivision. Water will not be available until the central system is extended to your lot.

The connection to the central water system is mandatory.

We will construct the water system and will later turn it over to the Town of Silver City. You will not be charged for said construction.

The supplier of water is the Town of Silver City. A copy is attached as Appendix C.

SEWER.

Individual liquid waste disposal systems will be used in the subdivision.

Individual Systems.

The local authorities have given general approval to the use of tile individual systems in the subdivision. However, it is necessary for you to obtain a permit from the local representative of the State Environmental Department in Silver City at 1302 E. 32nd Street, Silver City, NM 88061, in order to begin construction of the system on your individual lot.

A permit is required for the installation and use of individual on-site systems. Currently, there is no charge for the permit. The cost of installation of the system is approximately, \$8,000 per unit. Tests and fees will be handled by the property owner's association for a current fee of \$25 per month. There is no assurance an individual on-site system can be installed and, if it cannot, no refund of the purchase price of the lot will be made.

ELECTRICITY.

The Texas-New Mexico Power Company will provide electrical services to the subdivision.

Primary electrical service lines will be brought underground to the front of each lot line and construction began in March, 2000. Service will be available no later than August 31, 2000.

Texas-New Mexico Power Company, a publicly regulated utility will be responsible for the maintenance of the power lines. An irrevocable letter of credit has been tendered to Grant County as assurance of completion of the power lines.

TELEPHONE.

Telephone service will be available. U.S. West will furnish said telephone service.

The service lines will be extended to the front of each lot which construction began in March, 2000, and will be completed no later than August 31, 2000.

FUEL OR OTHER ENERGY SOURCE.

Electricity and propane gas will be available for heating, cooking, etc. in the subdivision. You may contract with any number of propane companies in the Silver City area. The costs associated with propane gas vary with each company and range from a free tank to \$1,000 per tank with propane gas costs ranging from \$1.20 per gallon to \$2.00 currently.

FINANCIAL INFORMATION

We are contractually obligated to you to complete all facilities, utilities and amenities promised by us in this Statement of Record. We have made financial arrangements in the form of a Letter of Commitment to assure that these facilities, utilities and amenities will be completed by the dates set out in the Property Report or contract. The sales contract provides for delivery of deed within 180 days of the signing of the contract which conveys title free of any mortgage. Your down payment and deposit will be held in an escrow account at Western New Mexico Title Company.

A copy of our financial statements for the period ending March 31, 2000, is available from us upon request.

LOCAL SERVICES.

FIRE PROTECTION.

The Pinos Altos Volunteer Fire Department provides fire protection year round.

POLICE PROTECTION.

The Grant County Sheriff's Department provides police protection.

SCHOOLS.

Elementary, junior high and senior high schools are available to residents of the subdivision. At present, school bus transportation from within the subdivision is not available.

HOSPITAL.

The Gila Regional Medical Center is located less than five miles from the subdivision on 32nd Street in Silver City. Ambulance service is available.

PHYSICIANS AND DENTISTS.

The location of the nearest physicians' and dentists' offices are located across the street from the Gila Regional Medical Center which is located less than five miles from the subdivision.

SHOPPING FACILITIES.

The nearest shopping facilities are located on 32nd Street, about five miles from the subdivision.

MAIL SERVICE.

Mail service will be available to the subdivision.

PUBLIC TRANSPORTATION.

There is no public transportation available in Silver City.

RECREATIONAL FACILITIES

NOT APPLICABLE.

SUBDIVISION CHARACTERISTICS AND CLIMATE.

GENERAL TOPOGRAPHY.

The general topography of the subdivision is mountainous and densely forested. Approximately thirty-three percent of the subdivision is open space. We recommend that you hire a professional architect to ascertain whether special construction techniques are needed.

SOME LOTS IN THIS SUBDIVISION HAVE A SLOPE OF 20% OR MORE. THIS MAY AFFECT THE TYPE AND COST OF CONSTRUCTION.

WATER COVERAGE.

No lots are covered by water at any time.

DRAINAGE AND FILL.

No lots require drainage and fill.

FLOOD PLAIN.

The subdivision is not located within a flood plain or area designated as being flood prone.

FLOODING AND SOIL EROSION.

We have a program which provides at least minimum controls for soil erosion, sedimentation or periodic flooding throughout the subdivision.

There will be no significant alteration of existing drainage patterns within the proposed subdivision. All runoff will follow his-Loric routes down existing major and minor arroyos and ravines. Said routes are set forth in our terrain management plan which has been approved by the Town of Silver City and the County of Grant. Where roads are to be constructed, runoff will be carried in bar ditches until it can flow under the roads in culverts and down into the arroyos below. Said terrain management plan also shows how culvert construction will store the required mass flow difference between, before and after development. Said road and culvert construction began in September, 1999 and will be completed by August 31, 2000. We have tendered a Letter of Commitment with Grant County as assurance of completion.

NUISANCES.

We know of no nuisances which may adversely affect the subdivision.

HAZARDS.

We know of no hazards which may adversely affect the subdivision.

CLIMATE.

The average temperature in the summer is 73 degrees Farenheit. The average temperature in the winter is 37.1 degrees Farenheit. The yearly average temperature is 54 degrees Farenheit. The average annual rainfall is 14.9 inches and average annual snowfall is 12 inches.

OCCUPANCY.

As of the date of this submission there are no homes occupied on a full-or part-time basis.

ADDITIONAL INFORMATION.

PROPERTY OWNERS' ASSOCIATION.

There will be a property owner's association for the subdivision. It has been formed and its name is The Dos Griegos Homeowners' Association II of Grant County. It is not yet operation.

We have the right to exercise control over the Association because of voting rights and placement of officers and directors. This control will last until ninety percent of the lots in all phases of the subdivision have been sold.

Membership in the Association is mandatory. At present there are no association dues. Members are not subject to special assessments.

The Restrictive Covenants lay out the functions and responsibilities of the association. They set forth property rights, preparation of budgets and architectural review of building plans.

At this time there are no functions or services that we provide for which the association may be required to assume responsibility in the future.

At the time of closing on a lot or home within the Dos Griegos Subdivision, a purchaser must pay to the Homeowners' Association a non-refundable fee of \$150-00 as an administrative cost.

TAXES.

Your obligation to pay taxes begins upon the closing of the transaction. The taxes will be paid to the Grant County Treasurer. Taxes on an unimproved lot will be based on a 0.01745 tax rate. The formula is as follows: The fair market value divided by 3 and multiplied by said tax rate equals the tax.

The subdivision is not encompassed within a special improvement district nor is one proposed.

RESALE OR EXCHANGE PROGRAM.

There are no restrictions which might hinder lot owners in the resale of their lots. We have no program to assist you in the sale of your lot.

We do not have any provision to allow you to exchange one lot for another.

EQUAL OPPORTUNITY IN LOT SALES.

We are in compliance with Title VIII of the Civil Rights Act of 1968 by not directly or indirectly discriminating on the basis of race, religion, sex or national origin in any of the following general areas: Lot marketing and advertising rendering of lot services, and in requiring terms and conditions on lot sales and leases.

LISTING OF LOTS.

Lots numbered 65 through 106, and 176 through 198 in the Dos Griegos Subdivision Units Three and Four are hereby registered.

COST SHEET, SIGNATURE OF SENIOR EXECUTIVE OFFICER

COST SHEET

In addition to the purchase price of your lot, there are other expenditures which must be made.

Listed below are the major costs.
All costs are subject to change.

	Sales Price
Cash Price of lot	\$
Finance Charge	\$
Total	

	Estimated one-time charges
4. Water connection fee	\$
5. Installation of private liquid waste system	\$
3. Construction costs to extend electric and/or telephone services	\$
Total of estimated sales prices and one-time charges	\$

Estimated monthly/annual charges, exclusive of utility use fees	
1. Taxes-Average unimproved lot after sale to purchaser	\$
2. Dues and assessments	\$

The information contained in this Property Report is an accurate description of our subdivision and development plans.

Signature of Senior Executive Officer

