

DISCLOSURE STATEMENT

FOR ALL SUBDIVISIONS CONTAINING MORE THAN FIVE (5) PARCELS.

YOU SHOULD READ THIS DISCLOSURE STATEMENT BEFORE YOU SIGN ANY DOCUMENTS OR AGREE TO ANYTHING.

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.

Various public agencies may have issued opinions on both the subdivision proposal and the information contained in this disclosure statement. Summaries of these opinions are contained in this disclosure statement. They may be favorable or unfavorable. You should read them closely.

The Board of County Commissioners has examined this disclosure statement to determine whether the subdivider can fulfill what the subdivider has said in this disclosure statement. However, the Board of County Commissioners does not vouch for the accuracy of what is said in this disclosure statement. In addition, this disclosure statement is not a recommendation or endorsement of the subdivision by either the County or the State. It is informative only.

The Board of County Commissioners recommends that you inspect the property before buying, leasing or otherwise acquiring it.

If you have not inspected the parcel before purchasing, leasing or otherwise acquiring it, you have six (6) months from the time of purchase, lease or other acquisition to personally inspect the property. After inspecting the parcel within the six (6) month period, you have three (3) days to rescind the transaction and receive all your money back from the subdivider when merchantable title is revested in the subdivider. To rescind the transaction you must give the subdivider written notice of your intent to rescind within three (3) days after the date of your inspection of the property.

County regulations require that any deed, real estate contract, lease or other instrument conveying an interest in a parcel in the subdivision be recorded with the Otero County Clerk.

Building permits, wastewater permits or other use permits must be issued by state or county officials before improvements are constructed. You should investigate the availability of such permits before you purchase, lease, or otherwise acquire an interest in the land. You should also determine whether such permits are requirements for construction of additional improvements before you occupy the property.

1. **NAME OF SUBDIVISION:** Sundance

2. **NAME AND ADDRESS OF SUBDIVIDER:**

Name of Subdivider: Jerry S. Johnson
Address: P. O. Box 81
Alamogordo, NM 88311

3. **NAME AND ADDRESS OF PERSON IN CHARGE OF SALES, LEASING OR OTHER CONVEYANCE IN NEW MEXICO:**

Name: Jerry S. Johnson
Address: P. O. Box 81
Alamogordo, NM 88311

Telephone Number(s): 505-434-3787

4. SIZE OF SUBDIVISION BOTH PRESENT AND ANTICIPATED:

Present:		Anticipated:	
Number of parcels:	1	Number of parcels:	11
Number of acres:	40	Number of acres:	36.25

5. SIZE (IN ACRES) OF LARGEST PARCEL OFFERED FOR SALE, LEASE OR CONVEYANCE WITHIN THE SUBDIVISION:

5.1 acres

6. SIZE (IN ACRES) OF SMALLEST PARCEL OFFERED FOR SALE, LEASE OR CONVEYANCE WITHIN THE SUBDIVISION:

2.5 acres

7. PROPOSED RANGE OF PRICES FOR SALES, LEASES OR OTHER CONVEYANCES

Lowest Dollar amount: \$30,000 Parcel size (in acres): 2.5000 acres
Highest Dollar amount: \$43,175 Parcel size (in acres): 4.3172 acres

NOTE: LOT 7 IS NOT OFFERED FOR SALE AT THIS TIME. THE ABOVE PRICE IS AN ESTIMATE BASED UPON CURRENT ECONOMIC CONDITIONS AND EXPECTED COST OF DEVELOPING THE SUBDIVISION, AND IS SUBJECT TO CHANGE.

8. FINANCING TERMS

Is owner financing available? Yes

If so, please provide any information required by the Truth in Lending Act and Regulation Z.

See sample Truth in Lending Disclosure on page 13.

9. NAME AND ADDRESS PERSON WHO IS RECORDED AS HAVING LEGAL TITLE

Jerry S. Johnson
P. O. Box 81
Alamogordo, NM 88311

10. NAME AND ADDRESS PERSON WHO IS RECORDED AS HAVING EQUITABLE TITLE:

First Federal Savings Bank of New Mexico
300 East First Street
Alamogordo, NM 88310

President: Aubrey L Dunn, Jr., 300 North Pennsylvania Avenue, Roswell, NM 88201
Alamogordo Branch President: John Marquardt, 300 First Avenue, Alamogordo, NM 88310

11. CONDITION OF TITLE

Number of mortgages: One
Name of mortgagee: First Federal Savings Bank of New Mexico
300 East First Street
Alamogordo, NM 88310
Balance owing: Approximately \$157,000
Release Conditions: Advanced payment of \$1,700 per acre, to be paid by Subdivider.
There are no Real Estate Contracts on the land
There are no other encumbrances on the land.
Title is clear in all other regards.

12. STATEMENT OF ALL RESTRICTIONS OR RESERVATIONS OF RECORD THAT SUBJECT THE SUBDIVIDED LAND TO ANY CONDITIONS AFFECTING ITS USE OR OCCUPANCY

Lot sizes shall be no less than 2.5 acres. All deed restrictions are incorporated into the restrictive covenants for this subdivision.

Are there restrictive covenants for this subdivision? Yes

If yes, attach copy of restrictive covenants to this disclosure statement.

13. ESCROW AGENT

Has an escrow agent been assigned? No

14. UTILITIES

Name of entity providing electricity: Otero County Electric Cooperative

Electric service exist at a property line of all lots except lots 2 and 3. A twenty-foot easement is provided for an electric line to the Southeast corner of lot 2 and Northeast corner of lot 3.

Electric utilities are above-ground

Who is responsible for providing electric service to the individual parcels?
Purchaser/Lessee

If Purchaser/Lessee is responsible, state estimated cost of installation of electric service:

\$0 to \$3,000, depending upon how close electric meter is to electric lines on road.

Gas Service: Propane

Gas utilities are above-ground

Who is responsible for providing gas service (either natural or propane) to individual parcels?

Purchaser/Lessee

If Purchaser/Lessee is responsible, state estimated cost of installation of service:

Propane service will cost \$300 to \$500.

Water: Individual domestic wells

Who is responsible for providing water service to individual parcels?

Purchaser/Lessee

Is telephone service available to this subdivision? Telephone service exists along Pasa Por Aqui Lane

Name of entity providing telephone service: Qwest Communications Company

Is telephone service available to each parcel in the subdivision?

Underground telephone lines run south along Taylor Ranch Road to Pasa Por Aqui Lane and West along Pasa Por Aqui Lane. Lots 1, 6, and 7 have frontage on Pasa Por Aqui Lane. Additional cable will have to be run to serve all other lots.

Who is responsible for providing telephone service to the individual parcels?

Purchaser/Lessee

If Purchaser/Lessee is responsible, state estimated cost of installation of telephone service: \$30.00
Telephone utilities are below-ground.

Method of liquid waste disposal: Individual septic tanks

Who is responsible for providing liquid waste disposal service to the individual parcels?

Purchaser/Lessee

15. INSTALLATION OF UTILITIES

Please state whether the following utilities are currently available to the subdivision (this question does not include availability to individual parcels). If not available at this time, state the date of installation of each utility:

Electricity: Now available to all parcels except lots 2 and 3.
Date to be installed for remaining lots: As needed (by Purchaser)

Natural gas: Not available
Date to be installed: N/A

Water: Not available (See Section 16)
Date to be installed: N/A

Telephone: Now available to lots 1, 6, and 7
Date to be installed for remaining lots: As needed (by Purchaser)

Liquid waste disposal: A septic tank exists on lot 7
Date to be installed for remaining lots: As needed (by Purchaser)

16. WATER AVAILABILITY

Describe the maximum annual water requirements of the subdivision including water for indoor and outdoor domestic uses:

11 acre-feet (approximately 3,600,000 gallons) per year, based upon one (1) acre-foot per lot.

Describe the availability and sources of water to meet the subdivision's maximum annual water requirements:

Individual domestic wells.

Describe the means of water delivery within the subdivision: N/A

Describe the limitations and restrictions on water use in the subdivision:

New regulations proposed by the NM State Engineer's office will limit the use of water from a domestic well to one acre-foot (approximately 325,000 gallons) per year.

Summarize the provisions of any covenants or other restrictions requiring the use of water saving fixtures and other water conservation measures:

There are no such restrictions by the subdivider. However, the subdivider recommends the use of water saving plumbing fixtures and water conserving systems for irrigation, and that the total irrigated area not exceed 800 square feet in any combination of trees, shrubs, annuals and perennials, grasses, and garden. Grasses should be selected that are well adapted to local climatic conditions, and non-native grasses are discouraged. Low-water use landscaping techniques applying the principals of xeriscaping should be utilized. Drip irrigation is

encouraged whenever possible. The USDA Cooperative Extension Service (telephone 505-437-0231) has information available.

Describe what measures, if any, will be employed to monitor or restrict water use in the subdivision:

None

17. FOR SUBDIVISIONS WITH COMMUNITY WATER SYSTEMS N/A

18. FOR SUBDIVISIONS WITH INDIVIDUAL DOMESTIC WELLS OR SHARED WELLS

State whether wells will be provided by the subdivider or by the prospective purchaser/lease:

Purchasers will be responsible for their own wells.

If wells are provided by purchaser/lessee, state the estimated cost to complete a domestic well, including drilling, pressure tank, control devices, storage and treatment facilities:

\$10,000

If wells are to be provided by the subdivider, state the cost, if any to the purchaser/lessee/conveyee:

N/A

Summary of legal restrictions on either indoor or outdoor usage:

The NM Office of the State Engineer (OSE) limits the use of water from a domestic well to one acre-foot (326,000 gallons) per year, including non-commercial irrigation of up to one acre of lawn, garden, orchard, etc. A typical household of four uses approximately .25 acre-foot per year. The OSE has the authority to place restrictions upon a permit for a domestic well, including restricting water use to household, drinking, and sanitary purposes.

Average depth to ground water and the minimum and maximum well depths to be reasonably expected:

Depth to water is about 140 feet to 210 feet.

Recommended total depth of wells is 120 feet below static water level (260 to 330 feet, depending upon depth to water) with the pump set at 110 feet below static water level.

Estimated yields in gallons per minute of wells completed to recommended total depth: 15 to 30 GPM

19. LIFE EXPECTANCY OF WATER SUPPLY

State the life expectancy of each source of water supply for the subdivision under full development of the subdivision:

The New Mexico Office of the State Engineer (OSE) recognizes the portion of the Tularosa Basin in which the subdivision is located to be a "mined" area. A mined area is one in which the annual demand for water exceeds the natural recharge, and therefore the depth to water increases over time. Measurements taken at two domestic wells in the area bears this out. One of the wells had a decrease in water level of 18 feet from July, 1993 to July, 2006 (1.38 feet/year), and the other had a decrease of 10 feet from January, 2000 to March, 2006 (1.60 feet/year). The OSE administers the area with a goal of limiting the decrease in water level to 100 feet in 40 years. Thus, the recommended well depths in Section 18 above will be sufficient for a forty-year period if the OSE is able to meet its goal.

Although the goal of the OSE is to limit dewatering to 100 feet over 40 years, the OSE model predicts a drawdown of from 107 feet to 153 feet over the next 40 years. If the actual drawdown is limited to the lower end of this projection, the well depth recommended above will be sufficient. If the upper range is reached, wells will have to be deepened by as much as 50 feet. To provide for greater protection, wells could be

originally drilled to a depth of 180 feet below static water level, and the pump set at 170 feet below static water level. The increased cost to do this at this time is approximately \$1,000.

The total depth of the aquifer is not known, but the OSE states that the basin fill is about 3,100 feet thick in this area. One of the Holloman wells located near the Northeast corner of the subdivision is 750 feet deep, with a depth to water of 254 feet. Another Holloman well, located near the Southeast corner of the subdivision is 900 feet deep, with a depth to water of 203 feet. Thus, the water bearing strata is at least 500 feet to 700 feet thick.

20. SURFACE WATER

Provide a detailed statement of the source and yield of the surface water supply and any restrictions to which the surface water supply is subject. N/A

21. NEW MEXICO STATE ENGINEER'S OPINION ON WATER AVAILABILITY

Include here the approved summary of the opinion received by the Board of County Commissioners from the New Mexico State Engineer regarding: **See letter from OSE, page 14.**

Whether or not the subdivider can furnish water sufficient in quantity to fulfill the maximum annual water requirements of the subdivision, including water for indoor and outdoor domestic uses:

The opinion received from the New Mexico State Engineer is that the subdivider can furnish water in sufficient quantity to fulfill the maximum annual water requirements of the subdivision.

Whether or not the subdivider can fulfill the proposals in this disclosure statement concerning water, excepting water quality:

The opinion received from the New Mexico State Engineer is positive.

22. WATER QUALITY

Describe the quality of water in the subdivision available for human consumption:

Well water in the area is high in calcium, chlorides, sulfates, hardness, and total dissolved solids. An analysis of water taken from the well on lot 7 indicated that the contaminant levels are below the maximum allowable for drinking water for all contaminants tested except lead.

Describe any quality that would make the water unsuitable for use within the subdivision:

The water is moderately hard (approximately 30 grains per gallon of hardness). To prevent mineral build up in water pipes and staining of plumbing fixtures over time, water softeners are recommended. Reverse Osmosis purifiers can be used to remove any impurities not removed by the water softener, and to improve the taste for drinking.

State each maximum allowable water quality parameter that has been exceeded with the approval of the Board of County Commissioners and the name of the element, compound or standard that has exceeded that parameter: **Lead**

The level of lead is approximately twice the maximum allowable. A standard reverse osmosis purification device will reduce the level of lead by 97%, bringing it well below the maximum allowable level. The subdivider strongly recommends the use of a reverse osmosis or other type of purification device which has been proven to reduce the lead content by 60% or greater.

23. NEW MEXICO ENVIRONMENT DEPARTMENT'S OPINION ON WATER QUALITY

Include here the approved summary of the opinion received by the Board of County Commissioners from the New Mexico Environment Department on: **The subdivider received no letter from NMED regarding**

convenience center is about eight miles from the proposed subdivision. Individual lot owners may take their solid waste to the convenience center if they so choose. There currently is no charge for using the convenience center. Southwest Disposal Corporation, 1350 LaVelle Road, Alamogordo, NM furnishes weekly solid waste collection service in the area of the proposed subdivision. Other firms are listed in the Alamogordo telephone directory. It will be the responsibility of the individual lot owners to contract for collection service if they desire.

If subdivider is providing solid waste disposal, please describe the method or system to be used and the location of the landfill to be used: N/A

27. NEW MEXICO ENVIRONMENT DEPARTMENT'S OPINION ON SOLID WASTE DISPOSAL

Include here the approved summary of the opinion received by the Board of County Commissioners from the New Mexico Environment Department on: **See letter from NMED, page 18.**

Whether there are sufficient solid waste disposal facilities to fulfill the requirements of the subdivision in conformity with state regulations:

The opinion received from the New Mexico Environment Department is that there are sufficient solid waste disposal facilities to fulfill the requirements of the subdivision.

Whether or not the subdivider can fulfill the solid waste proposals made in this disclosure statement:

The opinion received from the New Mexico Environment Department is that the subdivider can fulfill the solid waste proposal made in the disclosure statement.

Whether or not the sub divider's proposal for solid waste disposal conforms to the County's solid waste disposal regulations:

The opinion received from the New Mexico Environment Department is that the subdivider's proposal conforms to County Regulations.

28. TERRAIN MANAGEMENT

Describe the suitability for residential use of the soils in the subdivision as defined in the Natural Resource Conservation District's soil survey for Otero County:

Building site restriction is moderate, due to slope. There is also a moderate limitation for septic tank absorption fields due to slopes. This soil has a moderately slow permeability of .2 - .6 inches per hour. The plasticity index is NP for the top sixty inches. Flooding frequency is described as none. Depth to bedrock is greater than sixty inches.

Describe any measures necessary for overcoming soil and topographic limitations, and who will be responsible for implementing these measures:

Due to the potential for flooding during heavy rains, the subdivider cautions that structures be placed at least twenty-four inches (24") above the surrounding elevation. The limitation for septic tank absorption fields can be overcome by the use of oversize leach areas.

It is the sole responsibility of the lot owners and/or home builders to obtain geotechnical engineering services for site-specific recommendations regarding site preparation, site grading, sub grade compaction and fill construction, site drainage, foundation design and construction, and septic tank design. It is the sole and continuing responsibility of the lot owner to exclude water from the vicinity of and/or under a foundation.

Identify by lot and block numbers all parcels within the subdivision that are subject to flooding:

There are no parcels within flood ways, flood fringes, or flood plains as shown on FEMA maps.

Identify by lot and block numbers all parcels within the subdivision located in whole or in part on slopes in excess of 8%:

There are no slopes in excess of 8% within the subdivision. The land slopes 3.1% to the west.

Describe the surface drainage for all the lots in the subdivision:

Upslope drainage is carried onto the area of the proposed subdivision via three arroyos. Direct rain water flows overland into these arroyos as well as other small arroyos that form on the property and merge into the larger ones. The size and shapes of the lots provide for sufficient area to allow building sites, wells, and septic tanks and leach fields to be located so as to avoid the arroyos.

Describe the subsurface drainage for all lots in the subdivision (as per the Natural Resources Conservation Service's soil survey for Otero County):

This soil type has a moderately slow permeability of 0.2 to 0.6 inches per hour.

Describe the nature, location and completion dates of all storm drainage systems constructed or required to be constructed in the subdivision:

No storm drainage system is required other than the natural arroyos, which will not be disturbed.

CAUTION: Purchasers should be aware that arroyos are formed by the natural flow of water over the land over long periods of time. The natural path of arroyos should be, to all extents possible, be left as they are. Any attempt to alter the path or divert the flow to an alternate path can lead to an increase in soil erosion and/or damage to any structures placed in the natural pathway.

29. SOIL AND WATER CONSERVATION DISTRICT'S OPINION ON TERRAIN MANAGEMENT

Include here the approved summary of the opinion received by the Board of County Commissioners from the Soil & Water Conservation District on: **See letter from Otero Soil and Water Conservation District on page 19.**

Whether or not the subdivider can furnish terrain management sufficient to protect against flooding, inadequate drainage and soil erosion:

The opinion received from the Otero Soil and Conservation District is that the terrain management plan is satisfactory.

Whether or not the subdivider can satisfy the terrain management proposals made in this disclosure statement:

The opinion received from the Otero Soil and Conservation District is that the terrain management plan is satisfactory.

Whether or not the sub divider's terrain management proposals conform to the County's regulations on terrain management:

The opinion received from the Otero Soil and Conservation District is that the terrain management plan is satisfactory.

30. SUBDIVISION ACCESS

Name of town or village nearest to subdivision: Alamogordo, NM

Distance in miles from nearest town to subdivision and the general route over which that distance is computed:

The subdivision is approximately seven miles from intersection of Highways 54 South and 70 West. Go four miles South on Hwy. 54 to Taylor Ranch Road; then two miles East on Taylor Ranch Road; then three-quarter

mile South on Taylor Ranch Road to Pasa Por Aqui Lane. The subdivision is in the Southwest corner of Taylor Ranch Road and Pasa Por Aqui Lane.

Describe the roads to subdivision, including approximate width and surfacing:

U S Highway 54 is a paved four-lane highway. Taylor Ranch Road is twenty-four feet wide and chip-sealed along the Eastern boundary of the subdivision, then becomes a gravel-surfaced road. Pasa Por Aqui Lane is twenty-four feet wide and chip-sealed along the Northern boundary of the subdivision.

State whether or not subdivision is accessible by conventional vehicle and whether it is accessible at all times of the year; also state any weather conditions that could affect access to the subdivision and any measures that will be necessary to gain access during these conditions:

The subdivision is accessible by conventional vehicles. The subdivision is ordinarily accessible at all times of the year and under all weather conditions generally encountered in the area.

Describe the width and surfacing of all roads within the subdivision:

The road within the subdivision will be twenty-four feet wide, with an aggregate base course surface, built to Otero County Road Standards.

31. MAINTENANCE

Does the subdivider propose to submit the roads within the subdivision to the County for maintenance? Yes

THIS DOES NOT GUARANTEE THAT ROADS WILL BE ACCEPTED FOR MAINTENANCE BY THE COUNTY.

For roads proposed to be privately maintained or until the County accepts roads for public maintenance, who is responsible for maintenance of the roads? Subdivider

State how the roads will be maintained, describe any responsibilities and obligations lot owners will have with respect to road maintenance, and describe the measures taken to make sure that maintenance of the roads takes place (include responsibility of property owners' association, if applicable):

If the road is accepted for maintenance by the County, the subdivider will be responsible for routine maintenance until the subdivision reaches an occupancy level of twenty percent, at which time the County will take over maintenance. The subdivider is also responsible for any repair of the road for a period of two years. If the road is not accepted by the County, the subdivider will assist the owners of the affected lots in forming a property owners association for maintenance purposes.

Who is responsible for maintenance of other improvements within the subdivision (water systems, parks, etc.)?

There are no other such improvements in the subdivision.

State how the improvements will be maintained, describe any responsibilities and obligations lot owners will have with respect to maintenance of improvements, and describe the measures taken to make sure that maintenance of the improvements takes place (include responsibility of property owners' association, if applicable): N/A

NOTE: UNDER NEW MEXICO STATE LAW, LAND OWNERS ARE RESPONSIBLE FOR PROVIDING THEIR OWN FENCE IF THEY WANT TO KEEP LIVESTOCK OUT

32. STATE HIGHWAY DEPARTMENT'S OPINION ON ACCESS

Include here the approved summary of the opinion received by the Board of County Commissioners from the State Highway and Transportation Department on: See letter from NMDOT on page 20.

Whether or not the subdivider can fulfill the state highway access requirements for the subdivision in conformity with state regulations:

The New Mexico Department of Transportation **made no comment.**

Whether or not the subdivider can satisfy the access proposal made in this disclosure statement:

The New Mexico Department of Transportation **made no comment.**

Whether or not the sub divider's access proposals conform to the County's regulation on access:

The New Mexico Department of Transportation **made no comment.**

33. CONSTRUCTION GUARANTEES

Describe any proposed roads, drainage structures, water treatment facilities or other improvements that will not be completed before parcels in the subdivision are offered for sale:

Lots two, three, five, and four will not be offered for sale until the road to these lots is completed.

Describe or attach all performance bonds, letters of credit or other collateral securing the completion of each proposed improvement: N/A

UNLESS THERE IS SUFFICIENT BOND, LETTER OF CREDIT OR OTHER ADEQUATE COLLATERAL TO SECURE THE COMPLETION OF PROPOSED IMPROVEMENTS, IT IS POSSIBLE THAT THE PROPOSED IMPROVEMENTS WILL NOT BE COMPLETED. CAUTION IS ADVISED.

34. ADVERSE OR UNUSUAL CONDITIONS

State any activities or conditions adjacent to or nearby the subdivision, such as feed lots, dairies, cement plants, or airports that would subject the subdivided land to any unusual conditions affecting its use or occupancy: None known

35. RECREATIONAL FACILITIES

Describe all recreational facilities, actual and proposed in the subdivision, and state the estimated date of completion of each: None

State whether or not there are any bonds, letters of credit or other collateral securing the construction of each proposed recreational facility and describe or attach any such bond, letter of credit or other collateral: N/A

36. FIRE PROTECTION

Name of nearest fire station: Municipality
Volunteer Oro Vista Volunteer Fire Department

Distance to nearest fire station from subdivision and route over which distance is computed:

Distance is approximately three miles. From the fire station, South on San Pedro Drive .25 mile, East on Simon Lane .20 mile, then South on Old El Paso Highway and Taylor Ranch Road 2.6 miles to subdivision.

37. POLICE PROTECTION

Show the various law enforcement agencies having jurisdiction in the area of the subdivision:

NM State Police and Otero County Sheriff's Department

38. PUBLIC SCHOOLS

Name of and distance (in miles) to nearest public elementary school serving the subdivision:

Yucca Elementary School, 310 Dale Scott Blvd., Alamogordo, approximately nine miles.

Name of and distance to nearest public junior high or middle school serving the subdivision:

Mountain View Middle School, 500 South Canyon in Alamogordo is approximately ten miles.

Name of and distance to nearest public high school serving the subdivision:

Alamogordo High School, 103 Cuba Ave. in Alamogordo is approximately nine miles.

39. HOSPITALS

Name of nearest hospital:

Gerald Champion Regional Medical Center, 2669 North Scenic Drive, Alamogordo.

Distance (in miles) to nearest hospital and route over which distance is computed:

The hospital is approximately thirteen and one-half miles from the subdivision. Go North on Taylor Ranch Road .7 mile, West on Taylor Ranch Road two miles to Hwy. 54, North on Hwy. 54 five miles to Hwy. 70, right on Hwy. 54/70 1.4 miles to First Street in Alamogordo, East on First Street 1.7 miles to Scenic Drive, North on Scenic Drive 2.6 miles to hospital.

Number of beds in nearest hospital: Ninety-nine (99)

40. SHOPPING FACILITIES

Description of nearest shopping facilities including number of stores:

For grocery shopping Alamogordo has a Lowe's IGA supermarket and a Wal-Mart Super Center. There are over 100 stores and shops. The main shopping districts are on White Sands Blvd., Tenth Street, and First Avenue. White Sands Mall on North White Sands Blvd. has K-Mart, J. C. Penney, Bealls, and 25 to 30 smaller shops. For building materials, there are a Home Depot, Lowe's, 84 Lumber, and Foxworth-Galbraith.

Distance (in miles) to nearest shopping facilities and route over which distance is computed:

Alamogordo is approximately ten miles. Go North on Taylor Ranch Road .7 mile, West on Taylor Ranch Road two miles to Hwy. 54, North on Hwy. 54 five miles to Hwy. 70, right on Hwy. 54/70 2.0 miles to Tenth Street in Alamogordo.

41. PUBLIC TRANSPORTATION

Describe all public transportation that serves the subdivision on a regular basis: None

Truth in Lending Disclosures
 ("I" MEANS THE BUYER AND "YOU" MEANS THE SELLER)

BUYER'S NAME AND ADDRESS

Name(s) of Purchaser(s)
 Street Address or PO Box
 City, State ZIP CODE

SELLER'S NAME AND ADDRESS

Jerry S. Johnson
 P.O. Box 81
 Alamogordo, NM 88311

ANNUAL PERCENTAGE RATE, The cost of my credit as a yearly rate: _____ %

FINANCE CHARGE, The dollar amount the credit will cost me: \$0.00

AMOUNT FINANCED, The amount of credit provided to purchaser: \$ _____

TOTAL PAYMENTS, The amount I will have paid when I have made all scheduled payments\$ _____ (not including my down payment)

TOTAL SALE PRICE, The total cost of my purchase on credit, including my down payment of \$ _____ : \$ _____

My Payment Schedule will be:

_____ Payments of \$ _____ due on the _____ day of each month beginning _____; and 1
 payment of _____, due on _____.

This loan does not have a demand feature.

This loan does not have a variable interest rate. The fixed interest rate is _____ %.

I am giving a security interest in the property being purchased by this loan.

If a payment is over _____ days late, I will be charged a late penalty of \$ _____
 There is no required deposit with this loan.

If I pay off this contract early, I will not have to pay a penalty, and will not be entitled to a refund for finance charges.

Someone buying the property may, with the approval of Seller and subject to conditions imposed by Seller, be allowed to assume the remainder of this loan on the original terms.

I can see my contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date.

CREDIT INSURANCE: Credit life insurance and credit disability insurance are not required to obtain credit, and is not provided by lender. If I want credit insurance, I must obtain it from another source.

ITEMIZATION OF THE AMOUNT FINANCED

Total Cash Price of property being purchased	\$ _____
Down payment	\$ _____
Unpaid balance of Cash Price	\$ _____
Amount paid to others	\$0.00
Subtotal	\$ _____
Finance Charge	\$0.00
Amount being financed	\$ _____

BY SIGNING BELOW, I ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE ON _____

 Purchaser

 Purchaser



STATE OF NEW MEXICO
OFFICE OF THE STATE ENGINEER

Santa Fe

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

BATAAN MEMORIAL BUILDING, ROOM 102
SANTA FE, NM 87504-5102
(505) 827-6120
Fax: (505) 827-6682

August 9, 2006

Mr. Dale Palkki
Planning Coordinator
Otero County
1000 New York Avenue, Room 101
Alamogordo, NM 88310-6935

CERTIFIED MAIL
RETURN RECEIPT
REQUESTED

Re: Sundance Subdivision

Anticipated By Fax

Dear Mr. Palkki:

The Water Use & Conservation/Subdivision Review Bureau of the Office of the State Engineer has reviewed the referenced subdivision proposal pursuant to the Otero County Subdivision Regulations, the New Mexico Subdivision Act and the OSE Rules and Regulations Governing the Appropriation and Use of Ground Water In New Mexico.

Based on the information provided, this office has determined that the subdivider can furnish water sufficient in quantity to fulfill the maximum annual water requirements of the subdivision, including water for indoor and outdoor domestic uses, and that the subdivider can fulfill the proposals in his disclosure statement concerning water, excepting water quality. Accordingly, a **positive** opinion is issued.

A staff memorandum providing specific comments is attached for your information. If you have any questions, please call Jerry Keller at 505-827-3845.

Sincerely,

John W. Longworth, P.E.

Water Use & Conservation/Subdivision Review Bureau Chief

Encl.

cc: OSE Water Rights Division, Roswell Office

JK:jk

COMPARISON OF CONTAMINANT LEVELS IN WATER TESTED WITH CURRENT AND PROPOSED NATIONAL PRIMARY AND SECONDARY DRINKING WATER REGULATIONS AS OF JANUARY, 2006

CONTAMINANT or ELEMENT	MAXIMUM ALLOWABLE CONTAMINANT LEVEL	CONTAMINANT LEVEL IN SAMPLE TESTED	DOES TESTED SAMPLE MEET REGULATION
Antimony	0.6 micrograms/liter	below 0.05 micrograms/liter*	Yes
Arsenic	1.0 micrograms/liter	0.8 micrograms/liter	Yes
Barium	200 micrograms/liter	23.97 micrograms/liter	Yes
Beryllium	0.4 micrograms/liter	below 0.07 micrograms/liter*	Yes
Cadmium	0.5 micrograms/liter	below 0.09 micrograms/liter*	Yes
Chromium	10 micrograms/liter	6.2 micrograms/liter	Yes
Mercury	0.2 micrograms/liter	below 0.07 micrograms/liter*	Yes
Nickel	10.0 micrograms/liter	3.74 micrograms/liter	Yes
Selenium	5.0 micrograms/liter	4.2 micrograms/liter	Yes
Thallium	0.05 micrograms/liter	below 0.03 micrograms/liter*	Yes
Lead	1.5 micrograms/liter	3.09 micrograms/liter	No****
Copper	130 micrograms/liter	8.3 micrograms/liter	Yes
Fluoride	4.0 milligram/liter	0.42 milligram/liter	Yes
Cyanide	0.2 milligram/liter	below 0.02 milligram/liter*	Yes
Nitrate/Nitrite	10.0 milligram/liter	4.88 milligram/liter	Yes
Nitrite	1.0 milligram/liter	below 0.01 milligram/liter*	Yes
TDS	No standard stated	744 milligram/liter**	N/A
pH	No standard stated	7.34***	N/A

* Contaminant level in sample was below the minimum level that could be detected by test method.

** While no standard is stated for total dissolved solids, below 1000 milligram/liter is considered "fresh" water as opposed to "brackish" water. A level of 744 milligram/liter is considered "hard" water.

*** A pH of 7.0 is neutral. A level below 7.0 is acidic, and above 7.0 is alkaline. A level of 7.34 is considered as slightly alkaline.

**** The Subdivider recommends use of a reverse osmosis water purification system for drinking water and water used for cooking, which remove 97% to 98% of the lead and certain other heavy metals.

Date: 07/26/05

ANALYTICAL REPORT

To: JayDee Limited Co. 434-3787
 P.O. BOX 81
 Alamogordo, NM 88311

Purchase Order #

Below are the results for submitted sample(s). (MDL=Method detection limit)

Sample I.D. AB73712

Sample Description: 4 Pasa Por Aqui Ln.

Sample collection date: 07/10/05

Sample collection time: 18:00

Submittal date: 07/11/05

Submittal time: 13:19

WSS# Request ID No.

Collector: JERY JOHNSON

Sample Purpose:

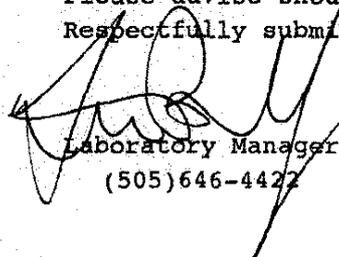
Sampling Information:

Element	Method	Result	Units	MDL	Date of Analysis	Analyst
Antimony	200.8	Not detected	ug/L	0.05	07/13/05	MBL
Arsenic	200.8	0.8	ug/L	0.1	07/13/05	MBL
Barium	200.8	23.97	ug/L	0.03	07/13/05	MBL
Beryllium	200.8	Not detected	ug/L	0.07	07/13/05	MBL
Cadmium	200.8	Not detected	ug/L	0.09	07/13/05	MBL
Chromium	200.8	6.2	ug/L	0.1	07/13/05	MBL
Mercury	200.8	Not detected	ug/L	0.07	07/13/05	MBL
Nickel	200.8	3.74	ug/L	0.06	07/13/05	MBL
Selenium	200.8	4.2	ug/L	0.4	07/13/05	MBL
Thallium	200.8	Not detected	ug/L	0.03	07/13/05	MBL
Lead	200.8	3.09	ug/L	0.02	07/19/05	MBL
Copper	200.8	8.3	ug/L	0.1	07/25/05	FWB

Results relate only to the items tested. This report shall not be reproduced except in full, without the written approval of the laboratory. This laboratory is accredited by the American Association for Laboratory Accreditation (A2LA) and the results shown in this report have been determined in accordance with the laboratory's terms of accreditation unless stated otherwise in the report. Those tests not presently accredited are noted by a hyphen.

Please advise should you have questions concerning these data.

Respectfully submitted,



Laboratory Manager
 (505) 646-4422

Date: 08/02/05

ANALYTICAL REPORT

To: JayDee Limited Co.
P.O. Box 81
Alamogordo, NM 88311

434-3787

Purchase Order #

Below are the results for submitted sample(s).

(MDL=Method detection limit)

Sample I.D. AB73713

Sample Description: 4 Pasa Por Aqui Ln.

Sample collection date: 07/10/05

Sample collection time: 18:00

Submittal date: 07/11/05

Submittal time: 13:19

WSS# Request ID No.

Collector: JERY JOHNSON

Sample Purpose:

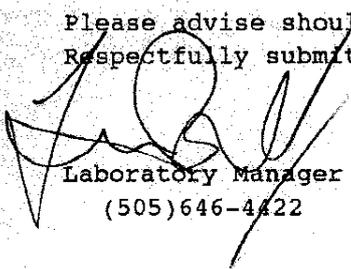
Sampling Information:

Element	Method	Result	Units	MDL	Date of Analysis	Analyst
Fluoride by electrode	4500-F_C	0.42	mg/L	0.01	07/13/05	DIG
pH of water	150.1	7.34			07/14/05	BJH
Total Dissolved Solids	160.2	744	mg/L	18	07/19/05	BJH
Cyanide, Total	4500-CN_C&E	Not detected	mg/L	0.02	07/27/05	SES
Nitrate/nitrite as N	353.2	4.88	mg/L	0.02	07/12/05	CAW
Nitrite as N	353.2	Not detected	mg/L	0.01	07/12/05	CAW

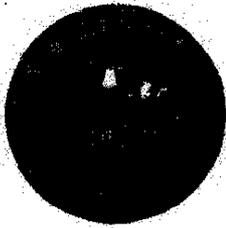
Results relate only to the items tested. This report shall not be reproduced except in full, without the written approval of the laboratory. This laboratory is accredited by the American Association for Laboratory Accreditation (A2LA) and the results shown in this report have been determined in accordance with the laboratory's terms of accreditation unless stated otherwise in the report. Those tests not presently accredited are noted by a hyphen.

Please advise should you have questions concerning these data.

Respectfully submitted,



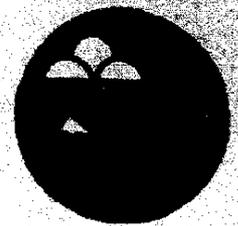
Laboratory Manager
(505) 646-4422



BILL RICHARDSON
Governor

State of New Mexico
ENVIRONMENT DEPARTMENT

Environmental Health Division
Alamogordo Field Office
411 10th St., Ste 106
Alamogordo, NM 88310
Telephone (505) 437-7115
Fax (505) 434-1813



RON CURRY
Secretary

CINDY PADILLA
Deputy Secretary

ANA MARIE ORTIZ
Director

June 5, 2006

To: Dale Palkki
Otero County Planning Coordinator

From: David Kirby
Supervisor
NMED District III

Re: Sundance Subdivision-NMED Review of Draft

New Mexico Environment Department's Opinion on Liquid Waste Disposal
Section 25
Paragraph 2

It appears there can be sufficient Liquid Waste facilities to fulfill the requirements of the subdivision in conformity with State Regulations 20.7.3NMAC.

Paragraph 4

It appears the subdivider can fulfill the Liquid Waste requirements proposals made in this disclosure statement.

Paragraph 6

Insofar as the County's Liquid Waste Disposal Regulations conform to New Mexico Liquid Waste Disposal Regulations 20.7.3NMAC, it appears the subdivider's proposal conforms to those County Regulations.

New Mexico Environment Department's Opinion on Solid Waste Disposal
Section 27

Paragraph 2

It appears there are sufficient solid waste disposal facilities to fulfill the requirements of the subdivision in conformity with State Regulations.

Paragraph 4

It appears the subdivider can fulfill the solid waste proposals made in this disclosure statement.

Paragraph 6

Insofar as the County's Solid Waste Disposal Regulations conform to New Mexico Solid Waste Disposal Regulations, it appears the subdivider's proposal conforms to those County Regulations.

**OTERO SOIL AND WATER
CONSERVATION DISTRICT**

2920 N. White Sands Blvd., Alamogordo, NM 88310 - PHONE (505) 437-3100

Bob Nichols, Chairman
Bill Mershon, Vice Chairman
Robert Bishop, Secretary/Treasurer

Eddie Vigil, Member
Robert Bell, Member
Thora Padilla, Member
Mike Kusmak, Member

June 8, 2006

Dale Palkki, Planning Coordinator
Otero County
1000 New York Ave
Alamogordo, NM 88310

Re: Sundance Subdivision

Otero SWCD has reviewed the terrain management plans and finds them satisfactory.
We recommend approval.

Sincerely,

Eddie Vigil



New Mexico DEPARTMENT OF
TRANSPORTATION
 MOBILITY FOR EVERYONE

R/W Bureau

July 31, 2006

Mr. Dale Palkki
 Planning Coordinator, Otero County
 1000 New York Ave.
 Alamogordo, NM 88310

RE: **Sundance Subdivision**

Dear Mr. Palkki,

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 476-3652 or by e-mail at jeremy.lujan@state.nm.us.

Sincerely,

Jeremy Lujan
 Property Management Agent
 Right of Way Bureau

XC: File #1573

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 Assed
 Commissioner
 District 3

Jim Franken
 Commissioner
 District 4

Jon Hummer
 Commissioner
 District 1

RESTRICTIVE COVENANTS FOR SUNDANCE SUBDIVISION

1. The property shall be used for single-family residential purposes only.
2. Single-wide mobile homes, double-wide mobile homes, factory-built homes, park-model mobile homes, campers, recreational vehicles, fifth-wheels, travel trailers, etc. shall not be allowed as living quarters on the property.
3. There shall be no more than one single-family residence per two and one-half (2.5) acres.
4. No dwelling shall be constructed on the property with an enclosed living area of less than one thousand five hundred (1,500) square feet, excluding garages, car ports, and porches.
5. Any building constructed or moved onto the property must meet all building, plumbing, electrical, and other safety codes of the County of Otero and State of New Mexico.
6. No commercial activity shall be conducted on the property other than that which can be conducted by family members in a home-office.
7. No building or other construction except fences or walls may be located closer than fifty (50) feet from a property line.
8. No obnoxious or offensive activity shall be carried on upon the property, nor shall anything be done on the property that may be or become an annoyance or nuisance to the neighborhood.
9. No garbage, refuse, junk, trash; nor hazardous, obnoxious, or offensive material shall be allowed to accumulate, burned, or buried on the property.
10. Any vehicles or equipment, such as automobiles, trucks, campers, recreational vehicles, travel trailers, tractors, etc. must not be stored on the streets, driveways, or front yards, and must be stored in garages or out-buildings, or otherwise kept out of sight.
11. No swine shall be kept on the property. A maximum of two (2) horses, mules, donkeys, or burros per lot are allowed provided they are properly fenced and housed and the areas in which they are kept are properly maintained so that odors do not become a nuisance to the neighborhood. No other type of large animal shall be allowed. Small animals that are generally considered as pets, such as dogs, goats, ostriches, emus, etc. are allowed to be kept outside homes in reasonable numbers, but must be fenced or otherwise confined to the owner's lot, and must be properly trained as to not become a nuisance to the neighborhood. Cats are not allowed to be kept outside the homes, but are allowed to be kept inside in reasonable numbers.
12. No permanent sign larger than eight (8) square feet may be placed on the property.
13. Driveways shall not be constructed in a manner that interferes with the natural flow of runoff from rain. Owners are responsible for keeping any culverts in their driveways clear of debris.
14. These Covenants shall run with the land and shall be binding upon the undersigned and all persons claiming under it, their heirs, successors, and assigns in perpetuity unless replaced or eliminated in accordance with Item 15 herein.

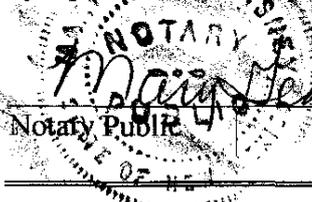
15. These Covenants may be replaced or eliminated by recording of new Covenants or a statement declaring them null and void, along with an Affidavit signed and notarized by the owners of at least two-thirds (2/3) of the lots within the subdivision, within ninety (90) days of the fifteenth (15th) year after the date of recording, or within ninety (90) days of each successive fifteen (15) year anniversary thereof.
16. If any Owner of a lot within the subdivision, or their agent, violates any of these Covenants, then it shall be lawful for any other Owner or group of Owners to prosecute any proceeding at law or in equity to recover damages or to enjoin such act, and to have any and all further legal and equitable relief. The term "Owner" as herein used means any individual, partnership, firm, company, trust, association, corporation, or any other entity of whatsoever nature that hold a financial interest in a lot within the subdivision, whether as a Purchaser or Seller.
17. No portion of any lot within this subdivision may be used as a roadway or easement for ingress and egress to lands outside of this subdivision without written consent of the owners of all lots within the subdivision. This provision does not prohibit utility companies to use the utility easements to patrol and repair their lines.
18. All dwellings within the subdivision shall be built with a finished floor elevation not less than two (2) feet higher than that of the ground around the dwelling.
19. No arroyo or drainage channel shall be altered in a manner that significantly alters the flow of water off the lot and onto the adjoining lot or property outside the subdivision.
20. Invalidation of any one of these covenants shall in no way effect any of the other covenants herein, which shall remain in full force and effect.

Witness my hand and seal this 23rd day of October, 2006

 (Seal)
 Jerry S. Johnson

STATE OF NEW MEXICO)
) ss.
 COUNTY OF OTERO)

The foregoing instrument was acknowledged before me on the 23 day of October, 2006 by a person known or proven to be Jerry S. Johnson


 Nancy Jane Harshey
 Notary Public

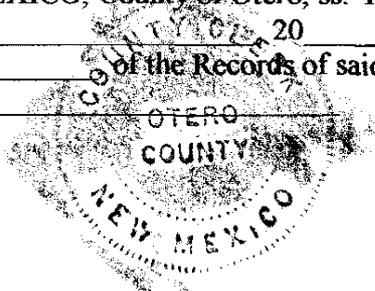
My commission expires 12/23/07

COUNTY OF OTERO)
 STATE OF NEW MEXICO) ss
 DISCLOSURE STATEMENT
 PAGES: 22

STATE OF NEW MEXICO, County of Otero, ss. I here
 the _____ day of _____, 20____, at _____
 Book _____, Page _____ of the Records of said County
 I Hereby Certify That This Instrument Was Filed for
 Record On The 13TH Day Of December, 2006 at 01:09:49 PM
 And Was Duly Recorded as Instrument # **200613936**
 Of The Records Of Otero County

BY _____
 Deputy

Witness My Hand And Seal Of Office
 Robyn Silva
 Deputy _____ County Clerk, Otero, NM


 OTERO
 COUNTY
 NEW MEXICO