

DISCLOSURE STATEMENT
FOR SANCHEZ SUBDIVISION

A PROSPECTIVE PURCHASER SHOULD READ THIS DISCLOSURE STATEMENT CAREFULLY BEFORE SIGNING AN AGREEMENT OF SALE OR, IF AFTER SIGNING AN AGREEMENT OF SALE, AS SOON AS POSSIBLE AFTER RECEIVING THIS DISCLOSURE STATEMENT.

This disclosure statement (“Disclosure Statement”) is intended to provide you with enough information to permit you to make an informed decision on the purchase or lease of the property described in this Disclosure 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 Disclosure Statement. They may be favorable or unfavorable. You should read them closely. It is recommended that you inspect the property before buying, leasing or otherwise acquiring it. 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 Santa Fe County Clerk.

Building permits, wastewater permits or other use permits must be issued by 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 property. You should also determine whether such permits are required for construction of additional improvements before you occupy the property.

The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Disclosure Statement contains a total of 18.93 acres, more or less, located in Projected Section 36, Township 17 N., Range 9 E., N.M.P.M. within the City of Santa Fe, Santa Fe County, New Mexico (the “Property” or “Subdivision”).

NAME OF SUBDIVISION

Sanchez Subdivision

1. NAME AND ADDRESS OF SUBDIVIDER

Sanchez Development, LLC, a New Mexico limited liability company
Address: c/o Santa Fe Realty Partners, 417 East Palace Avenue, Santa Fe, NM 87501

2. TITLE

Title is held by Sanchez Development, LLC.

There is currently one mortgage on the property in favor of the Los Alamos National Bank. All lots to be sold will be transferred with no mortgages, liens or financial encumbrances.

3. STATEMENT OF RESTRICTIONS OR RESERVATIONS OF RECORD THAT SUBJECT THE SUBDIVIDED LAND TO CONDITIONS AFFECTING USE OR OCCUPANCY.

A. Right-of-Way Agreement, recorded in Book G of Contracts, Page 291, records of Santa Fe County, New Mexico.

B. Easement in favor of City of Santa Fe, and rights incident thereto, recorded in Book 337, Page 786, records of Santa Fe County, New Mexico.

C. Agreement Related to Development of the Sanchez Property, recorded as Instrument No. 1453706, records of Santa Fe County, New Mexico.

D. City of Santa Fe Inclusionary Zoning Housing Opportunity Program Agreement and HOP and HOP Home Lien, recorded as Instrument No. 1480184, records of Santa Fe County, New Mexico.

E. Declaration of Covenants and Restrictions for the Sanchez Subdivision, recorded as Instrument No. 1480185, records of Santa Fe County, New Mexico.

F. Bylaws of Sanchez Subdivision Homeowners Association, recorded as Instrument No. 1480187 and Articles of Incorporation of Homeowners Association recorded as Instrument No. 1480186, records of Santa Fe County, New Mexico.

G. Easements as shown on plat recorded in Plat Book 48, Page 25, as Document No. 391629, records of Santa Fe County, New Mexico.

H. Easements, and rights incident thereto, buffer areas, notes, conditions, restrictions and all other matters as shown on subdivision plat recorded on April 25, 2007 in Plat Book 652, Page 050, records of Santa Fe County, New Mexico.

4. UTILITIES COMPANIES SERVING THE SUBDIVISION

UTILITY	ENTITY
Telephone	Qwest
Electricity	Public Service Co of NM
Gas Service	Public Service Co of NM
Water	City of Santa Fe
Liquid Waste Disposal	City of Santa Fe

Solid Waste Disposal	City of Santa Fe
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- A. The Subdivider will install gas stubouts, electric transformers, television cable stubouts and telephone pedestals along or in the vicinity of Cristobal Lane and Calle de Leon, when the roads for the Subdivision is constructed. Purchasers of these lots will be responsible from running the service lines from the roadway stubouts, transformer and pedestals to their home.
- B. The cost of making connections to the existing utilities is a function of how far the house site is from the transformer or pedestal. The lot purchaser should verify all costs with the utility company or appropriate contractor.

5. INSTALLATION OF UTILITIES

Please see notes 5A&B above.

6. UTILITY LOCATION

Please see item 5A&B above, although, the subdivider may install or relocate utilities per the lot sales agreement. All new and future utility lines shall be placed underground.

7. SUBDIVISION ACCESS

The project site is located on the east side of the City of Santa Fe between Old Santa Fe Trail and Old Pecos Trail. All roads are accessible by conventional vehicle. The development is ordinarily accessible in all seasons and under all weather conditions. At certain times of the year, the use of four-wheel drive vehicles may be advisable.

8. MAINTENANCE

The Subdivision roads, associated drainage and erosion control structures, common area landscaping, fencing, walls and signage and all other improvements within the common areas of the Subdivision are to be maintained by the Homeowners Association per the Association Bylaws and the Declaration of Covenants and Restrictions for the Sanchez Subdivision.

9. FIRE PROTECTION

There are fire hydrants located within the project. All new homes may be required to have residential sprinkler systems meeting NFPA standards and City of Santa Fe Marshall approval. The nearest fire station is located off of Old Pecos Trail.

10. POLICE PROTECTION

Police protection is provided by the City of Santa Fe Police Department.

11. PUBLIC SCHOOLS

Public elementary, middle and high schools are located within easy driving distance of the Subdivision.

12. HOSPITALS

The nearest hospital is St. Vincent Hospital, which is located on St. Michael's Drive.

13. TOILET RETROFIT PROGRAM.

As a result of past water supply issues, the City of Santa Fe established a toilet retrofit program for the purpose of mitigating the demands on the City water system. The Program requires a home builder to retrofit old, high flow toilets with new, low flow toilets as a precondition to receiving a building permit. Subdivider cannot control any changes or modifications within the City's retrofit program and makes no representations regarding this program or the availability of retrofit credits.

14. RISK OF BUYING LAND

The future value of land is uncertain and dependent upon many factors. A purchaser should not expect the land to increase in value. The Property may be affected by future development of property in the neighborhood or surrounding areas, including without limitation, view, noise, traffic, local services and safety. Any development will have an impact on the surrounding environment. Whether or not the impact is adverse and the degree of the impact will depend on the size, location, design and extent of development. Developments that adversely affect the environment may cause governmental agencies to impose restrictions on the use of the land. Changes in governmental codes and regulations, in plant and animal life, air and water quality and noise levels may affect an owner's use and enjoyment of a property and his or her ability to sell it. The Property is also subject to building and development restrictions and conditions, and any prospective should investigate such restrictions and conditions with appropriate authorities and agencies. The Subdivider makes no representations as to the preservation of present or future views and such views may be affected by future development, construction and/or alteration of neighboring property or other matters.

15. SCOPE OF DISCLOSURE

The disclosures made herein are not exhaustive of all the terms and provisions that govern ownership, use and possession of the Property, nor are they intended to substitute for a careful and complete review of all of the terms and provisions of the governing documents for the Property set forth in Section 3, including but not limited to the period of Subdivider's control of the Sanchez Subdivision Homeowners' Association and the Architectural Review Committee, and the ability to amend the terms and provisions of such governing documents.

Dated: September 25, 2008

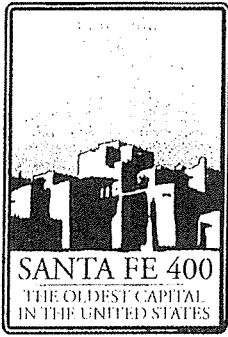
The undersigned acknowledges that he/she has received and carefully reviewed this Disclosure Statement for Sanchez Subdivision.

Buyer: _____

Date: _____

Buyer: _____

Date: _____



City of Santa Fe, New Mexico

200 Lincoln Avenue, P.O. Box 909, Santa Fe, N.M. 87504-0909

David Coss, *Mayor*

Councilors:

Rebecca Wurzbarger, Mayor Pro Tem, Dist. 2
Patti J. Busch, Dist. 1
Chris Calvert, Dist. 1
Rosemary Romero, Dist. 2
Miguel M. Chavez, Dist. 3
Carmichael A. Dominguez, Dist. 3
Matthew E. Ortiz, Dist. 4
Ronald S. Trujillo, Dist. 4

March 27, 2009

Ashok K. Kaushal
Sanchez Development, LLC
8512 Snakedance Ct. NE
Albuquerque, NM 87111

SUBJECT: Sanchez Subdivision
Case Number # S 2005-40
Building Permit Numbers Grading 07-0875 & Landscape/Utility 07-0876

Dear Mr. Kaushal:

The project closeout documentation for this development is complete. The following public infrastructure is accepted by the City of Santa Fe for permanent maintenance:

- Eight (8) new sanitary sewer manholes and approximately 1,869 LF feet of sanitary sewer main line
- Non-motorized trail easement

The Homeowners Association is responsible for maintenance of the following items:

- Calle de Leon and Cristobal Lane, which are private access & public utility easements within the subdivision
- Stormwater and other drainage improvements

No additional public street R-O-W is created by this project.

From the date of this letter, the one year warranty period will begin. A warranty inspection will be performed and any corrections completed before the 10% retention will be released.

Should you have questions, please call me at 505-955-6641.

Sincerely,

Risana B ("RB") Zaxus, M.S., PE, CFM
City Engineer for Land Use Department

cc: Walker Engineering 905 Camino Sierra Vista, Santa Fe, NM 87505
A. Dion Sliva, VP of Loans, Los Alamos National Bank 2009 Galisteo Santa Fe 87505
Chris Ortega, PW Engr. Director (w. attach.)
John Romero, PW Engineer (w. attach.)
David Catanach, Streets and Drainage Maintenance Division Director (w. attach.)
Galen Buller, PU Director
Brian Snyder, Water Engineer Supervisor
Bryan Romero, Wastewater Engineer Supervisor
Marissa Barrett, Archaeology (w. attach.)
Barbara Salas, Fire Marshal (w. attach.)
Eric Johnson, Chief of Police (w. attach.)
Denise Vigil, GIS (w. attach.)
Georgia Urioste, Zoning & Ordinance Enforcement Mgr. (w. attach.)
LUD Tech Review Constr. File
LUD Tech Review FG File
RBZ close-out file



Sanchez Subdivision

Los Alamos National Bank (LANB) is offering attractive financing for purchases made in the Sanchez Subdivision. LANB has developed a special loan package to include your lot purchase loan, construction loan, and permanent financing.

If you plan to build on your lot within one-to-three years, we offer the following terms:

LANB will finance your lot for a thirty-six month term (interest due quarterly) as a fixed rate loan equal to the current Wall Street Journal Prime interest rate. A quarter-percent (0.25%) loan origination fee will be charged on your loan. This can be applied toward the 1.00% loan origination fee for the LANB construction loan. We will finance up to 90.00% of the appraised value or purchase price of the lot, the lesser of the two. You may convert your thirty-six month loan to a construction loan when you are ready to build.

If you plan to hold the lot for future building or as an investment, we offer the following terms:

LANB will finance the lot for up to a twenty-year term as a 5/1 ARM with an initial rate equal to the current Wall Street Journal Prime interest rate fixed for the first five (5) years. The rate will then adjust on an annual basis equal to the Wall Street Journal Prime interest rate for the remaining term. A quarter-percent (0.25%) loan origination fee will be charged on your loan. This can be applied toward the 1.00% loan origination fee for the LANB construction loan. We will finance up to 90.00% of the appraised value or the purchase price of the lot, the lesser of the two.

Additional fees may include a title search, title policy fee, the title company's closing fee, an appraisal fee and the mortgage filing fee. An itemized estimate of closing costs will be provided to you within three days of our receipt of your application.

LANB offers attractive package financing for your construction loan and permanent mortgage needs. LANB loan officers will be happy to provide further details on any of the special financing we have to offer. Please call 1-800-525-9634 or (505) 662-5171 to schedule an appointment with Dion Silva or Michael Montoya for further information or for a loan interview.

For information in regards to the Sanchez Subdivision (www.santaferealtypartners.com), please contact Darlene Streit at dstreit@dstreit.com.

Loan commitments are analyzed on an individual basis and all commitments are subject to the borrower's financial condition and credit history. The rate and terms are subject to change, so please check with a lender for current rates and terms. This commitment will expire on August 1, 2009.



**Los Alamos
National Bank**

Creating a better way.

LOS ALAMOS
P 505.662.5171
1200 Trinity Drive
Los Alamos, NM 87544

WHITE ROCK
P 505.672.3853
77 Rover Blvd.
White Rock, NM 87544

SANTA FE
P 505.988.3200
2009 Galisteo St.
Santa Fe, NM 87505

SANTA FE DOWNTOWN
P 505.954.5400
301 Griffin St.
Santa Fe, NM 87501

lanb@lanb.com www.lanb.com

**ARTICLES OF INCORPORATION
OF
SANCHEZ SUBDIVISION HOMEOWNERS ASSOCIATION**

The undersigned, in order to form a non-profit corporation pursuant to the laws of the State of New Mexico, for the purposes hereinafter set forth, does hereby certify as follows:

ARTICLE I

The name of the corporation is Sanchez Subdivision Homeowners Association.

ARTICLE II

The period of duration of the corporation is perpetual.

ARTICLE III

The purposes for which the corporation is organized are as follows:

A. to exist as an association of lot owners within the Sanchez Subdivision (hereinafter the "Subdivision") in Santa Fe County, New Mexico, filed of record in the office of the Santa Fe County Clerk, Instrument No. *1480183 ; 1480184 , 1480185 .*

B. to hold and exercise all of the powers conferred by law upon non-profit corporations organized under the laws of the State of New Mexico;

C. to provide for the maintenance of drainage structures, architectural control of the lots, easements, improvements to lots, and the aesthetics within the Subdivision; to promote the health, safety and welfare of the residents within the Subdivision;

D. to carry out the duties imposed upon the Association pursuant to that certain Declaration of Covenants and Restrictions for the ~~Sanchez Subdivision~~ **Sanchez** Subdivision; and

E. in general to carry on any lawful activity and perform any lawful act permitted by the laws of the State of New Mexico.

ARTICLE IV

Notwithstanding any provision contained herein to the contrary amendments to the Articles and/or By-laws, termination, dissolution, or merging with another entity shall require prior approval of the Planning and Land Use Department for the City of Santa Fe

