

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

**DISCLOSURE STATEMENT  
FOR  
JAMES VALLEY SUBDIVISION**

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. IT SHOULD FULLY DESCRIBE THE DUTIES OF THE DEVELOPER AND YOUR OBLIGATIONS AS A PROPERTY OWNER IN THIS SUBDIVISION. 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. You should read carefully all the documents mentioned in this disclosure statement.

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**

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rescind the transaction and receive all your money back from the subdivider when merchantable title is vested 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 County Clerk.

Building permits, wastewater permits or other use permits must be issued by the proper government 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.

Construction of all infrastructure and other capital improvements are the responsibility of the subdivider/developer. If the subdivider/developer is unable to complete the construction of roads or other improvements, the County of Cibola cannot be held responsible for completion of those improvements. All roads in this subdivision are private with all maintenance responsibility being that of the tract owners in this subdivision. The County of Cibola will not assume maintenance on any road in this subdivision.

**1. NAME OF SUBDIVISION**

(name of subdivision); (date of all approval resolutions)

James Valley Subdivision

**2. NAME AND ADDRESS OF SUBDIVIDER**

(name and address of subdivider)

Grace Family, L.L.C., A New Mexico limited liability company,  
James and Rhonda S. Grace  
2784 US Route 7  
Pittsford, Vermont 05763

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

(name, address and telephone number of person in charge of sales, leasing or other conveyance)

A. James and Rhonda S. Grace  
2784 US Route 7  
Pittsford, Vermont 05763

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**4. SIZE OF SUBDIVISION BOTH PRESENT AND ANTICIPATED**

Present  
(number of parcels)

0

(number of acres in subdivision)

1719.667

Anticipated  
(number of parcels)

24

(number of articles in subdivision)

None

**5. SIZE OF LARGEST PARCEL OFFERED FOR SALE, LEASE OR CONVEYANCE WITHIN THE SUBDIVISION**

(size of largest parcel in acres)

Tract 23 – 121.504 Acres

**6. SIZE OF SMALLEST PARCEL OFFERED FOR SALE, LEASE OR OTHER CONVEYANCE WITHIN THE SUBDIVISION**

(size of smallest parcel in acres)

Tract 12 – 44.164 Acres

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

(\$ = lowest amount)  
conveyed)

\$60,000

(\$ = highest amount)

\$145,000

(size of parcel sold, leased or

44.164 Acres

(size of parcel sold, leased or conveyed)

121.504 Acres

**8. FINANCING TERMS**

(interest rate); (term of loan or contract); (minimum down payment); (service charges and/or escrow fees); (premium for credit life or other insurance if it is a condition for giving credit); (closing costs); (any other information required by the Truth in Lending Act and Regulation Z if not set forth above).

(Interest)

**Seller may offer some financing (customary bank terms)**

N/A

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(amount paid as discount)

**None**

(service charges)

**None**

(premium on credit life or other insurance if it is a condition for giving credit)

**Not Applicable**

(closing costs)

**Allocation of cost of title insurance commitment and policy between Seller and Purchaser is negotiable. Purchaser and Seller split all recording fees. Purchaser pays all escrow fees.**

(any other information required by the Truth in Lending Act if not set forth above)

N/A

**9. NAME AND ADDRESS OF HOLDER OF LEGAL TITLE**

(name and current address of person who is recorded as having legal title)(if any of the holders of legal title named above is a corporation, list the names and addresses of all officers of that corporation)

**Grace Family, L.L.C., A New Mexico limited liability company  
James and Rhonda S. Grace  
2784 US Route 7  
Pittsford, Vermont 05763**

**NOTE:** If any of the persons named above is a corporation, please set out here the names and addresses of all officers in the corporation.

**10. NAME AND ADDRESS OF PERSON HAVING EQUITABLE TITLE**

(name and current address of person who is recorded as having equitable title)(if any of the holders of equitable title named above is a corporation, list the names and addresses of all officers of that corporation)

**Not Applicable.**

**11. CONDITION OF TITLE**

Include at least the following information where applicable: (number of mortgages); (name and address of each mortgagee); (balance owing of each mortgage); (summary of release provisions of each mortgage); (number of real estate contracts on the divided land for which the subdivider is making payments as a purchaser); (name and address of each person holding a real estate contract as owner of the subdivided land for which the subdivider is making payments as a purchaser); (balance owing on each real estate contract); (summary of default provisions of each real estate contract); (summary of release provisions of each real estate contract); (statement of any other conditions relevant to the state of title).

Include here at least the following information where applicable

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4

(number of mortgages)

**One**

(name of each mortgagee)

**Jobe Limited Partnership, a Washington limited partnership**

((balance owing on each mortgage)

**\$715,000**

(summary of the release provision in each mortgage)

**Until the mortgage is paid, each specific tract will be released to the Graces upon payment by Grace to the Mortgagee, 75% of the Tract's gross sale price.**

(number of real estate contracts on the subdivided land for which the subdivider is making payments as a purchaser)

**N/A**

(balance owing on each real estate contract)

**N/A**

(summary of the release provisions on each real estate contract)

**N/A**

(statement of any other encumbrances on the land)

**Patent reservations, utilities, road right-of-ways, other matters as disclosed on Title Commitment.**

(statement of any other condition relevant to the state of the title)

**None**

(disclose full consequences to real estate contracts and owner's equity if subdivider goes bankrupt or mortgagee forecloses on subdivision)

**At closing the lot sold will be released from the mortgage; therefore, there will be no effect if there is a bankruptcy or foreclosure.**

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

(state here all deed and plat restrictions, restrictive covenants, zoning requirements, etc. affecting the subdivided land)

**See Restrictive Covenants for this Subdivision. Land is not zoned by Cibola County.**

**13. ESCROW AGENT**

(name and address of escrow agent)(statement of whether or not the subdivider has any interest in or financial ties to the escrow agent)

**Total Escrow Services  
508 Mechem Dr # A  
Ruidoso, NM 88345**

**14. UTILITIES**

(name of entity providing electricity, if available)

(estimated monthly cost per parcel)

**Continental Divide Electric Co-op**

**Depends on usage**

(name of entity providing gas service, if available)

(estimated monthly cost)

**Natural gas service is not available. Private propane companies serve the area.**

**Depends on usage**

(name of entity providing water, if available)

(estimated monthly cost)

**Each tract purchaser must supply his own water**

**Depends on usage**

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Name of entity providing telephone, if available) (estimated monthly cost)

Not provided – cell service only. Not Applicable

(name of entity providing liquid waste disposal, if available) (estimated monthly cost)

Each tract owner must provide his own liquid disposal system Not Applicable

(name of entity providing solid waste disposal, if available) (estimated monthly cost)

Each tract owner must transport solid waste to a dumpster site Not Applicable

#### 15. INSTALLATION OF UTILITIES

State with specificity the person or entity which bears the cost of installation, and the date of any proposed installation

(electricity) (date)

Individual Property Owner The developer will not supply electric service. Installation depends on when property owner orders the service and pays the installation fees. Installation fee can range from \$500 to \$15,000. (1 mile of line ~ \$15,000)

(gas) (date)

Individual Property Owner The developer does not supply gas. Service is available from local propane companies. Installation depends on when property owner orders the service and pays the installation fees.

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(water)

(date)

Individual Property Owner

The developer does not supply water. The tract purchaser must have a well and supply system installed or transport water to a site.

(telephone)

(date)

Not available – cell service only

Not Applicable

(liquid waste disposal)

(Date)

Individual Property Owner

Depends on property owner's schedule of needs.

(solid waste disposal)

(Date)

Individual Property Owner

Depends on property owner's schedule of needs.

### 16. UTILITY LOCATION

(list documents describing exact location of all easements); (if all utilities are to provided to each parcel in the subdivision, please state here; (if utilities are to be provided to some but not all parcels in the subdivision, state which utilities will be provided to each parcel).

**Easements are on all tracts and within road rights-of-way (see filed subdivision plat). The developer will not supply utilities to any tract. The tract purchaser is responsible for extension of all utilities to a tract.**

(state whether each utility will be above ground or underground)

Above Ground

Underground

electricity

    X



gas	<u>    X    </u>	<u>          </u>
water	<u>          </u>	<u>    X    </u>
telephone	<u>    N/A    </u>	<u>          </u>
liquid waste disposal	<u>          </u>	<u>    X    </u>
solid waste disposal	<u>    X    </u>	<u>          </u>

**17. WATER AVAILABILITY**

(Describe the maximum annual water requirements of the subdivision including water for indoor and outdoor domestic uses as if the land were fully developed and occupied); (describe the availability and sources of water to meet the subdivision's maximum annual water requirements); (describe the means of water delivery within the subdivision); (describe any limitations and restrictions on water use in the subdivision); (summarize the covenants or other restrictions requiring the use of water saving fixtures and other water conservation measures); (describe what measures, if any, will be employed to monitor or restrict water use in the subdivision); (estimate monthly cost of water or well maintenance)' estimate cost of well installation).

Each tract owner must supply his own water by a well or water transport system. The State of New Mexico (subject to change) allows withdrawal of three (3) acre feet of water per year for a tract. See Paragraph 19. Historic usage for a single-family home is 0.25 acre-feet per year. Covenants require use of water saving devices, such as toilets and showers. There is no monitoring system to control usage. Cost of well will range from \$5,000 to \$20,000. Maintenance cost will depend on age and usage, and could range from \$100 to \$5,000.

**18. FOR SUBDIVISIONS WITH COMMUNITY WATER SYSTEMS**

(name and address of entity providing water); (source of water and means of delivery); (summary of any legal restrictions one either indoor or outdoor usage); (statement that individual wells are prohibited, if such is the case).

Not applicable.

**19. FOR SUBDIVISIONS WITH INDIVIDUAL DOMESTIC WELLS OR SHARED WELLS**

(state whether wells will be provided by the subdivider or by the prospective purchaser/lessee/conveyee); (if wells are provided by purchaser/lessee/conveyee, state the estimated cost to complete a domestic well, including drilling, pressure tank, control devices, storage and treatment facilities); if wells are provided by the subdivider, state the cost, if any, to the purchaser/lessee/conveyee); (summary of legal restrictions on either indoor or outdoor usage); (average depth to groundwater and the minimum and maximum well depths to be reasonably expected); (recommended total depth of well); (estimated yield in gallons per minute of wells completed to recommended total depth).

Each individual tract owner will provide their own domestic water supply by use of a domestic well permitted under New Mexico Statutes Annotated 1070

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Under Section 72-12-1 New Mexico Statutes Annotated, 1978, it is the State Engineer's policy to grant a domestic permit only to the person, who in good faith, intends to use the water for household or other domestic purpose.

The permit is limited to a diversion of three acre feet per year. The well owner must notify the State Engineer in writing if he intends to use the well to serve more than one household. If multiple wells are hooked together, they are limited to a total of 3 acre-feet/year. The permit from the State Engineer will require the well owner to install a totalizing meter, and report results to the State Engineer each quarter.

(recommended total depth of well)

**Recommended Total of Well:** Depth sufficient to complete well 100 feet below top of water table. Depth of existing wells range from 175 ft to 1150 ft.

(recommended pump settings and size)

**Recommended Pump Settings and Size:** Pump setting to be minimum of 50 feet below static water level in well. Pump size requirements depend on efficiency, lift, friction losses and capacity. Average size of pump expected not to exceed 1.5 horsepower.

## 20. LIFE EXPECTANCY OF WATER SUPPLY

(state the life expectancy of each source of water supply for the subdivision under full development of the subdivision)

**This is a type 5 subdivision. A geohydrologic water report is not required.**

## 21. 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)

**NOT APPLICABLE.**

## 22. 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: (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); (whether or not the subdivider can fulfill the proposals in this disclosure statement concerning water, excepting water quality).

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This is a Type 5 subdivision. Comments from the State engineer's office are not required.

### 23. WATER QUALITY

(describe the quality of water in the subdivision available for human consumption); describe any quality that would make the water unsuitable for use within the subdivision); (state each maximum allowable water quality parameter that has been exceeded and the name of the element, compound or standard that has exceeded that parameter).

Chemical analysis of water in this subdivision area indicates that the water may be high in sulfates and hardness. Hardness retards the cleaning action of soaps and detergents and causes scaling in pipes and water heaters. Excessive sulfates may have a laxative effect on persons unaccustomed to them. Water from the water bearing formation may be high in dissolved solids and may be relatively poor quality. Tract owners may want to install a reverse osmosis unit at an approximate cost of \$1,000 to \$3,000 and/or water softener at a cost of \$1,000 to \$3,000.

### 24. 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: (whether or not the subdivider can furnish water of an acceptable quality for human consumption and measures to protect the water supply from contamination in conformity with state regulations; (whether or not the subdivider can fulfill the water quality proposal made in this disclosure statement).

This is a type 5 subdivision. Comments from State Engineer's office are not required.

### 25. LIQUID WASTE DISPOSAL

(describe the precise type of liquid waste disposal system that is proposed and that has been approved by the appropriate government agency for use within the subdivision).

Liquid waste disposal is by septic tanks and leach field, holding tanks, aerobic systems, package treatment plants or other systems employing significant new technology. A permit from the New Mexico Environment Department is required for a liquid waste system. A booklet prepared by ED specifically detailing the system is available at the ED office.

**NOTE: NO LIQUID WASTE DISPOSAL SYSTEM MAY BE USED IN THIS SUBDIVISION OTHER THAN A SYSTEM APPROVED FOR USE IN THIS SUBDIVISION BY THE NEW MEXICO ENVIRONMENT DEPARTMENT.**

### 26. N.M. ENVIRONMENT DEPARTMENT'S OPINION ON LIQUID WASTE DISPOSAL

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Include here the approved summary of the opinion received by the Board of County Commissioners from the New Mexico Environment Department on: (whether there are sufficient liquid waste disposal facilities to fulfill the requirements of the subdivision in conformity with state regulations); (whether or not the subdivider can fulfill the liquid waste proposals made in this disclosure statement)

**This is a type 5 subdivision. Comments from the New Mexico Environment Department are not required.**

#### **27.SOLID WASTE DISPOSAL**

(describe the means of solid waste disposal (including the permitted landfill) that is proposed for use within the subdivision); (state the monthly cost for solid waste collection and disposal); (state all available solid waste collectors with capacity to serve the subdivision).

**Tract owners must transport all solid waste to a County-approved solid waste depository or transfer site. Individual solid waste pickup for specific tracts will not be provided.**

#### **28. 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: (whether or not there are sufficient solid waste disposal facilities to fulfill the requirements of the subdivision in conformity with state regulations); (whether or not the subdivider can fulfill the solid waste proposals made in this disclosure statement).

**This is a type 5 subdivision. Comments from the New Mexico Environmental Department are not required.**

#### **29.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 Cibola County); describe any measures necessary for overcoming soil and topographic limitations; and who will be responsible for implementing these measures); (identify by lot and block numbers all parcels within the subdivision located in whole or in part on slopes in excess of 8%); (describe the surface drainage for all lots in the subdivision); describe the subsurface drainage for all lots in the subdivision); (describe the nature, location and completion dates of all storm drainage systems constructed or required to be constructed in the subdivision)>

**The topsoils within the subdivision are very thin and fragile. Prior to construction, the topsoil should be removed from the actual building site. After construction, the topsoil should be distributed around the building site and area disturbed during construction. Alluvium soils which exist in the bottom of**

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drainages have a tendency to sink when exposed to excess watering or heavy loading.

The underlying soils have a characteristic of shrink, swell and frost heave when exposed to excess water and cold or dry weather conditions.

Because of ground slope some of the tracts also vary as to the amount of soil available on the tract.

*It is recommended that home foundations be professionally designed to overcome the characteristics of the soil and tract terrain. For the reason outlined above, driveways should also be constructed so as to drain water off the driveway surface and not allowed to stand along the driveway edge.*

No subsurface drainage problems are expected to exist.

Cibola County subscribes to the FEMA flood insurance program. No tract within this subdivision is determined to be within a FEMA designated Flood Plain as shown by Cibola County Flood Map (350155 0625 A) dated July 2, 1984.

Surface drainage is natural run-off. Erosion is not a problem. The canyon bottoms have large amounts of run-off when rains occur. Homesite must be selected and designed to account for this runoff. Existing drainage control structures must be kept in place and be maintained.

(describe all storm drainage systems including the completion date of any required to be constructed)

None Planned.

### 30. NATURAL RESOURCE 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: (whether or not the subdivider can furnish terrain management sufficient to protect against flooding, inadequate drainage and soil erosion); (whether or not the subdivider can satisfy the terrain management proposals made in this disclosure statement).

This is a Type 5 subdivision. Comments from the Soil and Water Conservation District are not required.

### 31. SUBDIVISION ACCESS

(name of town nearest to subdivision); (distance from nearest town to subdivision and the route over which that distance is computed); (describe access roads to subdivision); (state whether or not subdivision is ordinarily accessible at all times of the year and under all weather conditions); (state whether the roads within the subdivision have been accepted for maintenance by the County and identify the acceptance documents); (if the roads within the subdivision have not been accepted for maintenance by the County, state how the roads will be maintained and describe lot owners responsibilities and obligations with respect to road maintenance)

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(name of town nearest subdivision)

Grants, New Mexico via eight miles of County Road 47 and 40 miles on State Hwy. 53.

The property is ordinarily accessible by conventional vehicles in all seasons under most weather conditions. During snowstorms the property may not be accessible until snowplows have cleared snow from the roads. During periods of heavy rains the County road will be muddy and may have washouts.

The County road is a 15 ft. wide dirt and gravel-surfaced road and is maintained on an as-needed basis by the County.

The State Highway is maintained by the State Highway Department.

Roads on the property are private and are 20 ft. wide gravel-surfaced roads. The roads will be maintained as outlined in the filed Road Maintenance Agreement.

### 32. MAINTENANCE

(state whether the roads and other infrastructure within the subdivision will be maintained by the County, the subdivider or an association of lot owners, and what measures have been taken to make sure that maintenance takes place); (identify any documents of acceptance for maintenance or creation of associations).

The Declaration of Covenants for Road Maintenance for James Valley Subdivision is filed with the Cibola County Clerk in Book 14, Pg. 6530.

### 33. STATE HIGHWAY DEPARTMENTS 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: (whether or not the subdivider can fulfill the state highway access requirements for the subdivision in conformity with state regulations); (whether or not the subdivider can satisfy the access proposal made in this disclosure statement).

This is a type 5 subdivision. Comments from the State Highway Department are not required.

### 34. CONSTRUCTION GUARANTEES (if applicable)

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(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); (describe all performance bonds, or other collateral securing the completion of each proposed improvement).

**There are no construction guarantees for this property.**

**NOTE: UNLESS THERE IS SUFFICIENT BOND, 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.**

### **35. ADVERSE OR UNUSUAL CONDITIONS**

(state any activities or conditions adjacent to 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)

1. The bottom of every drainage or canyon on the property must be considered a possible flood area. This is because all of the area drains to the canyon bottom. Structures should not be placed in canyon bottoms or across the mouth of a canyon.
2. Discharge from culverts and natural drainage channels flow from the higher elevation tracts to lower tracts. Each tract owner must be aware of any culvert or drainage channel on the uphill side of his tract and design improvements on the tract to account for the water flow.
3. Many area of Cibola County are on or near wooded areas which if not kept healthy and cleared of fuel-loaded litter and dense tree cover may pose a fire hazard. Fuel breaks of 30 feet around structures are encouraged.
4. Tracts experience heavy rain runoff from adjoining uphill lands. Tract Developments must accommodate said runoff.
5. Due to possible flooding, no homes or structures should be placed within 100 feet of the canyon bottoms or dry creek beds.

### **36. ARCHAEOLOGICAL SITES, AND UNMARKED HUMAN BURIALS**

(state the results of any archaeological survey and environmental assessment); (describe the general locations of any sites within the subdivision).

**No sites or burial grounds are known to exist on this property.**

### **37. RECREATIONAL FACILITIES**

(describe all recreational facilities, actual and proposed in the subdivision); (state the estimated date of completion of each proposed recreational facility); (state whether or not there are any bonds, or other collateral securing the construction of each proposed recreational facility and describe any such bond, or other collateral).

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None

### 38. FIRE PROTECTION

(distance to nearest fire station from subdivision); (route over which that distance is computed)' (state whether the fire department is full-time or volunteer); (state source and quantity of water available for fire suppression in the subdivision).

48 miles via County Road 47 and State Hwy. 53.

Volunteer fire departments located within Grants and Milan.

### 39. POLICE PROTECTION

(list the various police units that have jurisdiction and will patrol the subdivision).

The subdivision is not regularly patrolled by any police jurisdiction.

The State Police and Sheriff's Office will respond to calls regarding the subdivision.

### 40. PUBLIC SCHOOLS

(name of and distance to nearest public elementary school serving the subdivision); (name of and distance to nearest public junior high or middle school serving the subdivision); (name of and distance to nearest high school serving the subdivision).

Grants High School (500 Mountain Road) = 49.8 miles total

1.8 miles to County Road 47 - 48 miles via County Road 47 and State Hwy. 53

### 41. HOSPITALS

(name of nearest hospital); (distance to nearest hospital and route over which that distance is computed); (number of beds in nearest hospital).

Cibola General Hospital (24 beds-1016 E Roosevelt Ave) - 51 miles total

3 miles to County Road 47 - 48 miles via County Road 47 and State Hwy. 53.

### 42. SHOPPING FACILITIES

(description of shopping facilities including number of stores); (distance to nearest shopping facilities and route over which that distance is computed).

Grants, New Mexico - 48 miles via County Road 47 and State Hwy. 53.



**43. PUBLIC TRANSPORTATION**

(describe all public transportation that serves the subdivision on a regular basis)

**NO SERVICE.**

(plane)

(other means of transportation)

SIGNED

Grace Family LLC


[Signature]

MTG

DATED

May 4, 2005

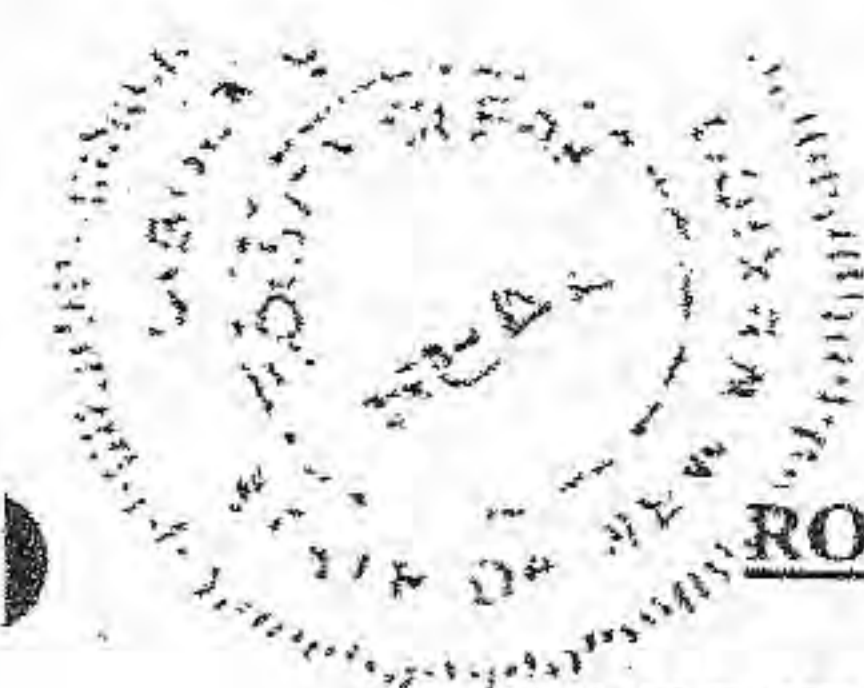
This Disclosure Statement was SUBSCRIBED AND SWORN TO before me on this 4th day of May, 2005.

[Signature]  
Notary Public  


My commission expires:

2-10-07

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**DECLARATION OF COVENANTS FOR  
ROAD MAINTENANCE FOR JAMES VALLEY SUBDIVISION**

**THIS DECLARATION** is made this 4<sup>th</sup> day of May, 2005, by GRACE FAMILY, LLC, a New Mexico limited liability company (hereinafter referred to as "Declarant").

WHEREAS, Declarant is the owner of twenty-four (24) tracts known as the James Valley Subdivision (the "Subdivision"), as shown on plat of survey (the "Plat") filed for record on April 21, 2005, and recorded in Plat Cabinet C, Slot No. 185, Book 0014, Page 5929 records of Cibola County, New Mexico; and

WHEREAS, Declarant is also the owner of a tract of land within Section 12, T 8 N, R 14 W and Section 7, T 8 N, R 13 W, N.M.P.M., Cibola County, New Mexico, comprising approximately 1,719.667 acres of land, adjacent to and west of the Subdivision ("Big Pine Ranch"); and

WHEREAS, the Subdivision tracts and Big Pine Ranch (collectively the "Tracts") are served by a network of access roads known as Old Cabin Road, North Valley Road and James Valley Road (collectively the "Access Roads"); and

WHEREAS, Declarant desires to impose the provisions of this Declaration on and subject all of the Tracts to the covenants hereinafter stated, for the purpose of providing for an equitable sharing of the costs for the maintenance of the Access Roads, the terms of which shall run with the land and be binding upon and inure to the benefit of all parties having any right, title or interest in or to the Tracts, or any part thereof, and their successors and assigns (the "Owners").

NOW, THEREFORE, Declarant hereby declares that the Tracts shall be subject to the following covenants, conditions and restrictions:

**Article I - Maintenance of Roads**

**1.1 Maintenance of Access Roads.** The Owners of all Tracts including any constituent tracts created from the future division of Tracts, shall maintain the Access Roads in good condition and repair. Each Owner of a Tract using the Access Roads shall be responsible for his or her pro rata share of such maintenance costs for one or more Roads, based upon the percentages set forth in Exhibit A hereto. As shown on Exhibit A, the Owners of Tracts 6 and 7 will be responsible for a percentage of the costs of maintenance of both Old Cabin Road and North Valley Road. In addition, also as shown on Exhibit A, the Owners of Tracts fronting on North Valley Road, i.e. Tracts 2 through 7, inclusive, will be responsible collectively for 50% of the costs of maintenance of North Valley Road, and the Owners of Tracts fronting on James Valley Road, i.e. Tracts 8 through 24, inclusive, will be responsible collectively for the remaining 50% of the costs of maintenance of North Valley Road, and are responsible for 100% of the costs of maintenance for James Valley Road. If a Tract is divided into constituent tracts or lots, the subdivider, in the deeds to purchasers or by other appropriate recorded document, shall

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allocate the percentage assigned to the original Tract among the constituent tract or lots, so that the percentage shown on Exhibit A is contributed by the constituent tract owners collectively.

**1.2 Road Administrator.** The Owners of the Tracts shall appoint, from among their number, an Administrator for the maintenance of the Roads. An Administrator may be removed at any time by the vote of a majority of the Tracts. An Administrator who is removed, dies or resigns may be replaced by the vote of a majority of the Tracts.

**1.3 Schedule; Budget; Assessments.** Each April, the Administrator shall arrange for maintenance of the Roads, and shall assess against each Tract its pro rata share of the cost of such maintenance, based upon the percentages set forth in Exhibit A hereto. Each Owner's assessment shall be due within twenty-one (21) days after the schedule of assessments has been mailed or hand-delivered to such Owner.

**1.3 Enforcement of Assessments.** If any Owner fails to pay an assessment as provided herein, such Owner shall be in default, and the Administrator may give him notice in writing of such default. If the default is not fully corrected within fifteen (15) days after such notice, some or all of the other Owners may commence a legal action to require the defaulting Owner to pay the delinquent assessment. If the Owners bringing the lawsuit obtain substantially the relief sought in such legal action, the defaulting Owner shall pay: a) interest on the unpaid balance at 1 1/2% percent per month accruing from the due date; b) the prevailing parties' reasonable attorneys' fees and c) other related costs in connection with such legal action.

In addition to the right hereunder to bring a legal action, if any party is in default in paying any assessment, the amount of the delinquency, together with interest on the unpaid balance at 1 1/2% per month and reasonable attorneys' fees and other related costs in connection with the collection of the delinquency, shall become a lien upon the Tract of the delinquent owner upon the recording in the Cibola County Clerk's Office by the Administrator of a notice of lien. The notice of lien shall also be mailed to the last known address of the defaulting Owner. Such lien shall contain the property description of the Tract burdened with the lien, the name of the reputed owner thereof, and a general description of the delinquent amount. Such lien may be foreclosed in the manner provided by law for the foreclosure of mechanics and materialmen's liens. The lien of the assessments provided for herein shall be subordinated to the lien of any first mortgage. Sale or transfer of any Tract shall not extinguish the assessment lien.

**1.4 Extraordinary Repairs.**

(a) Any Tract Owner may make necessary expenditures for emergency repairs to a Road without consulting the Road Administrator but only after reasonable attempts have been made to consult with such Administrator. The paying Owner shall be entitled to reimbursement for such emergency expenditures as part of the next annual assessment.

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(b) During any period of construction of improvements on any Tract, the Owner shall be responsible for removing trash and construction debris, including concrete slurry, from the Roads and adjacent areas, on a daily basis.

(c) If repair or reconstruction of a Road becomes necessary by reason of negligence or of intentional harm by one of the Owners or their invitees, the cost of such repair or replacement shall be borne by the Owner whose negligence or intentional acts, or the negligence or intentional acts of whose invitee, caused the damage. Such repair shall be considered an emergency expense subject to the provisions of subparagraph 1.4(a) hereof.

## Article II - General Provisions

2.1 Modification. The provisions of this Declaration shall not be amended except upon the approval of the Owners of at least three-fourths (3/4) of the Tracts. Any amendment hereto must be in writing and shall be executed by the Owners whose approval is required for such amendment. All amendments shall be filed for record in Cibola County, New Mexico.

2.2 Notices. Any notices required or permitted to be delivered hereunder shall be deemed to be delivered when personally delivered to the respective addressee or upon deposit of the same in the United States mails, postage prepaid, certified or registered mail, return receipt requested, and addressed to the Owners at the respective addresses as shown in records maintained by the Road Administrator. Any Owner may change his address by giving notice thereof to the Road Administrator.


2.3 Severability. Invalidation of any provision of this Declaration by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

2.4 Binding Effect. This Declaration shall be binding upon and shall inure to the benefit of Declarant, the Owners, and their respective heirs, successors and assigns, and shall run with the land.

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IN WITNESS WHEREOF, Declarant has executed this Declaration as of the date and year first written above.

GRACE FAMILY, L.L.C.,  
a New Mexico limited liability company

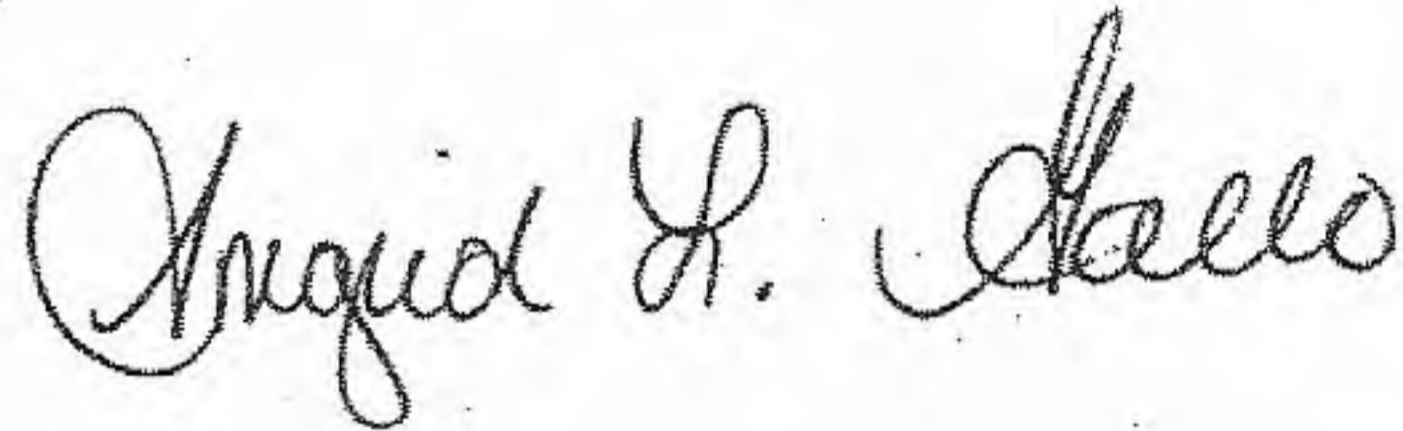
By:   
A. James Grace  
Manager

**ACKNOWLEDGMENT**

STATE OF VERMONT            )  
  ) SS.  
COUNTY OF RUTLAND        )

The foregoing instrument was duly acknowledged before me this 4th day of May, 2005, by A. James Grace, as Manager of Grace Family, L.L.C., a New Mexico limited liability company, on behalf of said company.

My Commission expires:  
2-10-07



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Tract Owner's Percent of Road Responsibility

May 2005

Road:	Old Cabin Road	Total Road Length: 1,336.84 Feet
Tract #	Tract Frontage (feet)	Tract Percent Responsibility
1	201.24	6%
6	537.79	16%
7	611.57	21%
Big Pine	0	57%

Road:	North Valley Road	Total Road Length: 3,912.53 Feet
Track #	Tract Frontage (feet)	Tract Percent Responsibility (1/2 of North Valley Rd costs)
2	50	28%
3	271.11	25%
4	527.41	21%
5	1051.41	10%
6	3912.53	8%
7	2062.6	8%

Road:	James Valley Road	Total Road Length: 10,957 Feet
Tract #	Tract Frontage (feet)	Tract Percent Responsibility (1/2 of North Valley Rd and all of James Valley RD)
8	1270.22	3%
9	1786.14	4%
10	1419.73	4%
11	2235.17	5%
12	998.42	5%
13	1049.34	5%
14	1025.32	5%
15	590.27	5%
16	1421.38	6%
17	755.79	6%
18	394.75	6%
19	418.54	7%
20	446.89	7%
21	413.66	7%
22	425.98	8%
23	4560.31	10%
24	778.45	7%

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**James Valley Sub-Division**

**Tract Owner's Road Responsibility**

Road:	Old Cabin Road	Total Road Length: 1350.6 Feet	Total Road Cost	\$ 513.23
Tract #	Tract Frontage (feet)	Tract Percent Responsibility	Tract's Cost at (\$.38)	
1	201.24	6%	\$	30.79
6	537.79	16%	\$	82.12
7	611.57	21%	\$	107.78
Big Pine	0	57%	\$	292.54

100%

Road:	North Valley Road (1/2)	Total Road Length: 3912.53	Total Road Cost \$.38	\$ 743.66	
Track #	Tract Frontage (feet)	Tract Percent Responsibility	1956.27 feet		
2	50	28%	\$	208.22	
3	271.11	25%	\$	185.92	
4	527.41	21%	\$	156.17	
5	1051.41	10%	\$	74.37	
6	3912.53	8%	\$	59.49	\$ 141.61
7	2062.6	8%	\$	59.49	\$ 167.27

100%

Road:	James Valley Road and 1/2 North Valley	Total Road Length 10,957	12,913.27 feet at (\$.38)	\$ 4,907.32
Tract #	Tract Frontage (feet)	Tract Percent Responsibility	Tract's Cost	
8	1270.22	3%	\$	147.22
9	1786.14	4%	\$	196.29
10	1419.73	4%	\$	196.29
11	2235.17	5%	\$	245.37
12	998.42	5%	\$	245.37
13	1049.34	5%	\$	245.37
14	1025.32	5%	\$	245.37
15	590.27	5%	\$	245.37
16	1421.38	6%	\$	294.44
17	755.79	6%	\$	294.44
18	394.75	6%	\$	294.44
19	418.54	7%	\$	343.51
20	446.89	7%	\$	343.51
21	413.66	7%	\$	343.51
22	425.98	8%	\$	392.59
23	4560.31	10%	\$	490.73
24	778.45	7%	\$	343.51