

READ THIS PROPERTY REPORT BEFORE SIGNING ANYTHING

This Report is prepared and issued by the developer of this Property. It is not prepared or issued by the Federal Government.

Federal law requires that you receive this Report prior to your signing a contract or agreement to buy or lease any of this Property. However, NO FEDERAL AGENCY HAS JUDGED THE MERITS OR VALUE, IF ANY, OF THIS PROPERTY.

If you received this Report prior to signing a contract or agreement, you may cancel your contract or agreement by giving notice to the seller any time before midnight of the seventh day following the signing of the contract or agreement.

If you did not receive this Report before you signed a contract or agreement, you may cancel the contract or agreement any time within two years from the date of signing.

Name of Property: Sierra la Rana, Brewster County, Texas

Name of Developer: Sierra la Rana, Ltd.

Date of This Report: 09/27/2004

TABLE OF CONTENTS

	<u>Page Number</u>
Risks of Buying Land, Warnings.....	3
General Information.....	4
Title and Land Use.....	5
Method of Sale.....	5
Encumbrances, Mortgages and Liens.....	5
Recording the Contract and Deed.....	5
Payments.....	6
Restrictions.....	6
Plats, Zoning, Surveying, Permits, Environment.....	8
Roads.....	10
Utilities.....	11
Water.....	11
Sewer.....	11
Electricity.....	11
Telephone.....	12
Fuel or other Energy Source.....	12
Financial Information.....	13
Local Services.....	14
Recreational Facilities.....	15
Subdivision Characteristics and Climate.....	16
General Topography.....	16
Water Coverage.....	16
Drainage and Fill.....	16
Flood Plain.....	16
Flooding and Soil Erosion.....	16
Nuisances.....	16
Hazards.....	16
Climate.....	16
Occupancy.....	16
Additional Information.....	17
Property Owners' Association.....	17
Taxes.....	17
Resale or Exchange Program.....	17
Equal Opportunity in Lot Sales.....	17
Listing of Tracts.....	18
Cost Sheet.....	19
Receipt, Agent Certification and Cancellation Page.....	20

NOTE: In this Property Report, the words “You” and “Your” refer to the buyer. The words “We” and “Us” and “Our” refer to the Developer.

RISKS OF BUYING LAND

The future value of any land is uncertain and dependent upon many factors. **DO NOT** expect all land to increase in value.

Resale of your tract may be difficult or impossible, since you may face the competition of our own sales program and local real estate brokers may not be interested in listing your tract.

Any subdivision of property will have an impact on the surrounding environment. Whether or not the impact is adverse and the degree of impact will depend on the location, size, planning and extent of development. Subdivisions which adversely affect the environment may cause governmental agencies to impose restrictions on the use of the land. Changes in plant and animal life, air and water quality and noise levels may affect your use and enjoyment of your tract and your ability to sell it.

In the purchase of real estate, many technical requirements must be met to assure that you receive proper title. Since this purchase involves a major expenditure of money, it is recommended that you seek professional advice before you obligate yourself.

-WARNINGS-

THROUGHOUT THIS PROPERTY REPORT THERE ARE SPECIFIC WARNINGS CONCERNING THE DEVELOPER, THE SUBDIVISION OR INDIVIDUAL LOTS. BE SURE TO READ ALL WARNINGS CAREFULLY BEFORE SIGNING ANY CONTRACT OR AGREEMENT.

GENERAL INFORMATION

This Report covers 85 tracts on 3013.93 acres in the Sierra la Rana Property located in Brewster County, Texas. See Page 18 for a listing of these tracts. It is anticipated that additional acreage will be added and that this Property will eventually contain 195 tracts. The developer is under no obligation to develop additional tracts.

The developer of this Property is:

Sierra la Rana, Ltd.
Attention: Gil Bartee
4800 Bryant Irvin Court
Fort Worth, TX 76107
Telephone: (817)975-8736
Fax: (817) 735-1669
Email: giba@jmkint.com

Answers to questions and information about this Property may be obtained by telephoning the developer at the number listed above.

TITLE TO THE PROPERTY AND LAND USE

A person with legal title to property generally has the right to own, use and enjoy the property. You won't have legal title until you receive a valid deed. A restriction or an encumbrance on your tract, or on the Property, could adversely affect your title."

Here we will discuss the sales contract you will sign and the deed you will receive. We will also provide you with information about any land use restrictions and encumbrances, mortgages, or liens affecting your tract and some important facts about payments, recording, and title insurance.

METHOD OF SALE

Sales Contract and the Delivery of Deed

The Method of Sale shall be the execution of a Sales Contract (not a contract for deed) and the Delivery of a Special Warranty Deed upon full payment at the time of the closing.

Type of Deed

A Special Warranty Deed will be used to convey title to the tracts in the Property.

Oil, Gas, and Mineral Rights

One half of any oil, gas, and mineral rights owned by the Developer with respect to any tract in this Property will belong to the purchaser of that tract, provided however, the Developer will retain all executive rights (the right to lease for oil, gas and other mineral exploration and production). The exercise of these retained oil, gas and mineral rights could affect the use, enjoyment and value of your tract.

ENCUMBRANCES, MORTGAGES AND LIENS

No blanket encumbrance, mortgage or lien affects the property.

RECORDING THE CONTRACT AND DEED

Method or Purpose of Recording

Recording your deed upon closing protects you against subsequent purchasers and subsequent creditors of anyone having an interest in the land. Your deed will be recorded by the title company that closes the sale. The Sales Contract will not be recorded because the contract is not a "Contract for Deed" and the earnest money to bind the contract will be escrowed by the title company.

Title Insurance

Developer shall furnish to purchaser, at Developer's expense, an owner policy of Title Insurance in the amount of the Sales Price insuring Purchaser against loss under the provisions of the Title Policy. We recommend that you obtain from an appropriate professional an interpretation and explanation of the policy to your satisfaction.

PAYMENTS

Escrow

Your earnest money deposits are to be placed in an escrow account established, maintained, and controlled by the Ellyson Abstract and Title Company, 410 North 5th Street, Alpine, TX 79830. The telephone number to the title company is (432) 837-5801.

Prepayments

Because all sales will be for cash at closing, there are no prepayment penalties or privileges.

Default

If you default in your contract prior to closing, the Developer may sue you for damages as a result of the default, sue you for specific performance of your obligation under the contract, or terminate the contract and retain all earnest money deposits.

RESTRICTIONS ON THE USE OF YOUR TRACT

Restrictive Covenants

Restrictive Covenants for the tracts in this property have been recorded in the Office of the Clerk of the County Court of Brewster County, Texas. A complete copy of the Restrictive Covenants is available upon request. The major provisions of these restrictions will be discussed in the paragraphs below. However, this discussion will only highlight certain areas of the covenants and should not substitute for a careful study of these restrictions by you.

Sierra la Rana is intended to be a high quality, gated, single family residential, agricultural, and wildlife conservation community. A committee designated as the Architectural Review Committee ("ARC") will be established to approve, disapprove, and monitor all construction development and improvement activities. The ARC may promulgate and publish Design Guidelines which supplement the Restrictions, and a copy will be furnished to any owner upon request. There are numerous use restrictions imposed, including, but not limited to, the following: The tracts are to be used for one single-family residence only, except as provided in the Declaration. Commercial use is prohibited. A residence cannot be leased for less than one (1) year. Mobile homes and other temporary structures are prohibited, except as provided in the Declaration. Storage of vehicles in front of a residence is prohibited, except as provided in the Declaration. Storage of inoperable or junk vehicles on a tract is prohibited unless screened from view. A tract cannot be subdivided unless the tract is 200 acres or more. Tracts must be well maintained. Burning, storing, or disposing of trash on a tract is prohibited. Any nuisance or noxious or offensive activity is prohibited. A reasonable number of farm and domestic animals is allowed on a tract, but only if the tract is fenced in accordance with the Declaration. Household pets may not run loose or become a nuisance to the other residents. Entrance signs to an owner's tract are allowed with ARC approval. The Declarant reserves one-half of all oil, gas or other minerals owned by Declarant with respect to the property and all executive rights. Rollback taxes, if assessed, are the purchaser's responsibility. Lines installed for utilities (other than above-ground utilities existing on the date of the Declaration, and any replacement by Declarant, or those authorized by the ARC) must be installed underground.

There are numerous construction requirements for each residence, including, but not limited to, the following: ARC must be provided a complete set of plans and must approve those; the ARC's decision to approve or disapprove is final. All construction must comply with the City of Alpine building code (used as a standard). Once construction is begun on a residence, it must be completed within twelve (12) months. Building materials may not be stored on a tract for longer than one (1) week before the work for which the materials were purchased begins, and once construction is completed, the owner is responsible for the removing any trash left on the tract. Each residence must have at least 1500 square feet of interior living area and cannot be greater than two (2) stories in height without ARC approval. Each residence must have a garage capable of housing at least two (2) vehicles. No improvements (other than approved fences) may be

placed closer than one hundred feet (100') from any property line, except as provided in the Declaration. All construction materials must be new and all exterior construction material must be natural or ARC-approved natural appearing materials. All roofs must be made from slate, tile, factory treated fire-retardant wood, metal, dimensional composition shingles, or other materials approved by the ARC. Any buildings that are accessory to a residence must conform to the same style and architecture as the residence (this requirement does not apply to storage buildings, shops and barns if approved by the ARC); all accessory buildings must be placed behind the residence unless the ARC approves a different location. Driveways must be constructed of concrete, asphalt, caliche or gravel or other natural surface approved by the ARC. Each owner must install and maintain an aerobic or septic tank system in compliance with applicable laws. A tract of 30 acres or less has the right to maintain one (1) producing water well; a tract of more than 30 acres has the right to maintain no more than two (2) producing water wells. An owner who is unsuccessful in completing a water well may, for a monthly charge, and as allowed by law, connect to one of the Declarant's or the Association's water wells for the owner's personal and domestic consumption. A privacy fence may not exceed eight (8) feet in height; no privacy fence is allowed forward of the front wall line of the main structure; privacy fences or walls must be made of: all Masonite, brick, cedar, redwood, or other durable wood or other material approved by the ARC. No fence or gate may be built across any road, and all fences must be built at least 15 feet from the outside edge of any road. Solar panels are prohibited unless screened from public view. The ARC must approve the use of antennas. All outdoor lighting must comply with the Alpine Outdoor Lighting Ordinance.

All owners will, from time to time, be required to pay assessments levied by the Association, and the Association will use those assessments for the purpose of improving and maintaining the property. If the owner does not pay the assessments, the Association may file a claim for a lien on the owner's property in order to enforce payment. The Restrictions may be amended or revoked only by Declarant as long as Declarant owns two tracts in Sierra la Rana.

Tracts in this property may be used for single-family residential purposes only. The restrictive covenants require that your plans and specifications for a residential structure or improvement to the tract be approved by the Architectural Review Committee.

Easements

There are road, grazing, water storage, water line and utility easements on each of the tracts. The major provisions of the easements will be discussed in the paragraphs below.

The Declarant or the Association, or both, reserve certain easements across all or part of the property, including the following: the right to use any tract for general repair, maintenance, or construction by the Association. Ownership and use of the Well Sites, all windmills, water storage tanks, water lines, equipment and related lines existing on the date of the Declaration or later installed by Declarant and other utility lines is retained. An easement is granted for the use of the roads and other rights-of-way on the property. An easement is granted for construction, maintenance, repair, and replacement of common gates and common entryway improvements. All emergency services are granted emergency access through all common gates. A livestock grazing lease is granted and an easement reserved over and across the unfenced portion of each tract (an owner may not lease an unfenced tract for grazing to anyone other than Declarant; Declarant may assign or sublease). A 15 foot wide utility easement along the inside of the property lines of each tract (Declarant has installed an underground electric line and an underground telephone line to at least one point on one boundary line of each Tract), An ingress and egress easement is reserved for the purpose of repair, construction, and maintenance of all utility lines. There is an existing tower lease with Rio Grande Broadcasting Company as lessee, and an easement is reserved over and across the property as required to allow the lessee full use of the leased property in accordance with the terms of the lease. An easement for the benefit of the Declarant and anyone else who has a possessory interest in Bull Frog Mountain is reserved over and across the roads and other property to allow access to and from Bull Frog Mountain.

PLATS, ZONING, SURVEYING, PERMITS AND ENVIRONMENT

Plats

No plans or plats of any of the tracts have been approved by any regulatory authorities because no such approval is required.

No plats covering the tracts in this Report have been or will be recorded. The description of the tracts given in this Report is a meets and bounds description legally adequate for the conveyance of land in the jurisdiction where the tracts are located.

Zoning

This property is not subject to the zoning laws of any jurisdiction. The recorded Covenant and Restrictions limit the use of the Tracts to single-family detached residences.

Surveying

Each tract has been surveyed and each tract has been marked for identification with corner pins.

Permits

Building permits are not required from any governmental authority. Nevertheless, per the restrictive covenants, all construction must comply with the City of Alpine building code (used as a standard). Further, all plans and specifications must be submitted to and be approved by the Architectural Review Committee of the Property Owners Association. Well and Septic System permits are required by Brewster County and are the responsibility of the purchaser.

Permits or approvals are obtained from the following agencies:

Sierra la Rana, LTD
4800 Bryant Irvin Court
Fort Worth, TX 76107
(Approval of proposed building Plans – No cost to proposed buyer)

City of Alpine Building Department
309 W. Sul Ross Ave
Alpine, TX 79830
(Building Code Regulations)

Brewster County Underground Water District – Janet Adams
201 W Ave E
Alpine, TX 79830
(Water Permit - \$50.00)

Brewster County Clerk
201 W Ave E
Alpine, TX 79830
(Septic Permit - \$50.00)

Environment

No determination has been made as to the possible adverse effects the subdivision of the Property may have upon the environment and surrounding area.

BUYER IS ADVISED THAT THE PRESENCE OF WETLANDS, TOXIC SUBSTANCES INCLUDING ASBESTOS AND WASTES OR OTHER ENVIRONMENTAL HAZARDS OR THE PRESENCE OF A THREATENED OR ENDANGERED SPECIES OR ITS HABITAT MAY AFFECT BUYER'S INTENDED USE OF THE PROPERTY. IF BUYER IS CONCERNED ABOUT THESE MATTERS, BUYER SHOULD, PRIOR TO THE EXECUTION OF THIS CONTRACT, REQUEST THE OPPORTUNITY TO CONDUCT SUCH ENVIRONMENTAL SITE ASSESSMENTS AS BUYER DEEMS NECESSARY. BUYER'S EXECUTION OF THIS CONTRACT SHALL EVIDENCE BUYER'S SATISFACTION AS TO THE ENVIRONMENTAL CONDITION OF THE PROPERTY.

ROADS

Here we discuss the roads that lead to the Property, those within the Property, and the location of nearby communities.

ACCESS TO THE PROPERTY

The Sierra la Rana Property is accessible from two roads. State Highway 118 is a 2 lane paved highway with a 24' wearing surface that is maintained by the State of Texas. Cemetery Road is a 2 lane unpaved road constructed of caliche with a 30' wearing surface that is maintained by Brewster County. You will not be assessed for the maintenance of these roads.

ACCESS WITHIN THE PROPERTY

Individual tracts within the Property are accessible from the caliche roads that have been constructed by the developer. The roads within the Property are located on recorded easements which benefit each tract owner.

We have completed construction of the interior roads to each tract in such a fashion as to provide year-round access to every parcel. There will be no additional cost to you for the initial construction of the roads within the Property, which are compacted caliche roads. You and other owners of Tracts will be responsible for the future maintenance of the roads in this property. This is explained more fully in the Restrictive Covenants.

Maintenance costs to you will be based on a pro-rata share of the common area expenses based on certain assessments. All tracts will be accessed on a periodic basis for road maintenance and other common expenses.

You will be responsible for constructing any roads or driveway you desire on your Tract from the roadway easement. It is estimated that a caliche driveway will cost between \$2,000-\$5,000 to construct and approximately \$500 per year to maintain.

Nearby Communities

Nearby Community: Alpine, Texas
Population: 5,800
Distance over Paved Roads: 2.5 miles.
Distance over Unpaved Roads: .0 miles

Nearby Community: Fort Stockton, Texas
Population: 8,000
Distance over Paved Roads: 70 miles.
Distance over Unpaved Roads: .0 miles

Nearby Community: Fort Davis, Texas
Population: 1,100
Distance over Paved Roads: 18 miles.
Distance over Unpaved Roads: .0 miles

UTILITIES

WATER

We do not supply water or water systems to any of the tracts in the Property. Each owner of a Tract is responsible for obtaining potable water and for permitting and drilling their own private well. For information on drilling procedures you should contact local well drillers which are listed in the yellow pages of the local phone book. The approximate cost to drill and equip a private well in the Alpine area is \$25 per linear foot. Skinner Well Service in Alpine (432)837-2497 has drilled 10-15 wells on the property.

There is no assurance a productive well can be installed and, if it cannot, no refund of the purchase price of the tract will be made.

The purity and chemical content of the water cannot be guaranteed and cannot be determined until each individual well or source of water is completed and tested.

There is no assurance of a sufficient supply of water for the anticipated population or that the available water will be potable.

A permit is required to drill a well in Brewster County. The cost of the permit is \$50.00 and can be purchased from the Brewster County Underground Water District in Alpine, TX.

SELLER DOES NOT WARRANT OR REPRESENT THAT SUBSURFACE WATER IS ATTAINABLE ON THE PROPERTY. BUYER ACKNOWLEDGES THAT WATER IS NOT PRESENTLY AVAILABLE ON THE PROPERTY EITHER THROUGH A PUBLIC UTILITY OR EXISTING WATER WELL AND THAT SELLER HAS MADE NO INVESTIGATION OF OR REPRESENTATION REGARDING THE COST OR FEASIBILITY OF DRILLING OR COMPLETING A WATER WELL ON THE PROPERTY.

SEWER

We do not provide any means of sewage disposal for these parcels. The most common method of sewage disposal in this area is by individual on-site septic system.

Each owner must install an aerobic or septic system for sewage disposal. All septic systems must be installed by a state certified licensed installer and must be permitted and inspected by Brewster County. Septic systems must be inspected by a state certified licensed installer every three years and must be regularly maintained so as to remain fully functional. No outside toilets or cesspools will be permitted. A permit is required to inspect a septic system in Brewster County. The cost of the permit is \$50.00 and can be purchased from the Brewster County offices in Alpine, TX. Per local state certified septic system installers, the approximate cost to install a septic system in the Alpine area is \$7,500-\$10,000.

THERE IS NO ASSURANCE PERMITS CAN BE OBTAINED FOR THE INSTALLATION AND THE USE OF INDIVIDUAL ON-SITE SYSTEMS IN THE SUBDIVISION, AND IF YOU CANNOT OBTAIN A PERMIT FOR AN INDIVIDUAL SYSTEM ON YOUR LOT, NO REFUND OF YOUR PURCHASE PRICE OF THE LOT WILL BE MADE.

ELECTRICITY

American Electric Power, P.O. Box 997, Marfa, TX 79843 a publicly-regulated utility company has installed and will maintain and operate the electrical distribution system at the Sierra la Rana Property. Electrical service has been installed in a utility easement adjacent to each tract.

Individual tracts owners are responsible for extending the electrical service from the utility easement to their respective tracts. Electrical distribution within the Property shall be underground. American Electric Power has advised the developer that AEP will provide each tract owner with a credit of up to \$1,400 towards the installation of electrical service. This credit will provide for the installation of approximately 190 linear feet of electrical service in an owner provided utility trench. The approximate cost to install a utility trench is estimated to be from \$5-\$12 per linear foot. Based on 190 Linear Feet of electrical service the cost for the construction of the utility trench is estimated to be \$950 to \$2,280.00.

TELEPHONE

SBC a publicly-regulated utility company (800) 464-7928 and Big Bend Telephone a publicly-regulated utility company (432)364-1000 have installed and will maintain and operate the telephone system within the Property. The telephone system has been installed in a utility easement adjacent to each tract.

Individual tracts owners are responsible for extending telephone service from the utility easement to their respective tracts. SBC and Big Bend Telephone have advised the developer that they do not charge a fee to extend telephone service to the tract. Telephone distribution within the Property shall be underground.

PROPANE

Propane gas is the most commonly used fuel for heating and cooking in Brewster County and is readily available from a number of suppliers.

Propane Gas Supplier: Mustang Propane Inc., 300 AS Hwy 385 Marathon, TX. The current cost to lease a 200 gallon tank is approximately \$5.00 per month. The cost to fill a 200 gallon propane tank is approximately \$260.00. The location of the propane tank is subject to the approval of the architectural review committee.

FINANCIAL INFORMATION

A copy of our financial statement is available from us upon request.

LOCAL SERVICES

FIRE PROTECTION

Fire protection is provided on a year round basis by the City of Alpine all Volunteer Fire Department, provided however, that fire protection may not be adequate given the volunteer nature of the fire department, remoteness of the Property and the lack of fire hydrants within the Property.

POLICE PROTECTION

The Brewster County Sheriff's office and the Texas State Police provide year round police protection as available.

SCHOOLS

Alpine Independent School District offers elementary, junior high and senior high schools to the residents of the Property. School bus transportation is available from the Property.

Sul Ross State University is located in the City of Alpine, 2 miles from the Property.

HOSPITAL

Big Bend Regional Medical Center is located approximately 5 miles from the Property. The medical center offers a 40 Bed Acute Care Facility, 2 Rural Health Clinics, Home Health Agency, Physical therapy and Senior Care. Ambulance care is available to the Property.

PHYSICIANS:

Big Bend Regional Medical Center
2600 Highway 118 North
Alpine, TX 79830

Eileen Conner, M.D
708 E. Brown Ave.
Alpine, TX 79830

Alan Byrd, M.D.
801 Brown St.
Alpine, TX 79830

DENTISTS:

W. Jay Fielder D.D.S.
115 North 2nd
Alpine, TX 79830
(432) 837-5581

Jerry Eoff, D.D.S.
407 E Ave. E
Alpine, TX 79830
(432) 837-5190

SHOPPING FACILITIES

There are a number of shopping facilities approximately 2 to 4 miles of the Property including grocery stores, department stores, hardware stores, banks, service stations, restaurants and entertainment.

MAIL SERVICE

US Postal Service, United Parcel Service and Federal Express serve the Property.

PUBLIC TRANSPORTATION

There is no public transportation available at the Property. Greyhound Bus Lines and Amtrak provide service to the Alpine area. They are located approximately 2.5 miles from the Property.

RECREATIONAL FACILITIES

The Property does not have recreational facilities. The City of Alpine has public parks, a public swimming pool, and public athletic fields.

PROPERTY CHARACTERISTICS AND CLIMATE

TOPOGRAPHY

The topography of the Property varies greatly from relatively flat pastureland to rolling hills to more severe high country terrain. The Property is being developed into over sized tracts. There are numerous steep slopes and rock outcroppings on many of the tracts which will necessitate the use of special construction techniques to build on.

LOTS IN THIS SUBDIVISION MAY BE SUBJECT TO STEEP SLOPES OF 20% OR GREATER OR TO ROCK OUTCROPPINGS. THIS MAY AFFECT THE COST OF CONSTRUCTION.

WATER COVERAGE

Due to the natural terrain, most tracts will experience runoff from watershed areas when rains are in excess of 1". Some portions of some tracts, particularly those with arroyos, will experience severe flooding during significant rainfall events. You should consult a civil engineer or a drainage consultant when locating a building site on the tract.

FLOOD PLAIN

The Property is not located in a flood plain or an area designated by any Federal, State or local agency as being flood prone (see above regarding potential flooding in certain areas during significant rainfall events).

FLOODING AND SOIL EROSION

In order to maintain the natural landscape, only minor measures are being taken by the developer regarding flooding and soil erosion.

THE MEASURES BEING TAKEN FOR FLOODING AND SOIL EROSION MAY NOT BE SUFFICIENT TO PREVENT PROPERTY DAMAGE OR HEATH AND SAFETY HAZARDS.

NUISANCES

To the knowledge of the developer, there are no nuisances which affect the Property. US Clay is proposing to build a Bentonite Processing Facility approximately 1-2 miles from the subdivision.

HAZARDS

To the knowledge of the developer, there are no existing or possible future hazards which affect the Property other than the natural hazards posed by remote, rugged, and severe high country terrain.

CLIMATE

The average winter temperature range is 28-60 degrees. The average summer temperature range is 60-89 degrees. The average annual rainfall is 17" and the average snowfall is 3.2".

OCCUPANCY

As of the date of this report, there are no homes occupied on a full or part-time basis within the Property.

ADDITIONAL INFORMATION

PROPERTY OWNERS' ASSOCIATION

The Property Association has been formed as a Texas nonprofit corporation. The name of the Property Owners Association is "Sierra la Rana Owners Association, Inc."

As long as the developer owns at least two tracts, the developer shall control the Property Owners Association. Membership in the association is mandatory for each Tract owner. The Association dues are approximately \$25.00 per acre per year based on the current anticipated cost of insurance, road maintenance, common electric, sign maintenance, gate maintenance, landscaping, management, and accounting. Dues can be increased based on actual common area maintenance costs. Special assessments may be made as needed in accordance with the Restrictive Covenants.

The functions and responsibilities of the association are to maintain the roads, erosion control, entry signs, entry gates, landscaping, and any other common elements owned or controlled by the Association.

The Property Owners Association will establish an Architectural Review Committee. There are no functions or services that the developer now provides at no charge for which the association may be required to assume responsibility in the future.

The current level of assessments and fees should provide the capability for the association to meet its present, or planned, financial obligations including operating costs, maintenance and repair costs and reserves for replacement.

There is an Indemnity Agreement which would require the association to reimburse the developer, its affiliates or successors for any attorney's fees or costs arising from an action brought against them by an individual property owner regardless of the outcome of the action, if sued in their capacity as a Board Member. See Covenants and Restrictions.

TAXES

The purchaser's obligation to pay taxes begins immediately upon taking title to the tract. Taxes are paid to the Brewster County Appraisal District, 107 W. Ave E, Alpine, TX. The annual taxes on an unimproved tract after the sale to a purchaser are approximately \$0.44 per acre if the current Agricultural Exemption is maintained. Taxes will be prorated at closing by the title company and the purchaser will be responsible for the tax payment when due. The developer does not guarantee that an owner can establish or maintain an Agricultural Exemption on a Tract. If taxed at full value (that is without the Agricultural Exemption), the annual taxes, on an unimproved tract are approximately \$15.43 per acre. Improvements are taxed based on their appraised value. Please consult the Brewster County Tax Office for tax information pertaining to a specific tract. The telephone number to the tax office is (432)837-2558.

RESALE PROGRAM

We have no active program to assist you in the sale of your tract. We will refer you to local real estate brokers who may be able to assist you in the sale of your tract.

CIVIL RIGHTS ACT OF 1968

The developer is in compliance with title VIII of the Civil Rights Act of 1968 by not directly or indirectly discriminating on the basis of race, religion, sex or national origin in marketing, advertising, rendering of services, and in requiring terms and conditions on tract sales.

LISTING OF TRACTS AND TRACT SIZE

Tract #	Acres	Tract #	Acres	Tract #	Acres
1	12.23	30	22.04	79	51.97
2	20.69	31	22.04	80	28.08
3	22.89	32	33.81	81	39.49
4	24.53	33	10.29	82	18.16
5	24.53	34	11.30	83	24.58
6	32.44	35	13.12	84	27.55
7	55.63	36	22.61	85	13.35
8	31.73	37	23.86	86	12.08
9	24.24	38	27.61	87	11.54
10	16.96	39	40.83	88	10.95
11	24.71	40	74.13	89	10.58
12	22.48	47	56.32	90	12.91
13	25.11	48	31.36	91	12.38
14	13.99	49	30.01	92	17.24
15	22.37	50	29.27	93	38.06
16	24.31	51	22.61	94	32.71
17	18.44	52	55.79	95	16.57
18	25.05	54	21.59	96	13.92
19	28.48	56	40.08	97	10.55
20	25.86	57	85.65	98	54.22
21	24.94	58	124.22	99	77.43
22	26.73	59	150.06	100	16.75
23	25.77	69	174.98	101	22.20
24	24.88	70	102.77	102	20.01
25	22.55	71	172.18	103	21.18
26	20.56	74	72.53	104	49.74
27	20.53	75	24.04	105	22.49
28	26.66	76	28.07		
29	22.15	77	92.66		
		Total Acres			3013.93

RECEIPT AGENT CERTIFICATION AND CANCELLATION PAGE

PURCHASER RECEIPT

IMPORTANT: READ CAREFULLY

Name of Property: Sierra la Rana

ILS Number:30985

Date of report : 09/27/2004

We must give you a copy of this Property Report and give you an opportunity to read it before you sign any contract or agreement. By signing this receipt, you acknowledge that you have received a copy of our Property Report.

Received by (Signature) _____ Date _____
Print Name _____ Date _____
Street address _____
City _____ State _____ Zip _____

If any representations are made to you which are contrary to those in this Report, please notify the:

Office of Interstate Land Sales Registration
HUD Building, 451 Seventh Street, S.W.
Washington, D.C. 20410

AGENT CERTIFICATION

I certify that I have made no representations to the person(s) receiving this Property Report which are contrary to the information contained in this Property Report.

Tract Number _____

Name of salesperson _____

Signature _____ Date _____

PURCHASE CANCELLATION

If you are entitled to cancel your purchase contract, and wish to do so, you may cancel by personal notice, or in writing. If you cancel in person or by telephone, it is recommended that you immediately confirm the cancellation by certified mail. You may use the form below.

Name of Property: **Sierra la Rana**

Date of report : 09/27/2004:

This will confirm that I/we wish to cancel our purchase contract.

Purchaser(s) signature _____ Date _____

(b) The original and one copy of this page shall be attached to the Property Report delivered to prospective purchasers. Carbon paper may be inserted between the two so that after the purchaser has signed the receipt and the salesman has signed the certification, the copy can be detached and retained by the developer for a period of three years from the date of execution or the term of the contract, whichever is the longer. Upon demand by the Secretary, the developer shall, without delay, make the copies of these receipts and certifications available for inspection by the Secretary or the developer shall forward to the Secretary any of the receipts and certifications, or copies thereof, as the Secretary may specify.

(c) If the transaction takes place through the mails, the cost figures shall be entered and the person most active in dealing with the prospective purchaser shall sign the certification prior to mailing the Property Report to the purchaser. Otherwise, the certification shall be executed in the presence of the purchaser.

(d) The date of Report appearing on the receipt shall be the same as that appearing on the cover sheet of the Property Report.

(e) Notification of cancellation by mail shall be considered given at the time post-marked.