



**DISCLOSURE STATEMENT  
FOR  
CANYON RIDGE**

RIO ARRIBA  
J. FRED VIGIL, COUNTY CLERK  
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BY SHIRLEYM

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

This Disclosure Statement is being re-filed to (1) correct the number of Lots contained in the property described as being "Canyon Ridge - Tract 1"; and (2) complete recording information for the survey entitled "Plat of Summary Review Division of 809.92 Acres for Rare Earth New Mexico, LLC, 'Canyon Ridge - Tract 1'." This Disclosure Statement is intended to provide you with enough information to permit you to make an informed decision on the purchase, lease or acquisition of the property described in this statement. You should read carefully all of the information contained in this statement before you decide to buy, lease or otherwise acquire the described property.

Various public agencies may have issued opinions, on both the subdivision proposal and the information contained in this disclosure statement. 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 Commissioner recommends that you inspect the property before buying, leasing or otherwise acquiring it. **If you have not inspected the parcel before purchasing, leasing or otherwise acquiring it, you have six (6) months from the time of purchase, lease or other acquisition to personally inspect the property. After inspecting the parcel within the six (6) month period, you have three (3) days to rescind the transaction and receive all of your money back from the Subdivider when merchantable title is re-vested in the Subdivider. To rescind the transaction, you must give the Subdivider notice of your intent to rescind within three (3) days 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 Rio Arriba County Clerk.

**Building permits and other use permits must be issued by state or county officials before improvements are constructed. You should investigate the availability of such permits before you purchase, lease or otherwise acquire an interest in the land. You should also determine whether such permits are 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 twenty-four (24) lots, easements and common areas, located within a portion of the historic J. Luis Rivera and Hall Dudrow & Nossaman tracts, lying south of the Village of Chama, Rio Arriba County, New Mexico, as shown on the Tract 1 Plat defined below. Canyon Ridge, Tract 1 (sometimes "Tract 1") consists of Lots 1 – 24 as shown on that certain plat of survey entitled "Plat of Summary Review Division of 802.92 Acres for Rare Earth, New Mexico, LLC, 'Canyon Ridge – Tract 1' " dated January 24, 2008, prepared by Gilberto Archuleta, N.M.P.S. No 13976, and filed for record on January 24, 2008 with the County Clerk of Rio Arriba County, New Mexico in Plat Book L 1, at Page 105 of the records of Rio Arriba County, New Mexico ("Canyon Ridge").

This Disclosure Statement is a general description of the Canyon Ridge, Tract 1 ("Tract 1 Subdivision") and a summary of the conditions and documents affecting Tract 1 and ownership within this development. This Disclosure Statement is not intended to be a comprehensive description of any condition, law, regulation, and rule affecting the development. Lot purchasers should read each document referred to in this Disclosure Statement to obtain a complete understanding of its effect. Copies of development documents referred to in this Disclosure Statement are available at the Rio Arriba County Clerk's Office. Copies of applicable County land Development Codes are available at the Rio Arriba County Planning and Zoning Department, 1122 Industrial Park, Espanola, New Mexico 87532, telephone Planning and Zoning Department: (505) 753-7774.

**1. NAME OF SUBDIVISION**

Canyon Ridge, Tract 1

**2. NAME AND ADDRESS OF SUBDIVIDER**

Rare Earth New Mexico, LLC  
569 Buckman Road  
Chama, New Mexico 87520

Mailing Address: ~~P.O. Box 609~~ PO Box 164  
~~Skyland, NC 28776~~ MUSKEGO, WI  
5315

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

Subdivider at the above address.

**4. NAME AND ADDRESS OF HOLDER OF LEGAL AND EQUITABLE TITLE**

Rare Earth New Mexico, LLC  
~~P.O. Box 609~~ PO Box 164  
~~Skyland, North Carolina 28776~~  
MUSKEGO, WI. 53150

**5. PROTECTION OF PURCHASERS; DISCLOSURE OF ENCUMBRANCES ON TRACT 1**

Tract 1 is encumbered by two mortgages, one in favor of New Stream Real Estate, LLC, and a second in favor of Newborn Realty Corp. Coincident with the closing any purchase, Subdivider will obtain a partial release of such mortgages covering the lot being purchased. No buyer will be required to close on a purchase without such partial releases.

**6. WATER AVAILABILITY**

Subdivider has had one well drilled on Tract 1. Water bearing formations on Tract 1 are fractured Jurassic sandstones. Water level data from the New Mexico Office of the State Engineer waters database and perennial stream and springs hydrologic data indicate that depth to water on Tract 1 to suitable depth ranges from 200 to 1000 feet. The large range of water depths is due to variable topography on the tract. The depth to water in existing on-site well RG-89596 was measured on July 2, 2007 at 382 feet.

Site well RG-89596 is 505 feet deep and is equipped with a 15-gallon per minute, 2-horsepower pump. Additional wells drilled on Tract 1 are expected to yield 2–20 gpm, but the actual amount will not be known until such wells are drilled and tested.

**7. WATER DELIVERY**

Subdivider recognizes and appreciates the vital connection between land, water and culture in northern New Mexico. The proposed water delivery system takes into consideration the overall location and elevation of the development, its proposed layout and anticipated uses, as well as existing statutes and regulations, and is intended to minimize new depletion effects and reductions in stream flow.

Xeriscape landscaping techniques will be required for all homesites and amenity areas. This approach uses minimal supplemental water by utilizing water conserving principles such as selecting native plants with low water requirements, irrigating with reclaimed wastewater and efficient use of mulches. Additionally plant materials native to the local region will be required to prevent the unwanted spread of introduced species that may compete with native plants.

Water for homesites will be provided by individual or shared domestic wells.

As stated in paragraph 6 above, Subdivider has drilled one well for Tract 1 as required by Rio Arriba County. Subdivider may drill and permit additional wells

as needed in the future for homesites sold. Wells will be limited to water use of no more than three (3) acre feet per year each, in accordance with State Engineer regulations. All water use will be metered, and all homesites and other structures within the Subdivision will be required to use the highest and best technologies available for water conservation purposes. Such technologies include, but are not limited to water-saving fixtures and appliances, use of gray water when appropriate, and appropriate landscaping design, techniques and irrigation.

**8. LIQUID WASTE DISPOSAL**

All homes in the Subdivision will be required to install a wastewater treatment solution developed by Orenco which provides innovative water re-use technology for onsite treatment of wastewater. A UV disinfection device will be incorporated into the treatment system on each lot to provide tertiary treatment for the receiving environment. The highly treated effluent will then be utilized for drip irrigation as part of a water conservation program. The UV disinfection equipment will be monitored through Orenco's Vericomm internet based monitoring service. Substantially similar or better systems may be employed as technology changes.

The Orenco AdvanTex system has been approved by the State of New Mexico Environment Department since 2001.

The Association will enter into a service agreement with an Orenco certified operator to provide lifetime operation and maintenance of these treatment systems. The AdvanTex Treatment System includes a VeriComm® telemetry control panel with a web-based monitoring system, supervised by the System's service provider. Alarm notifications are automatically sent to the service provider's e-mail capable device.

**NOTE: No other liquid waste disposal system may be used in a subdivision other than the system approved by the Association.**

**9. NEW MEXICO ENVIRONMENT DEPARTMENT'S OPINION ON LIQUID WASTE DISPOSAL**

Please see attached letter from the Environment Department.

**10. SOLID WASTE DISPOSAL**

The Association will contract directly with a solid waste hauler.

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**11. TERRAIN MANAGEMENT; SOILS TESTING; SLOPES IN EXCESS OF 8%; FLOOD PLAINS**

Limited testing of Tract 1 soils has found them suitable for residential foundations. Site specific testing is recommended to determine the suitability of the each lot for the buyer's proposed site development. Due to the size of lots, variations in terrain occur. The Developer has identified prime building locations for each lot. These locations may include slopes in excess of 8%, but all sites are buildable using accepted construction standards and practices typical in mountain communities. Because of mountain terrain, Subdivider does not warrant that any lot will have a buildable site located solely on a slope of 8% or less, but buildable sites are not within any flood plain, flood fringe or floodway designated by the Federal Emergency Management Agency (FEMA).

**12. STORM DRAINAGE SYSTEMS**

Subdivider will construct the Tract 1 Subdivision roads in accordance with master plan approval by Rio Arriba County including any bar ditches and the like for runoff required by such approvals. No other storm drainage system will be constructed.

The Association should examine the berms, channels and ponds periodically and provide any necessary maintenance to maintain their height and integrity. If required by applicable governmental codes or Subdivision covenants, lot owners may be required to install a storm water cistern which collects runoff from their roofs.

**13. SUBDIVISION ACCESS**

Primary vehicular access to the Tract 1 Subdivision will be from US Highways 64 and 84 via NM 512 through Chavez Creek Forks Road. There will be a secondary access to US Highways 64 and 84 via Buckman Road. Vehicular access to lots within the Subdivision and common areas will be provided by private streets owned and maintained by the Association. These roads will be constructed in accordance with specifications contained in the master plan approval.

Pedestrian hiking and biking circulation will be along the road shoulders and through an extensive trail network through the conservation easement and open spaces.

**14. ROAD MAINTENANCE**

The Association will maintain the Subdivision roads, drainage facilities, signage and monumentation, sewer system, reclamation treatment facility, reclamation system, trails, parks, park facilities, and common landscaping. Costs will be

shared through charges, dues and assessments levied by the Association against all lot owners. The Association Bylaws describe these responsibilities in more detail and explain each lot owner's obligation to pay for these responsibilities. The Association shall base the monthly Association maintenance fee on the maintenance requirements established. The Association will be responsible for providing for or arranging for the maintenance personnel or private companies to handle the above responsibilities.

Certain portions of the access roads to Canyon Ridge cross private lands and are located within recorded easements. To the extent there are any maintenance, insurance or indemnity arrangements regarding such roads with the owners of the underlying land, such obligations will be assigned to and assumed by the Association.

**15. CONDITION OF TITLE**

Title of the Subdivider is fee simple absolute and will be conveyed to buyers in the same condition subject to the covenants, restrictions and encumbrances for the subdivision as provided below in paragraph 16 and easements, reservations and restrictions of record to be disclosed on a commitment for an owner's policy of title insurance to be provided in connection with each lot sale.

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

- A. The use and development of each Lot will be subject to the conditions and restrictions set forth on the final plat and development plan of the Tract 1 Subdivision, as well as applicable Rio Arriba County ordinances and applicable building codes. Without limiting the foregoing, title to each lot is subject to utility, road, cut and fill, and drainage easements as shown on the plats for the Tract 1 Subdivision. These easements include a right of ingress and egress for construction and maintenance and the right to trim interfering trees and shrubs.
- B. Title to each lot will be subject to the Declaration of Covenants, Conditions and Restrictions for Canyon Ridge (the "Declaration of Covenants") to be delivered to prospective purchasers prior to closing of lot sales. Under the Declaration of Covenants, the Canyon Ridge Homeowners' Association (the "Association") has been formed with the powers and duties specified in the Declaration of Covenants and the Articles of Incorporation and the Bylaws for the Association.
- C. Title to each lot will be subject to the Master Deed Restrictions for Canyon Ridge, (the "Master Deed Restrictions") to be delivered to prospective purchasers prior to the closing of lot sales. Under the Master Deed

Restrictions, the Subdivider has reserved certain rights. The Master Deed Restrictions and all Subdivision documents should be read carefully by a prospective lot purchaser.

D. Title to lots will be subject to shared well agreements.

**17. UTILITY LOCATION**

Telephone, electricity and gas, and any water lines for shared wells, will be installed within Subdivision easements shown on the Tract 1 Plat. Individual lot owners will be responsible for making the service connection between the utility stub outs or lines to their homes and for installation of check valves on any reclaimed water supply lines. At this time, Tract 1 utility lines are planned to be underground and must conform to all Rio Arriba County regulations, but Subdivider may elect to permit some overhead utility lines from time to time.

**18. OTHER UTILITIES**

Electrical, gas and other utility services will be provided as follows:

Electric:

Underground service to be provided by NORA Electric.

Telecommunications/Video/Internet/Security:

Provided by on-site private fiber optic network; satellite service may be chosen by lot owners.

Gas:

Provided by individual LP storage tanks.

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**19. COMMUNITY FACILITIES**

The primary community facilities for Canyon Ridge, when approved by Rio Arriba County, will be (i) the lodge and related facilities to be located between Lots 31 and 32 in Tract 2 of Canyon Ridge, and (ii) the equestrian center to be located within Tract 3 of Canyon Ridge and owned by the Association. Tract 1 is located in the southwest portion of the more than 5700 acres comprising all of Canyon Ridge. Additionally, Subdivider will grant an easement to owners and the Association to use approximately 3600 acres of land within Canyon Ridge which is subject to conservation easements.

The lodge will be a semi-private facility that may be owned and/or operated by Subdivider or the Association. The lodge facilities will include a restaurant, bar,

reception and concierge area, gathering spaces, club offices and outdoor decks and related amenities. Owners will be members of the lodge and such membership subject to charges established for the lodge and facilities.

The casitas will be privately owned by Subdivider or third parties. If agreed to by a casita owner, the unit may provide lodging accommodations for property owners and lodge guests at rates to be determined.

The architectural designs and construction materials will be consistent with the rocky mountain vernacular. The colors will be muted, earth tones designed to blend the buildings into the background. It is anticipated that the lodge and will operate seasonally late spring through early fall and may close for the winter.

## **20. RECREATIONAL AND OPEN SPACE AREAS**

The recreation and open space areas in Canyon Ridge will be reserved for conservation and outdoor recreational activities. The conservation areas will be subject to a conservation easement granted to the Rocky Mountain Elk Foundation, or similar conservation organization, ("foundations") with specific guidelines regulating use. Currently a 900 acre conservation easement exists within Canyon Ridge, and an additional 3100 acres, more or less, are proposed to be subject to an easement or conservation deed restriction for a total of 4000 conservation acres, more or less. The conservation areas as well as the open space areas on Canyon Ridge will be limited to activities such as hiking, biking, horseback riding, picnicking and hunting. Park shelters, picnic tables, trails, and signage supporting these activities, and any homes and related buildings, etc. permitted under the terms of the easement(s), will be the only structures allowed in these areas. The landscapes will remain natural with best wildfire and habitat management practices employed. Subdivider will own and control the areas not included within a Canyon Ridge lot subject to easements in favor of the foundations and the owners and Association.

Canyon Ridge will include an equestrian center consisting of a horse barn, a covered riding arena and pasture areas. Trails are planned through the community open spaces and conservation areas.

## **21. ADVERSE OR UNUSUAL CONDITIONS**

There are no other known activities or conditions adjacent to or near Canyon Ridge such as feedlots, cement plants, dairies, airports and the like, that would subject Tract 1 to any unusual conditions affecting its use or occupancy.

## **22. FIRE PROTECTION**

Each lot owner should determine the best solution for fire protection. Neither the Association nor the Subdivider will provide fire protection services or hydrants.



Subdivider will construct three underground 10,000 gallon tanks to supply water for fire protection needs.

**23. POLICE PROTECTION**

The development will be served by the Rio Arriba County Sheriff's Department.

**24. SHOPPING FACILITIES**

Small grocery and convenience stores are located in or near Chama, New Mexico. The closest full service grocery store to Canyon Ridge is located in Espanola, New Mexico, approximately 80 miles to the south on US Highway 85.

**25. ESCROW AGENT**

The Subdivider will select any of various local title companies to act as closing agent in the purchase of a lot. At the time of the filing of this Disclosure Statement, Subdivider has selected Chama Title Company, Chama, New Mexico 87505, attention Stephanie Maestas. The Subdivider has no interest in or financial ties with the closing agent.

**26. NO FINANCING TERMS**

Financing will not be provided by the Subdivider.

**27. 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.

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.

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Subdivider:

RARE EARTH NEW MEXICO, LLC,  
a North Carolina limited liability company

By: Global Development  
Resources, Inc.,  
a North Carolina  
corporation  
and its sole managing member

By: *Kent E. Smith*  
Kent E. Smith  
Title: Chief Executive Officer

ACKNOWLEDGMENT

STATE OF North Carolina

COUNTY OF Henderson

This instrument was acknowledged before me this 31<sup>st</sup> day of March 2008  
by Kent E. Smith, Chief Executive Officer of Global Development Resources, Inc., a  
North Carolina corporation, sole managing member of Rare Earth New Mexico, LLC, a  
North Carolina limited liability company.

*Cynthia M. Strassner*  
Notary Public

My Commission Expires:

Dec 4, 2010



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