

DISCLOSURE

1. NAME OF SUBDIVISION:

Badger Park at Ticonderoga

Located 5.5 miles east on State Hwy 512, on the north side of the Hwy in the Rio Brazos vicinity, County of Rio Arriba, State of New Mexico as approved by the Rio Arriba County Commission under the Master Plan process and documented by the attached Letter of Approval

2. NAME AND ADDRESS OF THE SUBDIVIDER AND OF THE PERSON IN CHARGE OF SALES OR LEASING:

- Mundy Ranch, Inc.
PO Box 1087
Chama, NM 87520

3. A STATEMENT DISCLOSING ENCUMBRANCES ON THE PROPERTY AND HOW THE LOT PURCHASER'S INTEREST IN THE PROPERTY WILL BE PROTECTED IN THE EVENT OF FORECLOSURE OF THE PROPERTY OR DEFAULT BY THE SUBDIVIDER ON ANY OF HIS OBLIGATIONS:

- Mundy Ranch, Inc. holds this property free and clear of any encumbrances therefore the Purchaser will not be subject to a foreclosure.

4. THE MEANS OF WATER DELIVERY:

- All lots will hold shares in the Badger Park Well-Share. A draft copy of the Well-Share Agreement is attached
- Well Permit and Well Log for the Badger Park Shared Well Agreement are attached. All water use will be metered, and all home sites and other structures within **Badger Park** are required to use the highest and best technologies available for water conservation purposes.
- Pre-existing ponds and cisterns exist throughout the Ticonderoga property and they will be used for firefighting purposes. The Ticonderoga Owner's Association works closely with the Brazos Volunteer Fire Department in proposing fire escape routes and advantageous placement of fire hydrants.

5. THE MEANS FOR LIQUID WASTE DISPOSAL:

- All residences are required to use a Tertiary Advanced Treatment System as described by the New Mexico Environment Department. A list of New Mexico Environment Department approved Tertiary Treatment Systems is attached.

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6. THE MEANS FOR SOLID WASTE DISPOSAL:

- The owner/proprietors of each tract will be responsible for their own solid waste disposal or any fees required by the County of Rio Arriba.

7. LOTS LOCATED ON SLOPES IN EXCESS OF EIGHT (8) PERCENT:

- All tracts under present conditions are below an eight (8) percent grade.

8. LOTS LOCATED WITHIN A FLOODPLAIN, FLOOD FRINGE, AND FLOODWAY:

- All of the tracts lie within Zone X areas determined to be outside the 500 year flood plain as shown on the FEMA Flood Insurance Rate map Community Panel Number 350049 0300 B having and effective date of January 5, 1989.

9. SUITABILITY OF SOILS FOR RESIDENTIAL CONSTRUCTION:

- Soil is a combination of loam and rocks as indicated by the USDA Natural Resources Soil Conservation Service Data attached. This soil provides a very stable foundation for residential construction. Each lot will include a pre-built building pad placed for optimum land use and public screening prior to sale.

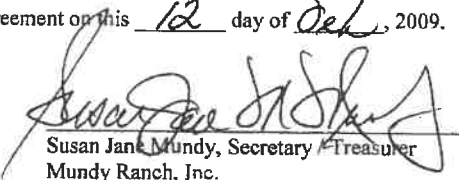
10. THE TYPE AND INSTALLATION DATE OF ANY STORM DRAINAGE SYSTEMS OR OTHER IMPROVEMENTS:

- All roads of the property incorporate Storm Water Drainage. Roads were designed and built by an engineer in accordance with State regulations.

11. A STATEMENT DISCLOSING THE RESPONSIBILITY FOR MAINTENANCE OF THE ROADS AND OTHER IMPROVEMENTS:

- Future Owners of a Tract will be responsible in maintaining the right-of-way and utility easements as shown on the Summary Review Plat entitled "Plat of Summary Review Division for Mundy Ranch, Inc. "Badger Park at Ticonderoga". In the event of utility installation or damages caused for any reason, the tract or parcel owner will be required to pay for the repair of any damages caused to the right-of-way easement.
- The Ticonderoga Owner's Association maintains all other common access roads according to the Amended Declarations of Protective Covenants recorded in Book 528, Page 2300 in the records of Rio Arriba County, New Mexico.

IN WITNESS WHEREOF, I have executed this agreement on this 12 day of Oct, 2009.


Susan Jane Mundy, Secretary / Treasurer
Mundy Ranch, Inc.

State of New Mexico }
County of RIO ARRIBA } ss

The foregoing instrument was acknowledged before me this 12 day of February, 2009, by Susan Jane M. Mundy, Secretary/Treasurer, Mundy Ranch, Inc. a New Mexico Corporation.

My commission expires:

1-30-10


Notary Public



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BY DELORA

**BADGER PARK WELL
WELL SHARE DECLARATION**

The following Owners desire to impose these provisions concerning well and water usage on the following described properties located in Rio Arriba County, New Mexico:

Badger Park #1, #2, #3, #4, #5 and #6 at Ticonderoga, as shown on plat filed in the Office of the County Clerk, Rio Arriba County, New Mexico, on April 3, 2009, in Plat Book N-1, page 160.

1. The sole purpose of this Declaration is the distribution of potable water from a single well located on Tract 1 containing 165.35 acres, situate within the Ticonderoga Tract of Mundy Ranch, as shown on plat filed in the Office of the County Clerk, Rio Arriba County, New Mexico, on November 3, 2000, in Plat Book U-057, page 6988, as Document No. 207840. Well is commonly known as Badger Park Well. At this time the Well is owned by Mundy Ranch, Inc. Mundy Ranch, Inc will retain two (2) well share. The well is registered with the State Engineer of New Mexico as RG 87119.
2. The Well use is restricted to all future Owners of the tracts specified above and their successors in interest in said tracts. No Owner may sell, assign or otherwise transfer his interest in and to this well and its distribution of water except by also selling, assigning, or transferring the Owner's interest in the property served by the well. Each Tract above owns one (1) Well Share.
3. All expenses for operating and maintaining the well, the controls and housing, the water lines, and all other equipment attendant thereto shall be paid equally by the Owner's of the tracts. Each Owner will be required to install an individual water meter at the point where the tap has been previously established. NORA transformer 4765 supplies the electricity to power the water distribution system. The cost of electricity for operation of the well system is being billed to the Mundy Ranch, Inc. Each Owner agrees to pay the Mundy Ranch, Inc. their percentage of the total electric service bill per year. Owner's percentage to be the sum of a one-seventh share of the NORA System Charge plus a percentage share of the other items on the NORA bill determined by their individual water use as compared to the total water usage as indicated on the well meter as adjusted for operational or maintenance activities. An initial payment of \$150 shall be due upon signing and then pro-rated by the Mundy Ranch, Inc. by January 31 of the following year. The Mundy Ranch, Inc. will resign as the billing agent on the later of December 31, 2010 or upon execution of the Agreement by Owners of a majority of the Tracts. At such time an Owner will take on this responsibility.
4. Each Owner is responsible for his personal water distribution system beginning with the individual water meter at the point where the tap for the applicable Tract has been previously installed. Each Owner is responsible for monitoring the quality of their individual water entering to their individual residences. It is recommended that each Owner put in either a water purification system for all water used or a reverse osmosis water filtration system under any sink to be used for drinking water. The Tract 4 water distribution system is designed only to deliver water at the rate of 10 gallons per minute (a maximum of about 14,000 gallons per day).

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Holmes A. Morales Jr., County Clerk & Recorder Rio Arriba, New Mexico



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Thus it is also recommended that each Owner install storage tanks of sufficient size (minimum of 500 gallons) to both provide water at the rate and pressure the Owner requires and to temporarily permit continued availability of water at their Tract should the well system ever fail or need to be temporarily shut down for required maintenance. Example, high usage rate on a holiday weekend with extended family invited; high pressure if the Owner plans to use water from the well system for fire protection purposes. Such storage tanks should have a normally closed float valve to ensure that their storage tank does not overflow and drain the system.

5. Each Owner shall assure that the portion of his personal water distribution system shall in no way damage or otherwise adversely affect (such as over use and/or over consumption of water) the operation of the water system and the distribution of water to the other Owners. Owners shall assure that any leaks, emergency conditions, maintenance needs, or other defects in the Owner's water system are promptly repaired. It shall be each Owner's duty to reasonably inspect all components of the water system on the Owner's property. Each Owner will be responsible for the cost of maintaining, repairing and replacing their individual waterlines and any other related facilities, which are not used in common with the other parties.
6. If any Owner, or agent or contractor of that Owner, causes damage to the well or its associated facilities and lines, then that Owner shall be responsible, at the sole expense of that Owner, for repairing such damage and taking whatever steps may be necessary to restore the supply of water to the property of the other Owners.
7. Each Owner shall be entitled to reasonable access to the common equipment of the water distribution system. Since the well and water distribution equipment are located on different Tracts, reasonable access to the equipment is hereby granted by each Owner upon whose property the access may be required to all other Owners, and others who may be authorized to perform some act or acts to maintain, repair, replace, or otherwise assure the proper operation of the well and water distribution equipment. Owners shall diligently respect all the property rights of other Owners. No Owner, by virtue of having granted this access to other Owners, shall be liable for any act or acts of the other Owners during such access other than the expenses contemplated in Section 5 or authorized by the second sentence of this Section 7. Example, if a part time Owner leaves the water running or has a freeze which breaks his pipes which then drains the system, then the users can fix the problem at his expense.
8. Subject to the provisions of Section 5 above with respect to an Owner's personal water distribution system, in the event of an emergency, or at other times when the water service provided is inoperative or threatened with disruption or interruption, an Owner may authorize necessary repairs to restore such service to correct the emergency condition, or to avoid disruption or interruption, and the Owners agree and covenant to reimburse Owner for reasonable expenses incurred.
9. The water distributed shall be used exclusively for the domestic and household water needs of the Owners. Commercial use, sale or barter of water is prohibited. The maximum amount of

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Melissa R. Morales Jr., County Clerk & Recorder Rio Arriba, New Mexico

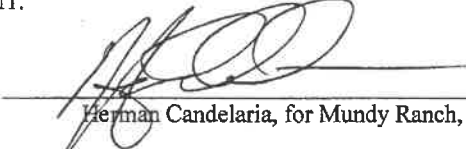


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water that may be taken from Badger Park Well is up to three (3) acre feet per year. Each Owner's share is thus a maximum of about 10,700 gallons per month or an average of 350 gallons per day. In order to accommodate daily usage above 350 gallons per day (as maybe required on holiday weekends) an Owner may wish to enhance the size of his storage tanks accordingly. In order to water lawns and gardens an Owner may wish to rely on a roof catchment system or the grey water output of the newly mandated tertiary water treatment systems. In the event the well is unable to produce such amounts of water in the short term, each Owner shall use not more than one-seventh of the water available or reasonably expected to be available. In the event the well is unable to produce such amounts of water in the longer term (e.g. over two complete seasons) and the said water shortage may be reasonably be alleviated by deepening or other modifications, such deepening or modification shall be deemed a repair and the cost thereof shall be shared equally by the Owners.

10. The Owners shall be diligent in their conservation of the water provided in accordance with this Declaration. See the suggestions in Section 9 above.
11. Any Owner may elect to drill his own well on his property and be severed from the expenses of the well and water distribution system. The severed Owner will still be subject to the easement access created by this Declaration.
12. The provisions of this Declaration shall attach to and run with the title to the respective properties as described above, and shall enure to the benefit and be binding upon the Owner's respective heirs, devisees, personal representatives, grantees, successors and assigns.
13. This Declaration may be executed in one or more counterparts, each of which is deemed to be an original, and all of which together constitute one and the same instrument.
14. Any modification to this Declaration shall be by majority vote of the Owners and shall be in writing.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this 9 day of June, 2011.



Herman Candelaria, for Mundy Ranch, Inc.

ACKNOWLEDGEMENT FOR CORPORATIONS

STATE OF NEW MEXICO)

SS:

COUNTY OF RIO ARRIBA)

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Molisa R. Morales Jr., County Clerk & Recorder Rio Arriba, New Mexico



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**BADGER PARK WELL
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This instrument was acknowledged before me on this 9 day of June, 2011 by Herman Candelaria, of Mundy Ranch, Inc., a New Mexico corporation, on behalf of said corporation.

My commission expires:
(Seal) Dec. 13, 2011

Carle Martin
Notary Public

ACKNOWLEDGEMENT FOR NATURAL PERSONS

STATE OF NEW MEXICO)

ss:

COUNTY OF RIO ARRIBA)

This instrument was acknowledged before me this _____ day of _____, 2011 by _____.

My commission expires:
(Seal) _____

Notary Public



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Notario A. Morales Jr. County Clerk & Recorder Rio Arriba, New Mexico



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