Disclosure Statement

1. Name of Subdivision:

ESTANCIAS ATALAYA

2. Name, Address and Telephone Number of Subdivider:

Klauer Manufacturing Company, Inc. C/O Peregrine, LLC 204 Bendix Drive, Unit I Taos, New Mexico 87571 Phone Nos.: (575) 758-9011 or (575) 770-0440 Fax: (575) 758-0056

3. Name, Address and Telephone Number of Person in Charge of Sales, Leasing, or Other Conveyance in New Mexico:

Mark Cowan, Real Estate Broker 204 Bendix Drive, Unit I Taos, New Mexico 87571 Phone Nos.: (575) 758-9011 or (575) 770-0440 Fax: (575) 758-0056

4. Total Acreage of the subdivision, both present and anticipated:

Present – 229.198 acres

Anticipated -229.198 acres including open space and roads; 44 lots with an average size of 4.424 acres; total lot area is 194.644 acres; open space is an additional 19.529 acres; road area totals 15.025 acres.

5. Size of the largest parcel offered for sale, lease or other conveyance within the subdivision:

6.890 acres - Lot 18

6. Size of the smallest parcel offered for sale, lease or other conveyance within the subdivision:

3.097 acres - Lot 36

7. Proposed range of prices upon sale, lease or other conveyance within the subdivision:

The applicant's proposed prices stated herein are subject to change depending upon the actual development costs and market conditions at the time the lots will be listed and offered for sale. The preliminary lot prices may range from \$150,000 to \$325,000. If the range of prices changes in the future this Disclosure Statement will be amended to reflect that information.

8. Financing terms upon sale, lease or other conveyance within the subdivision:

Not applicable at this time. Seller financing is not contemplated. If seller financing is to be provided in the future this Disclosure Statement will be amended to reflect that information.

9. Distance from the nearest town to the subdivision and the route over which the distance is computed:

Ranchos de Taos and/or Llano Quemado are the nearest unincorporated towns to the subdivision. They are located about 3.9 miles from Estancias Atalaya. The distance to the subdivision from Taos, the closest incorporated municipality is approximately 5.2 miles. This distance is calculated along State Highway 68 to County Road C-069, and then to Entrada Atalaya, the entrance road to the subdivision. It is measured from the southern Town of Taos limits.

10. Name, Address and telephone number of the person having legal and equitable title to the land offered for sale, lease or other conveyance:

The current owner of the legal and equitable title is the applicant.

Klauer Manufacturing Company, Inc. P. O. Box 59 Dubuque, Iowa 52004-0059 Telephone – Mark Cowan, 575-758-9011

11. A statement of the condition of title including any encumbrances:

Klauer Manufacturing Company, Inc., is the owner in fee simple. There are no encumbrances.

12. A statement of all restrictions or reservations of record that subject the subdivided land to any conditions affecting use of the property:

There are no restrictions or reservations of record influencing the land. The Owner/Applicant will impose deed restrictions with the Covenants, Conditions and Restrictions. The reader is advised to review these covenants, conditions, and restrictions. Interested parties may acquire a copy of the Covenants, Conditions, and Restrictions by request to the developer, or refer to the subdivision package promotional materials.

13. An update of the title commitment or an attorney memorandum based upon an abstract of title, current as of the date of submitting the plat:

A copy of the Tierras de Taos Title Company's title commitment issued to Klauer Manufacturing Company, Inc. is available upon request and made a part of the subdivision application with Taos County. An owner's and/or mortgagees policy is to be provided to each lot purchaser at the time of closing.

14. Name, Address and Telephone Number of the escrow agent, if any:

NOT APPLICABLE - There is no escrow agent.

A Statement as to availability, location, costs and provider of public Utilities:

Date for Completion of Infrastructure - In accordance with Appendix H to the subdivision application, the Agreement to Assure Completion of Infrastructure, Item No. 8, the developer will complete all infrastructure improvements including roads, electrical extensions, telephone extensions, and water works within 180 days from the sale of the first lot. Said time frame is subject to delays resulting from adverse weather, illness, and other factors beyond the control of the developer.

WATER – The developer will provide water to a location at or adjacent to the lot boundary for all lots (1 through 44) and to the fire suppression water storage tanks. The applicant will provide the rights to a shared water well and a water delivery system to each lot exterior boundary at no additional cost. The water source will be from a system of eight shared wells, servicing lots as follows:

Well No.	Lots Served
1	1, 2, 9, 24, 43, 44
2	3, 4, 5, 6, 7, 8
3	11, 12, 13, 14, 15
4	10, 19, 21, 22, 23, and Fire Tanks
5	16, 17, 18, 20
6	25, 26, 27, 28, 29, 30
7	37, 38, 39, 40, 41, 42
8	31, 32, 33, 34, 35, 36

The delivery system for each shared well will consist of an underground well vault with a well pump and pressure tank system sized to provide water flow for up to six lots each. The developer will, at its expense, drill the well, install the underground well vault, equip the well vault and pressure tank system, install the electric supply, install the water supply manifold and the 1.25" diameter pex lines to all meter cans with individual water meters prior to the closing of any lot. A master water meter will be installed at each of the eight shared well house vaults. Master water meter use data will be submitted to the State Engineer as required. Submission shall be by the property owner's association and/or the individual lot owners. The developer will, at its expense, supply all water and water workings to service the 3 fire suppression water storage tanks. The water supply shall be from well no. 4. See engineering sheets numbers 14 through 17 for well and water distribution plan. The cost to install the water service line from the meter can (located at or near the lot boundary) to the residence shall be the responsibility of the lot owner and will vary based on location of each home from the meter can.

ELECTRICITY – The developer at the developer's cost will bring electric lines to each lot boundary at no additional cost to the purchaser. The electric service provider is Kit Carson Electric Cooperative via a construction contract with the developer. The electrical line extensions will be within the designated subdivision road right-of-ways. The lot buyer is responsible for installation of the electric service entrance/meter pedestal and the secondary electric cable to the home. Telephone and electric lines will be located in a joint utility trench constructed to Kit Carson Electric Coop's Single Phase Direct Burial Cable standards (48 inches deep by 12 inches).

TELEPHONE – The developer at the developer's cost will bring telephone lines to or very near each lot boundary at no additional cost to the purchaser. Property owners at their own cost may arrange for extension of telephone to the building envelope and or/home. The telephone service provider is QWEST and the developer has contracted with QWEST for the service and installation. The telephone service line will be in a common trench with the electric line. See the comments under "electricity". The lines will be within the road right-of-way, as will pedestals for the same.

NATURAL GAS – The developer will provide natural gas to each lot via gas stub outs at or near the lot boundary. The gas service provider is PNM. Property owners at their own expense may arrange for extension of gas service to the building envelope and or home.

SOLID WASTE – Waste Management of New Mexico currently provides solid waste pick-up service to the subject area. Each homeowner is responsible for its own solid waste service. To set up service, the office phone number for Waste Management is 575-751-0708.

In the event Waste Management is not the service provider, the lot purchaser is directed to Taos County for information on the current solid waste service provider.

ROADS - The developer at the developer's sole expense, will construct the following roads.

Entrada Atalaya (To Calle Milargro Intersection) – Type B Roadway excluding asphalt surface – 24 feet of driving lane, 4 feet of shoulder on each side, 12 inch pit run base, 6 inch base course driving surface.

Entrada Atalaya (portion), Calle Milagro, Calle Cordillera, Calle Cielo (to station 13+50) – Type C Roadway - 22 feet of driving lane, 4 feet of shoulder on each side, 12 inch pit run base, 6 inch base course driving surface.

Calle Cielo (from station 13+50) – Type D Roadway - 22 feet of driving lane, 12 inch pit run base, 6 inch base course driving surface.

16. A statement describing the maximum annual water requirements of the subdivision, including water for indoor and outdoor domestic uses:

For subdivisions where a domestic water well permitted pursuant to section 72-12-1 is to be used, Taos County strongly encourages and may even require well shares up to six lots per well. The 3-acre foot domestic well limits the production of the well to a maximum of 3-acre feet annually. Therefore, the maximum allowable annual water consumption (indoor and outdoor domestic uses) for the eight wells serving forty-four lots within Estancias Atalaya is 22 acre feet.

The maximum annual consumption permitted pursuant to the domestic well permit shall be allocated equally, 0.50/acre feet per user, or 162,925 gallons annually. If the subdivision wells were pumped at full demand (44 occupied lots) with each lot diverting its maximum use of 0.5 acre feet per year, maximum diversion would be the cited 22 acre feet per year, or 19,640 gallons per day (446 gallons per day per lot).

The consumption shall be monitored by individual water meters. Each of the eight shared wells will be permitted through the New Mexico State Engineer Office in accordance with section 72-12-1 New Mexico Statutes. No water may be used from any well until a Change of Ownership form has been submitted and a new permit has been issued to an applicant such as a homeowner who intends to use the water for any purposes described in Section 72-12-1. Further, quarterly or monthly meter reading reports, as required by the Office of the New Mexico State Engineer, are to be completed in a timely fashion, and in the manner described in the Well Sharing Agreement. Every lot owner within Estancias Atalaya Subdivision is required to be a signator and participant of the Well Sharing Agreement that governs their particular lot.

17. A statement of availability of/and source of water to meet the maximum annual water requirements:

The applicant will provide the rights to a shared water well and a water delivery system to or very near the boundary of each lot at no additional cost to the purchaser. The water source is a series of eight shared wells. The right to use and the obligation to maintain the shared well is set forth in the pro forma well share agreements attached hereto.

The delivery system for each shared well will consist of an underground well vault with a well pump and pressure tank system sized to provide water flow for up to six lots each. The developer will at his expense drill the well, install the underground well vault, equip the well vault and pressure tank system, install the electric supply, install the water supply manifold and the 1.25" diameter pex lines up to each meter can with individual water meters.

A master water meter will be installed at each of the eight shared well house vaults. Master meter water use data will be submitted to the State Engineer as required. Submission is to be made by the property owner's association and/or the lot owners. Individual water use meter data, as well as the totalizing master meter data, via the filed reports for the same, are to be maintained in the files of the Property Owner's Association. The cost to install the water service line from the meter can to the residence shall be the responsibility of the lot owner and will vary based on location of each home from the meter can.

As part of the subdivision approval process for Estancias Atalaya, the developer/applicant had a Geohydrological study prepared. A copy of Glorieta Geosciences, Inc. report *Geohydrological of the Estancias Atalaya Subdivision, Taos County, New Mexico*, dated May, 2007, is included as supplemental information to the subdivision application for plat approval of the Estancias Atalaya Subdivision. The entire report is be available for review by any prospective purchaser by requesting a copy from the developer.

Quoting the study, test well RG-88886 is completed to a depth of 990 feet into intebedded sand, gravel, and clay of the Chamita Formation. The pumping test and groundwater flow model results indicate that the aquifer underlying the Estancias Atalaya property is capable of producing sufficient water to support the proposed subdivision demand of 22 acre feet per year for at least 50 years.

18. A statement describing the quality of water in the subdivision available for human consumption:

As part of the Glorieta Geosciences, Inc. Geohdrology Report, an in depth water quality test was performed. Water quality samples were collected from the test well April 5, 2007 after approximately 30,000 gallons had been purged from the well during the pumping test. The samples were submitted to Hall Environmental Analysis Laboratory in Albuquerque, NM for analyses. For a detailed list of the results, the reader is referred to the cited geohydrological report (Appendix D).

It was concluded the water is of good quality and suitable for human consumption, with all of the constituents analyzed within applicable EPA and NMWQCC primary standards for safe drinking water. In addition to primary standards, EPA also has a series of secondary (aesthetic) standards for drinking water. Turbidity measured in the well was 8.1 nepholometric turbidity units (NTU), which exceeds the secondary standard of 5 NTU. According to the geohydrologist, this is most likely due to small, residual amounts of drilling fluid remaining in the well after drilling and development. GGI recommends remeasuring turbidity on-site when the well is brought into production.

19. A description of the means of liquid waste disposal for the subdivision:

No liquid-waste-disposal systems exist on the property at the present time. The location of the future septic tanks is unknown, except that they are required to be within the cited building envelopes. The water sources (8 wells) is within water well and storage easements created by the plat. There is sufficient distance from the water source to locate individual septic systems on each lot and within the required building envelope. The water source is not located within any flood plain or acequias. Percolation test results show adequate percolation for the installation of standard septic tank/leach field systems. The average percolation rate based on the four test holes is 51.55 minutes per inch. Interested parties are referred to the Terrain Management Plan, sheet no. 4, for location of the percolation tests and soil type.

The subdivider will not be providing liquid-waste-disposal facilities; each lot owner will be installing an individual system at his/her own cost. Liquid-waste-disposal must be State of New Mexico Environment Department-approved individual septic systems. Prior to construction of a residence on any lot within the subdivision the lot owner must obtain an on-site liquid-waste-system permit from the Taos Field Office of the New Mexico Environment Department.

THE SUBDIVIDER RECOMMENDS THAT ALL PROSPECTIVE LOT BUYERS FULLY INVESTIGATE THE TYPE AND COST OF THE LIQUID-WASTE-DISPOSAL SYSTEM THAT WILL BE REQUIRED FOR ANY LOT IN THIS SUBDIVISION BEFORE PURCHASING A LOT.

20. A description of the means of solid waste disposal for the subdivision:

The subdivider will not be providing solid-waste-disposal services; each lot owner will be required to contract with Taos County or its private contractor for solid waste-disposal services at his/her own cost. Waste Management of New Mexico currently provides solid waste pick-up service to the subject area. To set up service, the office phone number for Waste Management is 575-751-0708. In the event Waste Management is not the service provider, the lot purchaser is directed to Taos County for information on the current solid waste service provider. No trash or solid waste of any kind shall be burned or disposed of on any lot within the Subdivision.

21. A description of the means of water delivery within the subdivision and of any known plans for extension of the system:

The applicant will provide the rights to a shared water well and a water delivery system to or near each lot boundary at no additional cost to the purchaser. The cost to install the water service line from the meter can to the residence shall be the responsibility of the lot owner and will vary based on location of each home from the meter can.

A maximum of six (6) users will be allowed to connect to a shared well. The water sources are to be eight wells that will be drilled between the dates of April of 2007 and within 180 days from final plat approval, not withstanding weather, illness, and other factors outside of the control of the developer. The right to use and the obligation to maintain the shared well is set forth in the pro forma Well Share Agreement attached hereto. Each lot owner in Estancias Atalaya is required to be a member of the appropriate well share agreement, as evidenced by their signature on the same. Vigil Welding and Well Drilling, a licensed water well drilling company in Taos County, has completed the wells within the development.

Equipment includes a steel-cased, 6 5/8" outside diameter cased water well, 1.25 inch water service line, 7.5 horsepower single phase electric pump, pressure tanks, and a main centralizing meter. The wells are to be located within the easements shown on the subdivision plat. According to the well driller's well descriptions, the water levels begin at 652 feet and continue to the bottom of the hole at 990 feet. The wells are reported to generate no less than 20 gallons per minute. The well equipment is concealed in a subterranean well house.

The water distribution system is comprised of 1.25 inch PEX line located within the cited easements and road right-of-ways. Any water line crossing the roads or driveways within the subdivision are encased in a 4-inch schedule 40 conduit and buried a minimum of five feet below natural grade.

The water system within Estancias Atalaya will not be extended outside of the subdivision boundaries.

22. A statement describing limitations and restrictions on water use:

Water use is limited to a maximum of 0.50-acre foot per year per lot by Taos County Subdivision Regulations and other governmental limitations with jurdisction over the shared well. Each service connection shall be metered. The Well Share Agreement to be recorded with the sale of each individual lot will also limit water usage to 0.50-acre foot per year per lot(162,925 gallons per year or 446 gallons per day). Each lot owner within Estancias Atalaya Subdivision is required to be a participant in the appropriate Well Share Agreement. The Well Share Declaration to be recorded with the sale of each indivisual lot will also limit water usage to 0.50-acre foot per year per lot(162,925 gallons per year or 446 gallons per day).

In the event governmental requirements are amended to remove or reduce acre foot restrictions, then each Lot shall be entitled to a pro rata portion of the entire consumption permitted from the well pursuant to said governmental requirements.

Additionally, if governmental requirements become more restrictive, consumption limitations shall be adjusted accordingly.

23. Water conservation provisions included in the protective covenants:

Estancias Atalaya Covenants and Restrictions and its Design Guidelines set forth stringent water conservation measures. There will be residential use only (no commercial) permitted. Residential use of water for landscaping will be limited by a covenant that encourages Xeriscape landscaping, except for a very limited area on each lot which will allow sod.

a. Indoor plumbing fixtures must be of a water-saving type. At a minimum all plumbing fixtures and appliances must meet the Uniform Plumbing Code. All faucets shall be washerless and have a maximum capacity of 2.5 gallons per minute. Shower heads must have a capacity of no more than 2.5 gallons per minute. Toilets must have no more than 1.6 gallons per flush. Automatic dishwasher and clothes washers shall be of a type which permits "small-load" or "short cycle" settings.

b. Swimming pools are prohibited.

c. Trees and Landscaping - Irrigated turf area shall not exceed 1,500 square feet. All other grass areas shall be native grama grasses or grasses that consume water at the same or lower rates than grama grasses. No common Bermuda grass is allowed. Drought resistant (Xeriscape) plantings and landscaping designs are encouraged.

d. Rainwater harvesting from a roof catchment system is encouraged to provide water for additional landscape irrigation.

24. Water use monitoring:

The well-share agreement shall establish responsibility for the homeowners to report readings to the appropriate agencies. The well at the wellhead shall have a master water meter. Water usage on each lot shall be separately metered. Water from the well shall be used for residential uses only and shall be subject to governmental limitations. Owner(s) of a Lot using water in excess of that Lot's allocated share shall be liable for any fines assessed by governmental authorities attributable to that specific excessive use.

Quarterly or monthly meter reading reports, as required by the Office of the New Mexico State Engineer, are to be completed in a timely fashion, and in the manner described in the Well Sharing Agreement. Every lot owner within Estancias Atalaya Subdivision is required to be a signator and participant of the Well Sharing Agreement that governs their particular lot.

Appropriate submission of the water use reports is to be made by the property owner's association and/or the lot owners. Individual water use meter data, as well as the totalizing master meter data, via the filed reports for the same, are to be maintained in the files of the Property Owner's Association. Copies of every report submitted to the Office of the State Engineer are to be provided to the Property Owner's Association for this purpose.

25. The average depth to water within the subdivision if water is available only from subterranean sources:

A.**Average Depth of Water** – Vigil Welding and Well Drilling, a licensed water well drilling company in Taos County, has completed a 990-foot, steel-cased, 5-9/16" diameter water well (State Engineer Office Permit #RG-88886) for the applicant. The applicant has first-hand knowledge of additional wells in the immediate vicinity of Estancias Atalaya. The geohydrology report studied 11 wells with depth to water from 470 feet to 774 feet. The average depth to water for those eleven wells is 671 feet. The initial water depth for the Estancias Atalaya test well is 652 feet.

B. **Maximum Depth of Water** – The maximum depth of water, based upon the wells within the study area, is estimated to be 774 feet.

C. **Minimum Depth of Water** – The minimum depth of water, based upon the wells within the study area, is estimated to be 470 feet.

D.**Recommended total depth of wells** – Vigil Welding and Well Drilling, a licensed water well drilling company in Taos County with a large number of successful wells in the immediate area, suggests wells be drilled to at least 1000 feet.

E. **Recommended pump setting and sizes** – Vigil Welding and Well Drilling recommends a 7.5 hp Grunfos Submersible Pump 230V with a 7.5 hp control box. This is what has been installed in other wells in the immediate vicinity.

F. Lithological characteristics of formations through which the well is to be completed – The principal hydrostratigraphic unit underlying Estancias Atalaya is the Chamita Formation. Typical lithological characteristics are summarized as follows:

0-50 ft. course sand, gravel, clay

50 ft. to 450 ft. course sandy gravel with interbedded tan and brown clay

450 ft. to 1000 ft. Interbedded tan and pale brown sand, sandy clay, and sandy gravel with tan clay at base.

Gravel compositions include quartzite, micaceous quartzite, granite, phyllite and tan sandstone.

G. Life Expectancy of Water Supply – The Glorieta Geosciences geohyrdologic study states that the pump test and groundwater flow indicate the aquifer underlying the Estancias Atalaya subdivision is capable of producing sufficient water to support the proposed subdivision demand of 22 acre feet per year for at least 50 years. The entire geohydrology report is available for review by any prospective purchaser upon request. The well-driller logs are also available upon request.

26. A description of access to the subdivision:

County Road C-069, also know as Stakeout Drive, exits State Road 68 in a southerly direction and travels approximately 1,800 feet before reaching Entrada Atalaya, the entrance road for Estancias Atalaya. County Road C-069 is graveled and maintained by Taos County. In June of 1996, Klauer Manufacturing Company, Inc., dedicated to Taos County a 70 foot right-of-way for this county road. A copy of this road dedication can be found in the subdivision application.

27. A statement disclosing whether the roads and other improvements with the subdivision will be maintained by the county, the subdivider or an association of lot owners and what measures have been taken to ensure the maintenance will take place:

The plat contains the required certification stating the Board of County Commissioners and Taos County are not required to maintain the roads. The certification states:

"The undersigned Owner will construct the proposed subdivision roads and utilities to meet Taos County Subdivision Regulations, and hereby dedicates the road and utility right-of-ways and the 19.529-acre open space area to private use; the roads within said right-of-way to be owned and maintained by the Estancias Atalaya Property Owner's Associaton." Taos County has no future maintenance responsibility. The road easements will be maintained under the property owner's association by-laws, which include a section on Road Maintenance. The agreement shall assess sufficient annual dues to owners so that the shared roads can be properly maintained. Estancias Atalaya Property Owners Association accepts administrative responsibility for the maintenance of the roads.

The Estancias Atalaya Bylaws state the following regarding assessments and road maintenance.

Purpose of Assessments

The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Property and for the improvement and maintenance of the roads, easements, or other facilities (if any). Further, the assessments may also be used to purchase casualty and liability insurance as it relates to the property and Property Owners Association, and to establish a legal fund for the enforcement of Covenants and Restrictions.

Maximum Annual Assessment

The current annual assessment of \$250 may be increased by the Property Owners' Association by up to 30% per year in order adequately to fund the road maintenance and legal fund accounts.

Special Assessment for Capital Improvements

In addition to the annual assessment authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement within the road right-of-way or any easement areas existing or created by the Estancias Atalaya Property Owner's Association in the future, provided that any such assessments shall have the assent of the owners of three-fourths (75%) of the lots.

28. A description of the subdivider's provisions for terrain management:

The property slopes gently downward to the north at an average slope of 4.5%. There are two soil types encountered, the Sedillo Silva Association (SED) and the Silva Sedillo Association (SEC). The soils are suitable for construction as indicated in the Soil Survey of Taos County.

A. Soil Suitability:

The property slopes gently downward to the north at an average slope of 4.5%. There are two soil types encountered, the Sedillo Silva Association (SED) and the Silva Sedillo Association (SEC). The soils are suitable for construction as indicated in the Soil Survey of Taos County.

B. Floodways, Flood Fringes, and Flood Plains:

The entire subdivision area is located within zone $AX \approx$ (outside the 500-year flood plain) as shown on FEMA/FIRM panel no. 350078 00450 C, dated 01/05/89.

See the Floodplain Questionnaire and Information Form signed by the Taos County Floodplain Manager.

C. Slopes in Excess of 8%:

See the Terrain Management Plan, engineering sheet no. 4 for details. The property slopes gently downward and to the north at approximately 4.50%. Exceeding the subdivision regulation requirement, engineering sheet no. 4 shows two foot contour intervals, regardless of slope. All slopes over 20% are indicated by hatching and are outside of any building envelopes.

D. Surface Drainage:

See the Terrain Management Plan (Appendix E) and engineering sheet no. 4 for details. All roadway bar ditch water will be discharged into the existing arroyos. Each lot buyer shall be required to store run-off increases resulting from roof structures.

E. Storm Drainage Systems:

For references in this section, the reader is referred to the Terrain Management Plan (Appendix E) and engineering sheet nos. 4 and 18 for details. All roadway bar ditch water will be discharged into the existing arroyos.

Five distinct drainages cross the site, and are described as Drainages A to E in the Terrain Management Plan. Drainage A= will denote the drainage as it enters the site, and Drainage A will denote the drainage as it leaves the site, and so on through Drainage E and E= (with the exception of Drainage D, which begins within the project boundaries). All drainages are accommodated with appropriately sized and engineered corrugated metal pipes.

Drainage A' drains an area of approximately 19.00 acres, resulting in a 100-year, 24 hour flow of 23/275 cfs as it enters the project boundaries. Drainage A drains an area of approximately 34.00 acres, resulting in a 100-year, 24 hour flow of 34.51 cfs as it leaves the project boundaries.

Drainage B' drains an area of approximately 28.00 acres, resulting in a 100-year, 24 hour flow of 33.32 cfs as it enters the project boundaries. Drainage B drains an area of approximately 93.00 acres, resulting in a 100-year, 24 hour flow of 74.865 cfs as it leaves the project boundaries.

Drainage C' drains an area of approximately 13.00 acres, resulting in a 100-year, 24 hour flow of 16.835 cfs as it enters the project boundaries. Drainage C drains an area of approximately 96.00 acres, resulting in a 100-year, 24 hour flow of 80.64 cfs as it leaves the project boundaries.

Drainage D drains an area of approximately 37.00 acres, resulting in a 100-year, 24 hour flow of 47.914 cfs as it leaves the project boundaries. Drainage D begins within the project boundaries.

Drainage E' drains an area of approximately 19.00 acres, resulting in a 100-year, 24 hour flow of 25.27 cfs as it enters the project boundaries. Drainage E drains an area of approximately 104.00 acres, resulting in a 100-year, 24 hour flow of 91 cfs as it leaves the project boundaries.

Driveway Culverts – At the time of driveway construction, each lot owner is required, at the lot owner's expense, to install a corrugated metal pipe at the ditch location adjacent to the subdivision road, passing underneath the driveway. The culvert is to be appropriately sized for expected water flow in this location. At a minimum, a 12 inch culvert is required.

29. A summary, approved by the issuing state agency, of opinions, if any, whether favorable or adverse, provided by state agencies to the Board of County Commissioners concerning any of the points listed above: No adverse opininions were issued by State agencies (review letters available for review upon request).

30. A statement that the subdivider shall record the deed, real estate contract, lease or other instrument conveying an interest in subdivided land with the Taos County Clerk within thirty (30) days of signing of such instrument by the purchaser, lessee or other person acquiring an interest in the land:

The subdivider shall record the deed, real estate contract, lease or other instrument conveying an interest in the subdivided land in Estancias Atalaya with the Taos County Clerk within thirty (30) days of consummating said conveyance.

31. A statement advising the purchaser, lessee or other person acquiring an interest in subdivided land that building permits, wastewater permits or other use permits are required to be issued by state or county officials before improvements are constructed; and further, the purchaser, lessee or other person acquiring an interest in the subdivided land is advised to investigate the availability of such permits before purchase, lease or other conveyance and whether these are requirements for construction of additional improvements before the purchaser, lessee or person acquiring an interest in the subdivided land may occupy the property:

The subdivider hereby notifies all prospective purchasers, lessees or other persons acquiring an interest in subdivided land that building permits, wastewater permits and/or other use permits are required and must be issued by the appropriate state and/or county officials/agencies before any improvements may be constructed on the land. It is the sole responsibility of the purchaser, lessee or other person acquiring an interest in the subdivided land to fully investigate the availability of such permits before purchasing, leasing or otherwise acquiring an interest in the subdivided land must investigate and determine whether these are requirements for construction of additional improvements before the purchaser, lessee or person acquiring an interest in the subdivider makes no implied or express warranties as to the number and type of permits and approvals that must be obtained from the various state and county officials and agencies before any improvements may be constructed on the land or occupy the property.

32. Such other information the Board of County Commissioners may require:

The Taos Board of County Commissioners and/or the Taos County Planning Department has requested the following items be disclosed.

Taos County passed a lighting ordinance No. 2006-9, known as the Night Skies Protection Act, in order to reduce or prevent light pollution. This ordinance must be adhered to, and where the ordinance is in conflict with this restriction, the more restrictive of the two will prevail.

No lot shown on the Estancias Atalaya Subdivision survey plat herein referenced shall be further divided or separated into smaller lots and no portion less than all of any such lot as shown on said survey may be conveyed, bequeathed, devised, or transferred by any person.

Any owner utilizing a property for cottage industry is required to obtain a Taos County Business License.

Owners of Lots 1 and 44 are prohibited from placing any fencing on the lot that would impede clear sight in either direction along County Road C-069.

Public agencies reviewed the subdivision application as per County requirement, and no adverse opinions resulted from these reviews.

All lot owners are required to comply with Appendix D of County Code – Fire Protection Regulations.

Appropriate submission of the water use reports is to be made by the property owner's association and/or the lot owners. Individual water use meter data, as well as the totalizing master meter data, via the filed reports for the same, are to be maintained in the files of the Property Owner's Association. Further, copies of every report submitted to the Office of the State Engineer are to be provided to the Property Owner's Association for this purpose. If a violation of the 0.5 acre foot per year water limitation occurs, the Property Owner's Association is to immediately notify the Taos County Planning office and the notice must include a point of action by the Property Owner's Association of how the violation is to be addressed.

33. A statement of any activities or conditions adjacent to or nearby the subdivision that would subject the subdivided land to any unusual conditions affecting its use or occupancy:

The applicant is unaware of any activities or conditions adjacent to or near the subdivision that would subject the subdivided land to any unusual conditions affecting its use or occupancy.

34. A description of all recreational facilities, actual and proposed, in the subdivision:

The developer/applicant has designated 19.531 acres that will become the property of the Estancias Atalaya Property Owner's Association. It is expected that this area will be utilized as an area for hiking and mountain biking trails.

35. A statement as to the availability of:

A. Fire Protection, including proposed fire protection plan, distance to nearest fire station from subdivision, route over which that distance is computed, and whether the fire department is full time or volunteer: – The Taos County Volunteer Fire Department, which includes a full-time, paid staff, will provide fire protection. Its Class-A tankers exceed the ISO-250 gallon per minute requirement necessary under existing regulations. Response time for a call to this area of the County will be approximately 6 to 10 minutes, according to the fire department. The travel route is via Los Cordovas Road, CR 110, US 68, and then CR C-069.

In addition the Fire Department has access to the University of New Mexico Taos Branch water tank to draw on its 20,000 storage, and to the National Guard Armory to draw on its 60,000-gallon tank. These two facilities are respectively 4.1 and 3.6 road miles from of the subdivision.

At the common boundary of Lots 23 and 24, three 10,000 gallon tanks will be installed by the developer and at the developer's expense, complete with a fire protection dry hydrant. This location will be clearly marked in a manner to be approved by the Taos Volunteer Fire Department. Access to the tanks is to be clear at all times and lot owners are required to maintain a 50 foot cleared radius around the tanks.

B. Police Protection – Provided by the Taos County Sheriff's Department and the New Mexico State Police.

C. Public Schools for the inhabitants of the subdivision, including a statement concerning the proximity of the nearest elementary and secondary schools –

D. Ranchos Elementary School, approximately 6 miles from the subdivision; Taos Junior High approximately 7 miles from the subdivion; and Taos High School, approximately 8.5 miles from the subdivision.

E. Hospital Facilities, including distance to nearest hospital and route over which that distance is computed, and number of beds in nearest hospital – Holy Cross Hospital, a 49 bed, regional, acute-care facility, is located approximately 8 miles from Estancias Atalaya Subdivision. The travel route is via County Road 069, State Highway 68, Paseo del Cañon and Weimer Road.

F. Shopping Facilities, description of, distance to and route over which that distance is computed – There are a variety of commercial establishments on the south end of Taos, along State Highway 68 (known at that point as Paseo del Pueblo Sur), including Walmart, and the Albertson's grocery store within Cruz Alta Shoppng Center, which also contains a variety of other shops as well. Further north is a Supersave grocery store, and beyond that is a Smith's grocery store.

Distance to shopping varies according to the type of shopping. Distances to shopping from the subdivision are from 5.5 to 11 miles, calculated along CR C-069 and State Highway 68.

Public Transportation serving subdivision on a regular basis - None

H. Archeological Sites, description of those located in or adjacent to the subdivision – The reader is referred to the Archaeological Survey Report Form prepared by Townsend Archaeological Consultants for complete details regarding archeology. Here is a summary of those findings.

Description of Undertaking (what does the project entail?): In keeping with Taos County subdivision ordinance 2005-08, sub-section 4.3.13 a total of 229.206 acres (92.80 hectares), including 19.531 acres (7.91 hectares) of open space were intensively inventoried for cultural resources. The inventory resulted in the documentation of 9 isolated occurrences of cultural materials and no cultural resource sites.

It is worthy of note that no cultural resource sites were located. The finding is of potential significance because the project parcel is on the far west periphery of the Taos Valley puebloan complex. The expectation was that pithouses would be found in this area. However the findings support the idea that this area was not only used for temporary resource procurement, but that such a use precluded the establishment of even transient camps in the area. It is uncertain what accounts for this apparent lack of land utilization, but it can be speculated that this is a location that had past environmental and possibly cultural constraints on aboriginal use. Historically it appears the area was used for grazing, and it is entirely possible that historic land alterations resulted in the obscuring or destruction of any aboriginal cultural manifestations that might have previously been present on the parcel.

The isolated occurrences do not possess inherent data potential of a degree to be considered significant. There are no other cultural materials on the property. Cultural resource clearance is recommended for the proposed Estancias Atalaya subdivision.

In the unlikely event that unrecognized cultural resources are located during the process of land development all work in the area of the discovery should cease and that location should be evaluated by a cultural resource professional before work in the area of the discovery resumes.

36. A statement setting forth the projected dates upon which any of the items mentioned in 32-34 for which the subdivider has responsibility will be completed if they are not yet complete:

The subdivider is not aware of any pending projects.

37. If the location is not confidential, a statement of whether the subdivider is aware of cultural property, i.e. a structure, place, site or object having historic, archeological, scientific, architectural, or other cultural significance, is present at the site of the subdivision. If so, describe. (Review answer, if cultural property is discovered after construction activity begins.)

The subdivider is not aware of any structure, place, site or object having historic, archeological, scientific, architectural, or other cultural significance, present at the site of the subdivision. The reader is referred to No. 35-H

UPON MY OATH, AND UNDER PENALTY OR PERJURY, I AFFIRM THAT THE INFORMATION PROVIDED BY ME IN THIS DISCLOSURE STATEMENT IS TRUE AND CORRECT AND THAT ALL DOCUMENTS ATTACHED TO OR ENCLOSED WITH THIS DISCLOSURE STATEMENT, ARE ORIGINALS OR TRUE, COMPLETE, AND CORRECT COPIES OF THE ORIGINALS.

Signature			
Mr. James F. Klauer, Kla	auer Manufactu	Iring Co., Inc.	
Print Name			
P. O. Box 59			
Address			
Dubuque	Iowa	52004-0059	
City	State	Zip Code	
<u>1185 Roosevelt Street Ex</u> Physical Address	tension, Dubuc	jue, Iowa 52004-0059	
Thysical Address			
~	,		
STATE OF IOWA)		
) ss.		
COUNTY OF DUBUQU	E)		

The foregoing instrument was acknowledged before me this _____ day of May, 2009 by James F. Klauer, vice president of Klauer Manufacturing Company, an Iowa corporation, on behalf of said corporation.

Notary Public

My commission expires: