

**VACANT LAND/FARM AND RANCH
CONTRACT TO BUY AND SELL REAL ESTATE
ABBE SPRINGS RANCHES SUBDIVISION**

**SOUTHWEST PROPERTIES OF NEW MEXICO, INC., P.O. BOX 448, SOCORRO, NEW MEXICO 87801
505-835-1008**

DISCLOSURE STATEMENT

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

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

1. **NAME OF SUBDIVISION:** Abbe Springs Ranches Subdivision which is located within the County of Socorro, State of New Mexico
2. **NAME AND ADDRESS OF SUBDIVIDER:** Southwest Properties of New Mexico, Inc., a New Mexico corporation whose business address is P.O. Box 448, 113 Abeytia Ave., Suite A, Socorro, New Mexico 87801
3. **NAME AND ADDRESS OF PERSON(S) IN CHARGE OF SALE, LEASE OR OTHER CONVEYANCE IN NEW MEXICO:** Southwest Properties of New Mexico, Inc., a New Mexico corporation, whose business address is P.O. Box 448, 113 Abeytia Ave., Suite A, Socorro, New Mexico 87801
4. **SIZE OF SUBDIVISION, BOTH PRESENT AND ANTICIPATED:** Abbe Springs Ranches Subdivision consists of 4196.86 +/- acres. It is anticipated 134 lots will be in 2 or more phases.
5. **SIZE OF LARGEST PARCEL OFFERED FOR SALE, LEASE OR CONVEYANCE WITHIN THE SUBDIVISION:** The largest lot in the subdivision is 50.26 acres.
6. **SIZE OF SMALLEST PARCEL OFFERED FOR SALE, LEASE OR CONVEYANCE WITHIN THE SUBDIVISION:** The smallest lot in the subdivision is 30 acres.
7. **PROPOSED RANGE OF PRICES FOR SALES, LEASES OR OTHER CONVEYANCES:** Lots within Abbe Springs Ranches range from \$22,900 for a 30 + acre lot to \$59,900 for a 30 - 40 +/- acre lot.
8. **FINANCING TERMS:** Financing is offered through Southwest Properties of New Mexico, Inc. by Land Finance Company, 430 Main Street, Williamstown, Massachusetts 01267. The interest rate will be the prime rate as reported in the Wall Street Journal plus 3% fixed for a 10-year term with a minimum down payment of 20%. Closing costs, services charge and escrow fees, if any, are not to exceed \$500.00 dollars.
9. **NAME AND ADDRESS OF PERSONS HAVING EQUITABLE TITLE:** Not applicable.
10. **NAME AND ADDRESS OF HOLDER OF LEGAL TITLE:** Southwest Properties of New Mexico, Inc., a New Mexico corporation whose business address is P.O. Box 448, 113 Abeytia Ave., Suite A, Socorro, New Mexico 87801.
11. **CONDITION OF TITLE:** The Toni Boyd Broaddus and Luther Broaddus III Revocable Living Trust holds a mortgage on all the subdivision except Section 5. Lien releases are executed and held with Escrow Agent and will be given on each individual lot to Buyer at closing and Buyer will own fee simple title to lot.

IF THE ABOVE SUPERIOR LIENS ARE NOT PAID, THE BUYER'S ENTIRE INVESTMENT MAY BE IN JEOPARDY OR LOST.

12. STATEMENT OF ALL RESTRICTIONS OR RESERVATIONS OF RECORD OR ACTIVITIES OR CONDITIONS ADJACENT TO OR NEARBY THE SUBDIVISION THAT WOULD SUBJECT THE LAND PROPOSED FOR SUBDIVISION TO ANY UNUSUAL CONDITIONS AFFECTING ITS USE OR OCCUPANCY: None known.

13. ESCROW AGENT: Security Title Abstract Co., Inc, P.O. Box 1395, 108 Bernard, Socorro, New Mexico 87801, 505-835-1440 phone, 505-835-1925 fax, an independent third party in which Seller has no interest or financial ties.

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

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

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

Aside from electricity, there are certain other energy sources available for use in the Subdivision. Propane gas service is available in the town of Magdalena, New Mexico. Buyer is solely responsible for obtaining and paying for this type of service. In addition to the tank rental and cost for gas, there may be installation or connection fees for the propane gas. For more information contact A-X Propane Co. at 1-800-642-7076, or Sierra Propane at 505-835-2854. Natural gas is not available in this Subdivision.

A central sewage system is not available for this Subdivision. Buyer is entirely responsible for the cost of installation, including testing and obtaining approval, of a sewage disposal system for the Buyer's Property. In order to install a sewage system, Buyer must obtain all necessary permits from New Mexico Environment Department, 336 6th Street Box 14, Socorro, New Mexico, 87801, Jack Hooper whose telephone number is 505-835-1287. Soil tests may be required prior to issuing the permit and a New Mexico registered professional engineer must conduct percolation tests and may be required to design a special sewage system for the Property. A licensed New Mexico engineer must engineer all septic systems. The estimated cost for installation of an on-site individual sewage system will vary depending on the depth of bedrock, slope, or other geographical characteristics. In the event Buyer cannot get a permit for an individual on-site sewage system anywhere on the lot being purchased the Seller will purchase the lot from Buyer for the original purchase price that Buyer paid for the lot.

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

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

17. **WATER AVAILABILITY:** Seller is not providing potable water. If Buyer intends to build a habitable structure and desires potable water, Buyer is responsible for drilling an individual domestic well. Buyer's responsibility includes incurring the cost of well drilling and obtaining a water well permit from New Mexico State Engineer's Office, Albuquerque, New Mexico, whose telephone number is 505-764-3888. The cost for well installation will vary based on an approximate per foot charge depending on the depth of the well. Seller does not warrant the quantity of water, the probability of successfully finding water on a specific lot, or the associated costs.

The Subdivision's maximum annual water requirements for purposes of assessing water availability is 0.30 acre feet per year (AFY) (or 268 gallons per day) per parcel, or 40.5 AFY for 135 parcels. The estimated total water demand per parcel is 0.192 AFY for indoor use and 0.091 AFY for outdoor use. To remain within the County's guidelines of 0.30 AFY per parcel, Buyer should limit outdoor irrigation to no more than 950 square feet.

Seller engaged two professional hydrologists to determine whether there is sufficient water available from the aquifers underlying the Subdivision to meet the annual maximum water requirements of the Subdivision. The hydrologists' reports are available upon request from Seller. Socorro County also engaged a professional hydrologist to review the reports produced by Seller's hydrologists. His report is also available upon request from Seller. In addition, the Socorro County Commission held a public hearing on November 12, 2002, to specifically consider the question of whether there is sufficient water available to meet the annual maximum water requirements of the Subdivision. After reviewing the three hydrologists' reports, hearing their expert testimony, hearing testimony from a fourth professional hydrologist, and considering the evidence, the Socorro County Commission determined that there is sufficient water available to meet the annual maximum water requirements of the Subdivision.

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

19. **FOR SUBDIVISIONS WITH INDIVIDUAL DOMESTIC WELLS OR SHARED WELLS:** Buyer is responsible for drilling an individual domestic well. Buyer's responsibility includes incurring the cost of well drilling and obtaining a water well permit from New Mexico State Engineer's Office, Albuquerque, New Mexico, whose telephone number is 505-764-3888. The cost for well installation will vary based on an approximate per foot charge depending on the depth of the well. Seller does not warrant the quantity of water, the probability of successfully finding water on a specific lot, or the associated costs. The hydrologists recommended a well design with a minimum 300-foot water column, i.e., the well should be drilled at least 300 feet below the depth that the driller notices the first production of water from the borehole, and that wells be developed by air-lifting or bailing as soon as is practicable after the installation of the casing and all annular materials. A generalized well-completion diagram showing the hydrologists' recommended well design is attached as Exhibit A.

The Subdivision is in an area of low-yield wells. Where well yields are less than 5 gallons per minute (gpm), Buyer may need to augment its well with a yield-management system. For wells yielding less than 5 gpm, the hydrologists recommended an onsite storage system (e.g., an above-ground storage tank) for storage of up to 1000 gallons of water.

20. **LIFE EXPECTANCY OF WATER SUPPLY:** The life expectancy of domestic wells in the Subdivision with a 300-foot water column is at least forty (40) years.

21. **SURFACE WATER:** Not applicable.

22. **NEW MEXICO STATE ENGINEER'S OPINION ON WATER AVAILABILITY:** The New Mexico State Engineer's letter opinion and staff memorandum dated June 8, 2001 is attached as Exhibit B. This opinion states that the State Engineer has insufficient information to make a determination about whether there is sufficient water available to meet the annual maximum water requirements of the Subdivision. Seller engaged two professional hydrologists to address this issue. The hydrologists' reports are available upon request from Seller. Socorro County also engaged a professional hydrologist to review the reports produced by Seller's hydrologists. His report is also

available upon request from Seller. In addition, the Socorro County Commission held a public hearing on November 12, 2002, to specifically consider the question of whether there is sufficient water available to meet the annual maximum water requirements of the Subdivision. After reviewing the three hydrologists' reports, hearing their expert testimony, hearing testimony from a fourth professional hydrologist, and considering the evidence, the Socorro County Commission ruled that there is sufficient water available to meet the annual maximum water requirements of the Subdivision.

23. **WATER QUALITY:** Seller is not providing potable water. If Buyer intends to build a habitable structure and desires potable water, Buyer is responsible for incurring the cost of well drilling and obtaining a water well permit from New Mexico State Engineer's Office, Albuquerque, New Mexico, whose telephone number is 505-764-3888. The cost for well installation will vary based on an approximate per foot charge depending on the depth of the well. Buyer may also be able to obtain potable water by installing a cistern system. Seller does not warrant the quality of water, the probability of successfully finding water on a specific lot, or the associated costs.

Based on the hydrologists reports referenced above (which are available upon request from Seller), some wells in the Subdivision may experience water affected by turbidity, hardness, total dissolved solids, sulfate, sodium, aluminum, iron, and/or manganese— all of which are aesthetic or non-health issues, and all of which are not uncommon in New Mexico. It is recommended that well owners have their water tested by a qualified analytical laboratory prior to using the water for a drinking water supply. Because the Subdivision is located in an area which may produce water of poor quality for direct domestic use, Buyer may need to install a water-quality management system such as a reverse-osmosis (water softening) system. Descriptions and approximate costs of these systems as of 2002 are available in the hydrologists reports (available upon request from Seller).

24. **NEW MEXICO ENVIRONMENT DEPARTMENT'S OPINION ON WATER QUALITY:** The New Mexico Environment Department's letter dated May 4, 2001, is attached as Exhibit C. Based on water tested from Phase 1 of the Subdivision, this letter states on page 2 that water can be provided of an acceptable quality for human consumption in Phase 1 of the Subdivision. The New Mexico Environment Department has made no statement about water quality for subsequent phases of the Subdivision.

25. **LIQUID WASTE DISPOSAL:** A central sewage system is not available for this Subdivision. Buyer is entirely responsible for the cost of installation, including testing and obtaining approval, of a sewage disposal system for the Buyer's Property. In order to install a sewage system, Buyer must obtain all necessary permits from New Mexico State Environment Department, 336 6th Street Box 14, Socorro, New Mexico, 87801, Jack Hooper whose telephone number is 505-835-1287. Soil tests may be required prior to issuing the permit and a New Mexico registered professional engineer must conduct percolation tests and may be required to design a special sewage system for the Property. A licensed New Mexico engineer must engineer all septic systems. No liquid waste disposal system may be used in this subdivision other than a system approved for use in this subdivision by the Board of Commissioners of Socorro County.

26. **NEW MEXICO ENVIRONMENT DEPARTMENT'S OPINION ON LIQUID WASTE DISPOSAL:** The New Mexico Environment Department's letter dated May 4, 2001, is attached as Exhibit C. On page 2, this letter states that individual septic tank systems can be fulfilled by lot purchasers in Phase 1 of the Subdivision, although some locations may require site modification and/or alternative systems. The New Mexico Environment Department has made no statement about water quality for subsequent phases of the Subdivision.

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

28. **NEW MEXICO ENVIRONMENT DEPARTMENT'S OPINION ON SOLID WASTE DISPOSAL:** The New Mexico Environment Department's letter dated May 4, 2001, is attached as Exhibit C. On page 2, this letter states that offsite solid waste disposal by individual lot purchasers via the Magdalena transfer station can be fulfilled by lot purchasers in Phase 1 of the Subdivision. The New Mexico Environment Department has made no statement about water quality for subsequent phases of the Subdivision.

29. **TERRAIN MANAGEMENT:** Socorro County granted Seller a variance with regard to terrain management issues due to the nature of the subdivision as rural, Seller's intent that the Subdivision be for recreational-seasonal use, the large size of the lots, and restrictive covenants prohibiting further subdivision.

30. **SOIL AND WATER CONSERVATION DISTRICT'S OPINION ON TERRAIN MANAGEMENT:** Even though the County granted Seller a variance, Seller provided a Terrain Management Plan to the Salado Soil and Water Conservation District. Seller met with the District's Board members and then sent a letter stating what additional actions he would take to address the suggestions raised at that meeting. Although the Salado Soil and Water Conservation District has not issued an opinion on Seller's plan of action, it is apparently satisfied with this plan as confirmed in a letter dated September 10, 2002, by Seller's attorneys, attached as Exhibit D.

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

Seller shall construct private roads over the recorded easement for all private roads leading to lots from the Subdivision to the Forest Service Road in accordance with that description set forth in paragraph 32 below. Maintenance of private roads within the Subdivision shall be the responsibility of Abbe Springs Ranches Homeowners Association, Inc. Roads within the Subdivision shall be completed on or before December 31, 2001. All roads within the Subdivision shall be accessible in all seasons of the year and under all weather conditions by conventional vehicle. Private roads will practically include 14' foot wide graveled running surfaces with proper ditches and drainage. No road shall be steeper than a 15% grade where possible. Seller does not warrant that the private roads within the Subdivision will be eligible for acceptance for maintenance by the County after construction of same. At this time, there is no public transportation system that services the Subdivision.

32. **MAINTENANCE:** Legal access to each lot fronting on private roads within the Subdivision shall be by a recorded dedicated easement. Seller shall construct private roads, which practically include 14' foot wide graveled running surface with proper ditches and drainage. No road shall be steeper than 15% grade where possible. Abbe Springs Ranches Homeowners Association shall maintain all private roads within the subdivision. Maintenance on said private roads should include year-round maintenance. Buyer is responsible for construction and maintenance of the driveways fronting the above mentioned private roads leading into Buyer's lot. Southwest Properties of New Mexico, Inc. and Socorro County make no representation concerning the aforesaid road or maintenance thereof, and no mechanism for maintenance of said road other than as stated above.

33. **STATE HIGHWAY DEPARTMENT'S OPINION ON ACCESS:** The New Mexico State Highway Department's letter is attached as Exhibit E. This letter states that the Subdivision will not significantly impact any state highways.

34. **CONSTRUCTION GUARANTEES:** Not applicable.

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

36. **MISCELLANEOUS DEVELOPMENT:** Owners of lots within Abbe Springs Ranches Subdivision shall be members of Abbe Springs Ranches Homeowners Association, Inc. (the "Association"). The annual average liability of each lot within the Association with respect to common expenses of the Subdivision, exclusive of optional user fees and any insurance premiums paid by the Association, as of the date hereof is One Hundred Fifty Dollars (\$150) per year per lot. Owners of lots within Abbe Springs Ranches Subdivision shall not be liable for common expenses upon closing. The Developer shall be responsible for paying association dues and fees to the same extent as any other lot owner for the lots it owns, and shall not be authorized to borrow from the Association. The Association shall control and disperse all funds of the association. The Seller (Developer) in every contract of sale shall provide to the purchaser, a written statement of assessments.

The Association shall provide such services as the Board of Directors deem necessary or appropriate to (i) manage, operate, construct, improve and maintain any of the amenities of the Association; (ii) administer and enforce the covenants, conditions, restrictions, reservations and easements created by the Articles of Incorporation and By-Laws; (iii) promote recreational and social activities for owners

and residents of Abbe Springs Ranches Subdivision and their guests, (iv) protect the general welfare and safety of owners and residents of Abbe Springs Ranches Subdivision and their guests, (v) regulate and manage Abbe Springs Ranches Subdivision with the goal of enhancing and protecting its value.

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

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

37. **FIRE PROTECTION:** This is a recreational/agricultural land use Subdivision and will not be serviced by water/fire hydrants within the Subdivision. At this time, this is a rural, unincorporated area. Fire Protector of the State of New Mexico Forestry, Magdalena District, a volunteer fire station, provides Wildland fire protection. The Fire Protector is located approximately 17 miles from the Subdivision via County/Forest Service Road 123 and State Highway 169.

38. **POLICE PROTECTION:** The Subdivision lies within the jurisdiction of the New Mexico State Police Department and Socorro County Sheriff's Office, which are located in Socorro, New Mexico, approximately 45 miles southeast of Abbe Springs Ranches.

39. **PUBLIC SCHOOLS:** Public schools for grades K-12 are located in Magdalena, New Mexico, which is approximately 17 miles southeast from Abbe Springs Ranches.

40. **HOSPITALS:** Socorro General Hospital, a full service facility, is located in Socorro, New Mexico, which is approximately 45 miles southeast from Abbe Springs Ranches. Magdalena Health Center is located in Magdalena, New Mexico, which is approximately 17 miles southeast from Abbe Springs Ranches.

41. **SHOPPING FACILITIES:** Shopping facilities are located in Magdalena, which is approximately 17 miles southeast from Abbe Springs Ranches and Socorro, which is approximately 45 miles southeast from Abbe Springs Ranches. The nearest regional shopping mall is located in Albuquerque, New Mexico, approximately 120 miles northeast from Abbe Springs Ranches.

42. **PUBLIC TRANSPORTATION:** There is no public transportation available that serves the Abbe Springs Ranches Subdivision at this time.

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

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

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

 Seller _____ Buyer _____

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

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

48. The Subdivision is a common interest community and will not be a limited expense planned community.

The undersigned Buyer acknowledges that he or she has read and understands each and every one of the Seller's disclosures set forth in this Disclosure Statement.

BUYER:

Signature _____

Name: _____

Add _____

Tele _____

Fac _____

Dat _____

BUYER:

Signature: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Date: _____

Time: _____

SELLER:

SOUTHWEST PROPERTIES OF NEW MEXICO, INC.
113 Abeytia Ave, Suite A
P.O. Box 448
Socorro, New Mexico 87801

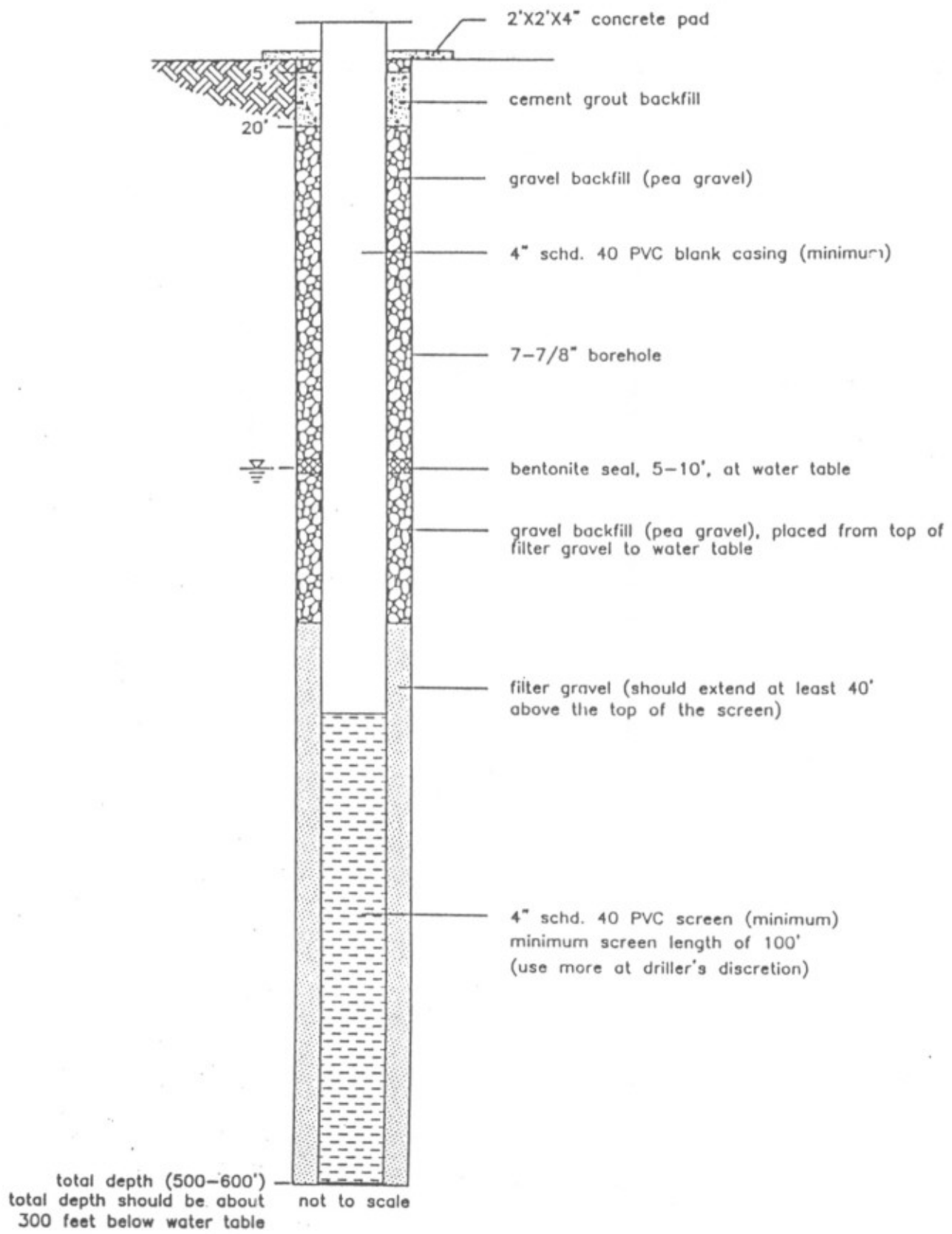


Figure 3. Recommended generalized well completion diagram for new wells at the Abbe Springs Ranches Subdivision, Socorro County, New Mexico.

JOHN SHOMAKER & ASSOCIATES, INC. OK/OK/07

EXHIBIT
A

Book 575 Page 4105

STATE OF NEW MEXICO
OFFICE OF THE STATE ENGINEER
SANTA FE

THOMAS C. TURNEY
State Engineer

June 8, 2001

BATAAN MEMORIAL BUILDING, ROOM 101
POST OFFICE BOX 25102
SANTA FE, NEW MEXICO 87504-5102
(505) 827-8175
FAX: (505) 827-6188

Ms. Susan Apodaca
Clerk II
Socorro County
P.O. Box I
Socorro, NM 87801

Reference: Abbe Springs Subdivision Proposal

Dear Ms. Apodaca:

The Office of the State Engineer has reviewed the preliminary plat subdivision proposal for the referenced subdivision pursuant to the Socorro County Subdivision Regulations and provisions of the New Mexico Subdivision Act. It is the opinion of this office that the subdivider's water supply proposal does not comply with the county's subdivision regulations, and no determination can be given concerning the availability of water for the subdivision at this time.

Insufficient information has been submitted upon which I can base an opinion as to whether or not the subdivider can fulfill the proposals in the disclosure statement concerning water availability and whether or not sufficient water will be available to meet the full requirements of the proposed subdivision.

A staff memorandum discussing which additional information is required is attached for your information. A copy of this letter and attached memorandum should be provided to the subdivider.

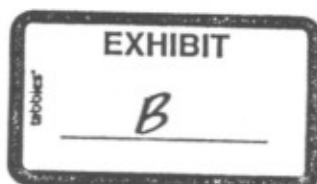
The Office of the State Engineer is prepared to re-evaluate the subdivision proposal when the required information is submitted to us through the county. If you have any questions, please call Mr. Patrick Romero at 827-6790.

Sincerely,

A handwritten signature in cursive script, appearing to read "B. Wilson".

Brian Wilson, P.E., Bureau Chief
Water Use and Reports

BW:PJR

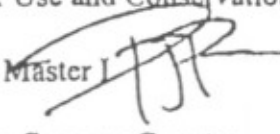


Book 505 Page 4106**MEMORANDUM**

New Mexico Office of the State Engineer
Water Use and Conservation Bureau

June 8, 2001

To: Brian Wilson, P.E., Water Use and Conservation Bureau Chief

From: Patrick J. Romero, Water Master I 

Subject: Abbe Springs Subdivision, Socorro County

The Abbe Springs Subdivision proposal is a request to develop a 4,196-acre parcel into a 135 lot residential subdivision. This parcel is located approximately 12 miles Northwest of Magdalena, N.M.. It was reviewed pursuant to the Socorro County Subdivision Regulations, and the New Mexico Subdivision Act.

The county submitted at least a portion of this subdividers' proposal on or about February 20, 2001. It should have been sent to our Bureau. Instead, it was sent to Jess Ward of the Albuquerque Office. No cover letter was enclosed to explain what it was, so Mr. Ward filed it. Article III, Section H.1 of the Socorro County Subdivision Regulations states that the County Commission shall, within 10 days of receiving the proposal, insure that the State Engineer has been contacted, and given a chance to comment. Due to the previously mentioned facts, we did not get this chance. Article IV, Section D further states that the county is required to submit a subdivision packet as well as a written request from the county. We did not receive a request until June 6, 2001. Accordingly, we have 30 days from this date to submit an opinion.

The subdivider proposes that his subdivision will be supplied with domestic water via individual domestic wells. In his submittal, the subdivider has provided a "hydrologic assessment." This assessment, by Roger Peery of John Shoemaker and Associates, is intended only for the purpose of assessing "the potential for completing domestic wells on the subject property." It in no way claims to provide any evidence that domestic water is available on the property, to supply this subdivision.

In Section Three, Article II B.3.f.3 of the Socorro County Regulations, it states that the subdivider is required to provide a geohydrologic report. This report shall demonstrate that water is available for this development. This report should include well logs, well tests, geologic cross-sections, and a 40-year schedule of effects. The subdivider has failed to fulfill this requirement.

Page 2

6/8/01

Abbe Springs Subdivision

Book 505 Page 4107

The subdivider has not calculated the maximum annual water requirements, pursuant to Section Three, Article II B.3.d Water requirements should be separated into indoor and outdoor uses. Restrictions on irrigated area should be specified in the disclosure statement and the covenants. It is important that they be consistent with the water requirement calculations, to ensure that residents will not exceed the amount of water that the domestic wells can provide. It is suggested that the developer refer to Office of the State Engineer Technical Report No. 48 entitled "Water Conservation and Quantification of Water Demands in Subdivisions" (Wilson, 1996) to calculate indoor and outdoor water requirements. The developer should also refer to Part 1 of the Regulations, which outlines water conservation measures

It is my conclusion that the subdivider has not demonstrated that sufficient water is available to meet the requirements of his development. A favorable opinion to this effect should be withheld.



GARY E. JOHNSON
GOVERNOR

State of New Mexico
ENVIRONMENT DEPARTMENT

Los Lunas Field Office
601 Main Street
Mondel Plaza, Suite 29
Los Lunas, New Mexico 87801
Telephone (505) 865-9797
Fax (505) 865-3405



PETER MAGGIORE
SECRETARY

PAUL RITZMA
DEPUTY SECRETARY

May 4, 2001

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

Re: Abbe Springs Ranches Subdivision Phase I

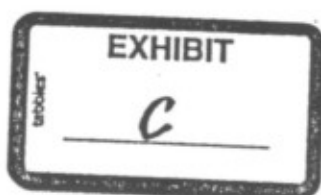
The proposed package on the referenced development was received February 22, 2001 in this office of the New Mexico Environment Department. Comments were sent to you by letter dated March 21, 2001. Additional information on water quality and the suitability of liquid waste systems was received on April 19, 2001. This letter is a follow-up to the March 21st letter and includes comment on the additional information.

Anticipated development is mentioned in the Disclosure Statement. Preliminary Plats were not available for the anticipated development. A plat for Phase I (20 lots) was included in the package. These comments pertain only to the Phase I development.

Description

Abbe Springs Ranches Subdivision Phase I is to be located within Section 5 of T1N, R5W, approximately 17 miles northwest of Magdalena. A total of 640 acres is to be subdivided into 20 lots from 30.134 to 40.185 acres in area. A type five subdivision for residential and related uses will result.

Water Quality



The subdivider is proposing the use of individual water supply systems (wells) provided by the lot purchaser. A water quality analysis of water samples obtained from the New Windmill Well Has been submitted as a representative of the ground water quality available at the subdivision.

Individual water supply systems provided by the developer can furnish water of an acceptable quality for human consumption. The developer can fulfill the subdivider's proposal concerning water quality.

Liquid Waste Disposal

The subdivider is proposing the use of individual liquid waste systems (septic tank systems) provided by the lot purchaser. Soils, topographic and drainage information on the Phase I site were submitted to show the suitability of the site for the installation and functioning of septic tank systems (septic tank/absorption field). Based on this information the subdivider's proposal concerning liquid waste disposal facilities can be fulfilled by the lot purchaser. Installation of on-site liquid waste systems permitted pursuant to the Environmental Improvement Board's Liquid Waste Disposal Regulations (20 NMAC 7.3) in areas with steep slopes or shallow depth to bedrock may require site modification and/or the use of alternative systems designed by a professional engineer. A permit must be obtained from the Environment Department before the installation of a liquid waste system.

Sentence three of paragraph five of item 4 of the Disclosure Statement has incorrect information on the contact person to obtain a permit to install an individual liquid waste system. "Construction Industries Division" should be changed to "Environment Department" and "214 Neel Ave." should replace "215 Neel Ave."

Solid Waste Disposal

The subdivider is proposing lot purchaser responsibility for offsite solid waste disposal by use of the Village of Magdalena transfer station. The subdivider's solid waste disposal proposal conforms with the requirements of the Regulations. The subdivider's proposal for solid waste disposal contained in the Disclosure Statement can be fulfilled.

The first paragraph of Item 14 of the Disclosure Statement has incorrect information. Mr. Jack Hooper is not an employee of Construction Industries Division but works for the New Mexico Environment Department. He does not issue permits for water wells. Permits for drilling water wells can be obtained from the State Engineer's Office. The phone number for their District I office in Albuquerque is [505 (841-9480)]

The preceding comments and opinions on the water quality, liquid waste disposal, and solid waste disposal proposals for the proposed Abbe Springs Ranch Subdivision Phase I were made in response to a request by the County of Socorro as provided for in the New Mexico

Jody McSmith, County Manager
May 4, 2001
Page 3

Book 585 Page 4110

Subdivision Act. The comments and opinions are not a recommendation for or an endorsement of the proposed subdivision by the New Mexico Environment Department.

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

Sincerely,

Salomon Romero

Salomon Romero
Health Program Manager I

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

RODEY, DICKASON, SLOAN, AKIN & ROBB, P. A.

COUNSELORS AND ATTORNEYS AT LAW

ALBUQUERQUE PLAZA

201 THIRD STREET NW, SUITE 2200
ALBUQUERQUE, NEW MEXICO 87102

P.O. BOX 1888

ALBUQUERQUE, NEW MEXICO 87103

WEB-SITE: WWW.RODEY.COM

E-MAIL: INFO@RODEY.COM

TELEPHONE (505) 765-5900

FACSIMILE (505) 768-7395

September 10, 2002

OF COUNSEL

JACKSON G. AKIN
JOHN D. ROBB
JAMES C. RITCHIE
JO SEXTON BRAYER
DONALD B. MONHEIMER
JULIE P. NEERKEN

BERNARD S. RODEY (1886-1927)
PEARCE C. RODEY (1889-1958)
DON L. DICKASON (1906-1999)
WILLIAM A. SLOAN (1910-1993)

SANTA FE OFFICE

MARCY PLAZA
123 EAST MARCY STREET, SUITE 101
SANTA FE, NEW MEXICO 87501-2034

P.O. BOX 1357

SANTA FE, NM 87504-1357
TELEPHONE (505) 954-3900
FACSIMILE (505) 954-3842

WRITER'S DIRECT NUMBER
(505) 768-7394
mhenrie@rodey.com

ROBERT M. ST JOHN
JOSEPH J. MULLINS
MARE E. ADAMS
BRUCE HALL
JOHN P. SALAZAR
WILLIAM S. DIXON
JOHN P. BURTON
REX D. THROCKMORTON
JONATHAN W. HEWES
RICHARD C. MINZNER
W. ROBERT LASATER, JR.
MARK C. MEIERING
CATHERINE T. GOLDBERG
TRAVIS R. COLLIER
EDWARD RICCO
W. MARK MOWERY
PATRICK M. SHAY
NANCY J. APPLEBY
ELLEN T. SERRA
TRACY M. JENES
HENRY M. BOHNHOFF
CHARLES E. PURCELL
ANDREW G. SCHULTZ
JOHN M. BRANT
SCOTT D. GORDON
DEWITT M. MORGAN
MARK A. SMITH
R. NELSON FRANSE
THERESA W. PARNISH

PAUL R. KOLLER
JAMES P. BIEG
CHARLES J. VIGIL
THOMAS L. STAHL
DAVID W. BUNTING
LESLIE MCCARTHY APODACA
SUSAN BARGER FOX
MCDONNELL GORDON
PAUL C. COLLINS
WILLIAM J. ARLAND
JAMES A. ASKEW
JEFFREY M. CROASDELL
SUNNY J. NIXON
JEFFREY L. LOWRY
DEBORAH E. MANN
THOMAS A. OUTLER
SETH L. SPARKS
LISA A. CHAVEZ
MICHAEL J. BRESCIA
MICHELLE HENRIE
NELSE T. SCHRECK
R. TRACY SPROLAS
KARLA K. POE
ALAN HALL
BRIAN H. LEMATTA
DEBORAH S. GILLE
AARON C. VIETS
KIMBERLY N. BELL

Bill Schwebke
Salado Soil and Water Conservation District
P.O. Box 136
Datil, NM 87821

Re: Abbe Springs Ranches Subdivision, Socorro County

Dear Mr. Schwebke:

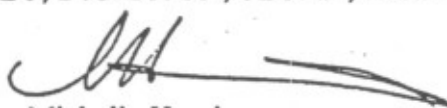
This firm represents Southwest Properties of New Mexico, Inc., ("Southwest Properties") which is developing the Abbe Springs Subdivision in Socorro County. On April 30, 2002, Socorro County, by its attorney, Sheehan, Sheehan & Stelzner, P.A., forwarded to your office a Terrain Management Plan for the Abbe Springs Subdivision dated April 8, 2002. It is our understanding that your office reviewed the Terrain Management Plan and other information relating to the subdivision (including a letter dated May 5, 2002, by Mark Sifuentes), and then Daniel Dattola, President of Southwest Properties, met with the Board members on May 14, 2002 to discuss the Terrain Management Plan and any concerns the Board might have. By a letter dated May 17, 2002, Mr. Dattola stated what actions he would take to address the suggestions raised at that meeting.

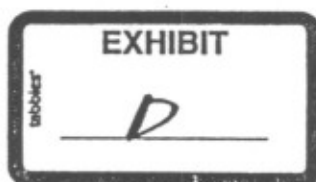
We understand that the Salado Soil and Water Conservation District is satisfied that the Abbe Springs Subdivision's Terrain Management Plan (as modified by Mr. Dattola's letter of May 17, 2002) complies with the terrain management requirements for Socorro County. We appreciate your assistance in helping us identify and address potential concerns. Please call me at 505-768-7394 if there is anything more that we can do. Unless I hear from you, I will consider this matter closed. Again, thanks for your assistance.

Very truly yours,

RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A.

By


Michelle Henrie



mh

Book 505 Page 4112

cc: John Utton, Esq. (via fax and mail)
Frank Weissbarth, Esq. (via fax and mail)
Dan Dattola (via fax and mail)
John P. Salazar, Esq.

May 29 01 11:14a COLORADO LAND & RANCHES 970-882-7758

P.1



**NEW MEXICO STATE HIGHWAY
AND TRANSPORTATION DEPARTMENT**
AN EQUAL OPPORTUNITY EMPLOYER

GARY E. JOHNSON
GOVERNOR

COMMISSION

Helm Bursum, III
Chairman, Socorro

Edward T. Begay
Vice-Chairman, Gallup

Peter T. Mocho Sr.
Secretary, Albuquerque

Sherry Galloway
Member, Farmington

Albert N. Sanchez
Member, Santa Rosa

Sidney G. Strebeck
Member, Portales

DEPARTMENT

Secretary
Pete K. Zahn

General Office
P.O. Box 1149
Santa Fe, NM
87504-1149
505-827-5100

District One Office
P.O. Box 231
Deming, NM
88031-0231
505-346-2603

District Two Office
P.O. Box 1457
Roswell, NM
88202-1457

District Three Office
P.O. Box 91750
Albuquerque, NM
87199-1750
505-841-2700

District Four Office
P.O. Box 30
Las Vegas, NM
87701-0030
505-454-3600

District Five Office
P.O. Box 4127
Coronado Station
Santa Fe, NM
87502-4127
505-827-9500

District Six Office
P.O. Box 2159
Milan, NM
87021
505-285-3200

November 17, 2000

Daniel W. Dattola, Western Regional Manager
Southwest Properties of New Mexico, Inc.
P.O. Box 448
Socorro, NM 87801

RE: Abbe Springs Ranch near Magdalena

Attn: Stacey

NMSHTD District One Office has reviewed the referenced subdivision proposal and concludes that this development will have minimal impact to state highway facilities.

This determination is based on information provided that the property will be used for seasonal/recreational activities such hiking, picnicking and camping.

If you have any questions please contact me at the District One Office.

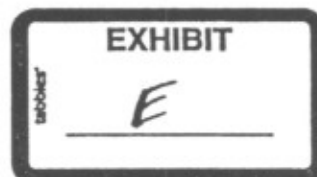
Sincerely,

Harold A. Love, District One Traffic Engineer

Xc: Rudy Minitrez, Magdalena Patrol
Paul Little, Assistant District Engineer

FILED FOR RECORD
COUNTY OF SOCORRO
STATE OF NEW MEXICO
AT 2:03 O'CLOCK P M
JAN 3 2003

BK 585 PG 4097-4113
AUDREY JARAMILLO, CLERK
[Signature] DEPUTY



**VACANT LAND/FARM AND RANCH
CONTRACT TO BUY AND SELL REAL ESTATE
ABBE SPRINGS RANCHES SUBDIVISION**

**NEW MEXICO LAND & RANCHES, INC. fka
SOUTHWEST PROPERTIES OF NEW MEXICO, INC.,
P.O. BOX 448, SOCORRO, NEW MEXICO 87801
505-835-1008**

UPDATE TO THE DISCLOSURE STATEMENT

As of February 18, 2004, the escrow agent for New Mexico Land & Ranches, Inc. is now as follows:

Socorro County Abstract & Title
P.O. Box 475
200 Garfield Street
Socorro, New Mexico 87801
Phone: 505-835-4743