

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

DISCLOSURE STATEMENT

THIS DISCLOSURE STATEMENT IS INTENDED TO PROVIDE YOU WITH ENOUGH INFORMATION TO PERMIT YOU TO MAKE AN INFORMED DECISION ON THE PURCHASE OF LEASE OF PROPERTY DESCRIBED IN THIS STATEMENT. YOU SHOULD READ CAREFULLY ALL OF THE INFORMATION CONTAINED IN THIS STATEMENT BEFORE YOU DECIDE TO BUY OR LEASE THE DESCRIBED PROPERTY. YOU SHOULD BE AWARE OF THE FACT THAT VARIOUS STATE AGENCIES HAVE ISSUED OPINIONS ON BOTH THE SUBDIVISION PROPOSAL AND WHAT IS SAID IN THIS DISCLOSURE STATEMENT ABOUT THE PROPOSAL. THESE OPINIONS, WHETHER FAVORABLE OR UNFAVORABLE, ARE CONTAINED IN THIS DISCLOSURE STATEMENT AND SHOULD ALSO BE READ CAREFULLY.

THE BOARD OF COUNTY COMMISSIONERS HAS EXAMINED THIS DISCLOSURE STATEMENT TO DETERMINE WHETHER THE SUBDIVIDER CAN SATISFY WHAT HE 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. FURTHERMORE, THIS DISCLOSURE STATEMENT IS NOT A RECOMMENDATION OR ENDORSEMENT OF THE SUBDIVISION BY EITHER THE COUNTY OR THE STATE. IT IS INFORMATIVE ONLY.

FINALLY, THE BOARD OF COUNTY COMMISSIONERS RECOMMENDS THAT YOU SEE THE PROPERTY BEFORE BUYING OR LEASING IT. HOWEVER, NEW MEXICO LAW PROVIDES THAT IF YOU DO NOT SEE THE PROPERTY PRIOR TO PURCHASING OR LEASING IT, YOU HAVE SIX MONTHS FROM THE TIME OF PURCHASE OR LEASE TO INSPECT THE PROPERTY. UPON INSPECTING THE PROPERTY, YOU HAVE THREE DAYS FROM THE DATE OF INSPECTION TO RESCIND THE TRANSACTION AND RECEIVE ALL OF YOUR MONEY BACK FROM THE SUBDIVIDER. YOU MUST GIVE THE SUBDIVIDER NOTICE IN WRITING OF YOUR INTENT TO RESCIND WITHIN THREE DAYS OF YOUR INSPECTION OF THE PROPERTY.

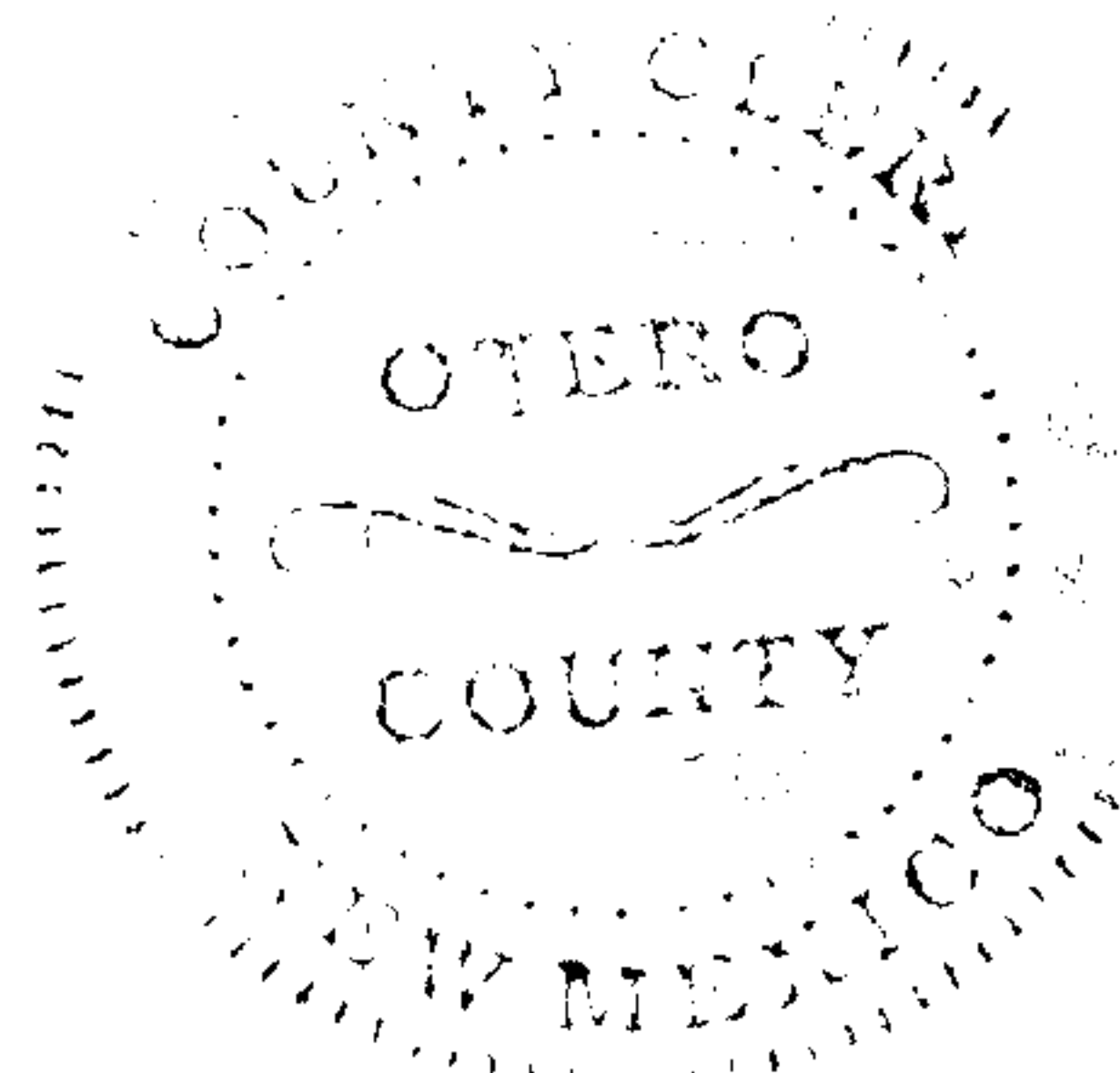
STATE OF NEW MEXICO } S.S
COUNTY OF OTERO }

CERTIFIED AS TRUE AND CORRECT COPY

THIS 26th DAY OF July, 2007

Robyn Holmes
CLERK

Janice Williams
DEPUTY



AMENDMENT TO
DISCLOSURE STATEMENT
FOR
SKY COUNTRY ESTATES

THIS AMENDMENT AMENDS THE DISCLOSURE STATEMENT FOR SKY COUNTRY ESTATES EXECUTED AUGUST 16, 1995, AND FILED OF RECORD WITH THE OTERO COUNTY CLERK AT BOOK 811, PAGES 252 THROUGH 261.

THE DISCLOSURE STATEMENT IS AMENDED AS FOLLOWS:

1. NAME OF SUBDIVISION:

Sky Country Estates

2. NAME AND ADDRESS OF SUBDIVIDER:

Sky Country Estates, LLC
Prentice Blanscett, General Partner
PO Box 517
Cloudfcroft, NM 88317

3. NAME AND ADDRESS OF PERSON IN CHARGE OF SALES OR LEASING IN NEW MEXICO:

Prentice Blanscett
PO Box 517
Cloudfcroft, NM 88317

4. SIZE OF SUBDIVISION BOTH PRESENT AND ANTICIPATED:

PRESENT	ANTICIPATED
362.364 acres	None

5. SIZE OF LARGEST PARCEL OFFERED FOR SALE OR LEASE WITHIN SUBDIVISION:

27.875 acres

6. SIZE OF SMALLEST PARCEL OFFERED FOR SALE OR LEASE WITHIN SUBDIVISION:

2.5 acres

7. PROPOSED RANGE OF SELLING OR LEASING PRICES:

Lowest Amount	\$16,425.00	3.65 acres
Highest Amount	\$100,000	27.875 acres

8. FINANCING TERMS:

Owner financing will be available by Sky Country Estates, LLC.

(INTEREST) To be determined at time of offer

(TIME PRICE DIFFERENTIAL)

(TOTAL COST - DOWN PAYMENT) * SIMPLE INTEREST * YEARS OF CONTRACT)

(AMOUNT PAID AS A DISCOUNT) None

(SERVICE CHARGES) Standard Escrow fee plus tax

(PREMIUM FOR CREDIT LIFE OR OTHER LIFE INSURANCE IF IT IS A
CONDITION FOR GIVING CREDIT) None

(CLOSING COSTS) Seller to provide Title Insurance

(ANY OTHER INFORMATION REQUIRED BY THE TRUTH IN LENDING ACT IF
NOT SET FORTH ABOVE) None

9. NAME AND ADDRESS OF HOLDER OF LEGAL TITLE:

Western Bank
PO Box 1709
Alamogordo, NM 88310

10. NAME AND ADDRESS OF PERSON HAVING EQUITABLE TITLE:

Sky Country Estates, LLC
Prentice Blanscett, General Partner
PO Box 517
Cloudfcroft, NM 88317

11. CONDITION OF TITLE:
(STATEMENT OF CONDITION OF TITLE)

Title is insurable.

(NUMBER OF MORTGAGES AND HOLDER)

Western Bank
PO Box 1709
Alamogordo, NM 88310

(NAME OF EACH PERSON HOLDING A REAL ESTATE CONTRACT AS OWNER
OF THE SUBDIVIDED LAND FOR WHICH THE SUBDIVIDER IS MAKING
PAYMENTS AS A PURCHASER)

None

(STATEMENT OF ANY OTHER ENCUMBRANCES ON THE LAND)

None

(STATEMENT OF ANY OTHER CONDITIONS RELEVANT TO THE STATE OF
TITLE)

None

12. STATEMENT OF ALL RESTRICTIONS OR RESERVATIONS OF RECORD
SUBJECTING THE SUBDIVIDED LAND TO ANY UNUSUAL CONDITIONS
AFFECTING ITS USE OR OCCUPANCY:

See attached copy of Restrictive Covenants

13. ESCROW AGENT:
 (STATEMENT ABOUT WHETHER OR NOT THE SUBDIVIDER HAS ANY
 INTEREST OR FINANCIAL TIES WITH THE ESCROW AGENT)

No Escrow Agent assigned.

14. UTILITIES:
 (NAMES OF ENTITIES PROVIDING SERVICE)

TELEPHONE:

Penasco Valley Telephone Cooperative Inc. Telephone service will not be provided by the developer. All arrangements for telephone service will be between the individual lot owner and the telephone utility company. Installation costs will be affected by the number of phones installed, as well as lot location. Therefore installation costs are indeterminate at this time.

ELECTRICAL:

Otero County Electric Cooperative, Inc. Due to instability in the energy market, installation rates and monthly charges for kilowatt consumption are subject to variation. Monthly charges will vary according to size of house, number of appliances, and heat loss ratio. Supplier should be contacted regarding current hook-up costs and estimated fees pertaining to proposed dwelling.

GAS:

Natural gas will not be available. Gas Services will not be provided. Each lot owner will have to make arrangements. Rates and charges will vary due to energy markets and individual housing. Contact supplier for further information.

WATER:

Water will be furnished by subdividers. Water system will meet all county and state regulations. Sky Country Property Owners Association will have power to regulate the water fees, repair and maintenance of water system. Initial water fees to be as follows: \$60 per year if not hooked up to system, \$200 per year if hooked up to system. Each lot owner shall be responsible for their own water system requirements from installed water line to their land or building site.

SEWER:

The individual lot owner will furnish their own liquid waste disposal system. Costs are basically indeterminate, based on land slopes and soil conditions. Septic tank with leach fields may not work on all lots. Holding tanks or other septic systems may be needed. Soil depth and rate of percolation will be needed to determine what system will work. Local contractors should be contacted for estimates.

15. INSTALLATION OF UTILITIES:

WATER:

The installation of the water lines will run down the road easement in front of each lot. Each lot owner will be responsible for the installation of water to their building site from water line located in road easement. Maintenance and fees for water system will be responsibility of Sky Country Property Owner's Association. Water shall be provided to entire subdivision in three separate phases of development. Phase I shall consist of Lots

1 through 15; 50 through 53; 55 through 68 (totaling 33 lots). Phase II shall consist of Lots 16 through 39 and Lot 54. Phase III shall consist of Lots 40 through 49. Water well and storage tank locations for Phase II and III to be determined prior to marketing of said lots.

GAS: None furnished

ELECTRICITY:

The developer, at developer's cost will deliver power to the property line, at a point of developer's choice within one year closure of escrow on a given parcel.

16. **UTILITY LOCATION:**
(IF ALL UTILITIES ARE TO BE PROVIDED TO EACH PARCEL IN THE SUBDIVISION, PLEASE MAKE THAT STATEMENT HERE)

Electric power and telephone service will be provided in road easement only. No gas will be provided.

(THE FOLLOWING UTILITIES WILL BE LOCATED UNDER GROUND)

Water and telephone service

(THE FOLLOWING UTILITIES WILL BE LOCATED OVERHEAD)

Electric service.

17. **WATER USE:**

For domestic use only. (Restriction to mostly household and animals.)

18. **AMOUNT OF WATER:**

Initially water will not be metered. The water will be regulated by the Sky Country Property Owner's Association.

19. **WATER DELIVERY:**

Well providing water for Phase I is located on Lot 68. Water is pumped to 25,000 gallon storage tank located on Lot 9 for distribution to all lots in Phase I. Water well and storage tank location for Phase II and III to be determined prior to marketing of said lots. Water delivery system shall meet all state regulation requirements.

20. **WATER SYSTEM EXTENSION:**

Water system extension shall meet all state regulation requirements.

21. **LIFE EXPECTANCY OF THE WATER SUPPLY:**

Life expectancy of a properly drilled well would be more than fifty years. The life of any particular well cannot be accurately predicted.

2. WELLS:

See attached well report for well located on Lot 68.
The formation is comprised of limestone, sandstone, siltstone, dolomite and shale in the upper part. Redbeds, limestone, gypsum, and dolomite in the lower part.

23. SURFACE WATER:

N/A

24. STATE ENGINEER'S OPINION ON WATER:

It is the opinion of the State Engineer that the subdivider's water proposal and disclosure statement conform with county subdivision regulations.

25. WATER QUALITY:

See attached copy of report from Westech Laboratories, Inc. On a well on adjoining property to the west of this subdivision. Water quality will meet all state regulation requirements.

26. ENVIRONMENTAL IMPROVEMENT DIVISION'S OPINION ON WATER QUALITY:

It is the opinion of the Environmental Improvement Division that the subdivider meets the requirements of disclosing those water quality parameters that exceed Otero County Subdivision regulations. These parameters are similar to various other water systems in Otero County.

27. LIQUID WASTE DISPOSAL:

The developer will furnish no liquid waste disposal facilities. Individual lot owners will be responsible for providing an EID approved liquid waste disposal system. The majority of good building sites will be on the ridges within this subdivision. The ridges in general have shallow top soil with limestone rocks underlying. These conditions may make some lots expensive or unacceptable for a septic system, with leach field. A holding tank or some other liquid waste disposal system will have to be used. Also see attachment from State EID office.

28. ENVIRONMENTAL IMPROVEMENT DIVISION'S OPINION ON LIQUID WASTE DISPOSAL:

It is the opinion of the Environmental Improvement Division that the subdivider can fulfill his liquid waste disposal requirements.

29. SOLID WASTE DISPOSAL:

Each tract owner will be responsible for his own solid waste disposal at an approved disposal site.

30. ENVIRONMENTAL IMPROVEMENT DIVISION'S OPINION ON SOLID WASTE DISPOSAL:

It is the opinion of the Environmental Improvement Division that the subdivider can fulfill his solid waste disposal proposal.

31. TERRAIN MANAGEMENT:

See subdivision report on terrain management.

32. NATURAL RESOURCES CONSERVATION DISTRICT'S OPINION ON TERRAIN MANAGEMENT:

It is the opinion of the Otero County Soil and Water Conservation District that the subdivider's proposal is in compliance with Otero County Subdivision regulations.

33. SUBDIVISION ACCESS:

(NAME OF NEAREST TOWN TO SUBDIVISION)

Cloudcroft, New Mexico

(DISTANCE FROM TOWN TO SUBDIVISION)

6.8 miles

(NAME OF HIGHWAY OF STATE ROAD OVER WHICH DISTANCE IS COMPUTED)

US Highway 82

(IF ACCESS TO SUBDIVISION IS AVAILABLE BY CONVENTIONAL VEHICLE, PLEASE STATE THAT FACT HERE. IF IT IS NOT, PLEASE STATE THAT FACT HERE)

Access to the subdivision is available by conventional vehicle.

(IF THE PROPERTY IS ORDINARILY ACCESSIBLE IN ALL SEASONS, AND UNDER ALL WEATHER CONDITIONS, PLEASE STATE SO. IF IT IS NOT, PLEASE STATE THAT FACT ALSO)

The property is ordinarily accessible in all seasons, and under most weather conditions, except heavy snow, which is common during winter months.

34. STATE HIGHWAY DEPARTMENT'S OPINION OF ACCESS:

No opinion has been received by the State Highway Department.

35. DEVELOPMENT:

No homes, recreation structures, or other community improvements not otherwise set forth in this disclosure statement are planned.

36. MAINTENANCE:

(STATE THE OWNER'S MAINTENANCE AND CONSTRUCTION RESPONSIBILITIES)

The developer will construct and maintain all roads within the subdivision, until 51 percent of the lots within the subdivision are sold. At that time, road maintenance will become the responsibility of Sky Country Estates Property Owners Association.

The roads within the subdivision will remain as private roads, owned jointly by property owners within Sky Country Estates, and will not be accepted or maintained by the County of Otero.

Access to property within the subdivision is difficult during periods of snow and freezing winter conditions. Prospective buyers should read the restrictive covenants and land owners association rules and regulations. Regulations and responsibilities of property owners within Sky Country Estates.

37. ADVERSE CONDITIONS:

(STATE ANY ACTIVITIES OR CONDITIONS ADJACENT TO OR NEARBY THE SUBDIVISION SUCH AS BUT NOT LIMITED TO FEEDLOTS, CEMENT PLANTS, AND LANDFILLS, WHICH WOULD SUBJECT THE SUBDIVIDED LAND TO ANY UNUSUAL CONDITIONS AFFECTING ITS USE OR OCCUPANCY)

None

38. RECREATIONAL CONDITIONS:

(DESCRIBE ALL RECREATIONAL FACILITIES, ACTUAL AND PROPOSED, IN THE SUBDIVISION)

No additional recreational facilities are planned.

39. FIRE PROTECTION:

Closest fire protection is James Canyon Fire Department, which is manned by volunteers. From subdivision to James Canyon Fire Station it is ½ mile down Young Canyon to Highway 82 and 2½ miles east on Highway 82 to the fire station.

40. POLICE PROTECTION:

The closest police department is in Cloudcroft about 7 miles west of the subdivision, but the subdivision falls in the jurisdiction of the Otero County Sheriff's Department and New Mexico State Police.

41. PUBLIC SCHOOLS:

(NAME OF NEAREST ELEMENTARY SCHOOL)

Cloudcroft Elementary School located in Village of Cloudcroft.

