NEW MEXICO ASSOCIATION OF REALTORS® — 2026
ADVERSE MATERIAL FACTS
(PROPERTY DISCLOSURE STATEMENT)

ATTENTION SELLER AND BUYER!

Per the NMAR Purchase Agreements, Seller is required to disclose all Adverse Material Facts relating to the Property about which Seller has actual knowledge, including defects which the Buyer could determine through their own due diligence. ***Failure to comply with this requirement could expose Seller to claims of breach of contract, misrepresentation and/or fraud.***

IMPORTANT DEFINITIONS

ACTUAL KNOWLEDGE: "ACTUAL KNOWLEDGE" means the Seller has direct and clear knowledge of things, without investigation, analysis, or review. Seller is under no obligation to conduct inspections to determine what Adverse Material Facts may exist on and/or around the Property, which is why it is important for Buyer to exercise their rights under the Purchase Agreement to fully inspect all aspects of the Property. This Disclosure Statement is strictly based on Seller's ACTUAL KNOWLEDGE of ADVERSE MATERIAL FACTS relating to the Property as of the date Seller completes this Disclosure Statement.

ADVERSE MATERIAL FACTS: "ADVERSE MATERIAL FACTS" are facts that would affect the desirability or value of the property to a reasonable person.

DISCLOSURE NOT REQUIRED: Per New Mexico law, Seller is NOT required to disclose the following suspicions or facts, and no cause of action shall arise against a seller, or any brokers involved in the transaction for failure to disclose the following suspicions or facts. Further, the failure to make a disclosure of any of the following shall not be deemed to be grounds for termination or rescission of any sale or exchange:

- The Property was the site of a natural death;
- The Property was the site of a homicide, suicide, assault, sexual assault or any other crime punishable as a felony; or
- The Property was owned or occupied by a person who was exposed to, infected with or suspected to be infected with the human immunodeficiency virus or diagnosed to be suffering from acquired immune deficiency syndrome or any other disease that has been determined by medical evidence as highly unlikely to be transmittable to others through the occupancy of improvements to real property or that is not known to be transmitted through the occupancy of improvements located on that real property.

NEWLY DISCOVERED ADVERSE MATERIAL FACTS: Adverse Material Facts which Seller discovers AFTER Seller has delivered their initial Adverse Material Facts Disclosure to Buyer. Newly Discovered Adverse Material Facts do not include Adverse Material Facts that Buyer becomes aware of through their own due diligence.

REMEDIATED ADVERSE MATERIAL FACTS: An Adverse Material Fact that previously existed, but that Seller has replaced, repaired or otherwise remedied in such a way and to such an extent that Seller is confident that the Adverse Material Fact no longer exists. In order to feel confident that an Adverse Material Fact is a Remediated Adverse Material Fact, Seller must have had sufficient time and opportunity to observe the repair or replacement in order to confirm the repair or replacement remedied the Adverse Material Fact.

PROPERTY: ALL features, fixtures, elements and/or improvements located on the Property (e.g., homes, detached garages, carports, barns, studios, workshops, etc.), even if a specific element and/or improvement is not listed.

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NEW MEXICO ASSOCIATION OF REALTORS® — 2026
ADVERSE MATERIAL FACTS
(PROPERTY DISCLOSURE STATEMENT)

IMPORTANT INSTRUCTIONS

DISCLOSURE OF REMEDIATED ADVERSE MATERIAL FACTS. Seller is not required to disclose Remediated Adverse Material Facts; HOWEVER, SEE BELOW.

SELLER BEWARE: If you elect not to disclose a Remediated Adverse Material Fact because you believe the issue has been fully remediated and it is later revealed that the repair, replacement or remedy did not in fact fully and completely remediate the issue, and as a result, the Buyer suffers damages, then you may be liable to the Buyer for those damages. For this reason, please consider the following:

1. **Disclosing the Remediated Adverse Material Fact;**
2. **Disclosing how the Remediated Adverse Material Fact was remediated (for example, was it repaired or replaced); and**
3. **Providing any invoices paid to third-party vendors for the remediation of the Remediated Adverse Material Fact.**

BUYER: You are encouraged to confirm with your own inspectors and/or appropriate professionals that any remediation of a Remediated Adverse Material Fact did in fact fully and completely remediate the Remediated Adverse Material Fact.

DISCLOSURE IS REQUIRED EVEN IF SELLER DID NOT OCCUPY PROPERTY. Seller is required to disclose all ADVERSE MATERIAL FACTS about which they have ACTUAL KNOWLEDGE, *even if they have never occupied the Property.*

CHECK THE BOX AT THE END OF EACH SECTION TO INDICATE NO KNOWLEDGE OF ADVERSE MATERIAL FACTS. If Seller has *no* ACTUAL KNOWLEDGE of ADVERSE MATERIAL FACTS relating to the feature, fixture, and/or element, check the box at the end of each section. NOTE: EVERY SECTION SHOULD EITHER DISCLOSE AN ADVERSE MATERIAL FACT RELATING TO THAT SECTION OR INDICATE THAT SELLER HAS NO KNOWLEDGE OF ADVERSE MATERIAL FACTS RELATED TO THAT ELEMENT OF THE PROPERTY.

NEWLY DISCOVERED ADVERSE MATERIAL FACTS. Seller MUST update this Disclosure Statement *promptly* after discovery of any Newly Discovered Adverse Material Facts (NMAR Form 1110A – Addendum to Adverse Material Facts Disclosure Statement). Buyer's right to object to the Newly Discovered Adverse Material Facts is set forth in the Purchase Agreement.

EXAMPLES PROVIDED ARE NOT ALL INCLUSIVE. Each element of the Property listed include several specific examples of features or fixtures associated with that element of the Property. Neither the list of elements, nor the list of examples, includes all possible elements of the Property or features associated with those elements. Seller's disclosures should NOT be limited to the examples provided.

ATTACH AN EXHIBIT IF MORE SPACE IS NEEDED. If more space is required to disclose ADVERSE MATERIAL FACTS for any given section or for an issue for which there is no section, attach an exhibit (NMAR Form 2200) indicating the section number, if applicable, and the Adverse Material Facts being disclosed.

INFORMATION SHEETS AVAILABLE. Buyers and Sellers are encouraged to request copies of the information sheets referenced in this Adverse Material Facts Disclosure Statement. For a complete list of information sheets available through NMAR, ask your Broker.

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ADVERSE MATERIAL FACTS
(PROPERTY DISCLOSURE STATEMENT)

SELLER PROVIDES THIS DISCLOSURE STATEMENT IN ORDER TO DISCLOSE TO BUYER(S) AND PROSPECTIVE BUYER(S) *ADVERSE MATERIAL FACTS* CONCERNING THE PROPERTY ABOUT WHICH SELLER HAS *ACTUAL KNOWLEDGE.*

DISCLOSURE STATEMENT TO BE COMPLETED BY SELLER, NOT BROKER

This Disclosure Statement involves certain real property located at:

422 Maple Street Chama NM 87520
Address (Street, City, State, Zip Code)

Legal Description

or see metes and bounds or other legal description attached as Exhibit _____, _____ County(ies), New Mexico.

AUTHORIZATION AND HOLD HARMLESS: Seller hereby authorizes Listing Broker to provide a copy of this Disclosure Statement to any person or entity in connection with any actual or anticipated sale of the Property. Seller further agrees to indemnify and hold Listing Broker and Brokerage harmless from all claims for damages based upon the disclosures made in this Disclosure Statement and for Seller's failure to disclose any **ADVERSE MATERIAL FACTS** known to the Seller.

SELLER REPRESENTATIONS: Seller affirms that the information contained in this Disclosure Statement is correct to Seller's **ACTUAL KNOWLEDGE** as of the date signed by Seller. Seller warrants that he/she has prepared this Disclosure Statement and any attachments hereto and that this Disclosure Statement encompasses all **ADVERSE MATERIAL FACTS** concerning the Property that are actually known to the Seller as of the date signed by Seller. If Seller becomes aware of any changes in the foregoing information, Seller shall update this Disclosure Statement promptly after discovery. If the Property is part of a Common Interest Community, this Disclosure Statement is limited to the Property or Unit itself, unless otherwise indicated.

Seller to check all that apply:

- ☐ Seller currently occupies the Property._____(Beginning Date).
- ☐ Seller occupied the Property from_____to_____(dates).
- ☒ Seller has never occupied the Property. (i.e., rental or investment property, estate or trust sale, entity-owned property, etc.)
- ☐ Property is currently leased.
- ☐ Property includes a residential dwelling(s) built prior to 1978.
- ☐ Property is located within a HOA (Homeowners' Association), COA (Condominium Owners' Association) or other Owners' Association.
- ☐ Property is located within a PID (Property Improvement District).
- ☐ Property includes a Manufactured, Modular or Off-site Built Home(s).
- ☐ Property is located within governmentally designated flood plain or wetland area.
- ☐ Seller obtained a Pre-Inspection Report prior to listing the Property.

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EXAMPLES PROVIDED ARE NOT ALL INCLUSIVE. Each element of the Property listed include several specific examples of features or fixtures associated with that element of the Property. Neither the list of elements, nor the list of examples, includes all possible elements of the Property or features associated with those elements. **Seller's disclosures should NOT be limited to the examples provided.**

1. **ACCESS (Easements, Private, Public, Shared Road Agreements, etc.)**
Describe any known issues such as: Legal Disputes Concerning Access, Uninsurable Access, Individuals/entities who/that access or cross any part of the Property or otherwise utilize the Property.

☐ ***If checked, Seller affirms no actual knowledge of adverse material facts regarding these elements***

2. **APPLIANCES (Dishwashers, Dryers, Microwaves, Refrigerators, Ranges, Washers, etc.)**
Describe any known issues such as: Inefficient and/or Inoperable Appliances/Components.

☐ ***If checked, Seller affirms no actual knowledge of adverse material facts regarding these elements***

3. **BASEMENTS AND/OR SUBTERRAIN CONSTRUCTION**
Describe any known issues such as: Evidence of water, flooding, seepage, moisture, inoperable sump pump, etc.

☐ ***If checked, Seller affirms no actual knowledge of adverse material facts regarding these elements***

4. **BUILDING/STRUCTURAL/FOUNDATION *(Ceilings, Doors, Exterior/Interior Walls, Flooring, Foundation, Slabs, Windows, etc.)***
Describe any known issues such as non-closing door and windows; unlevel floors; cracks in walls, ceilings, stucco, fireplace, concrete slabs/sidewalks; sagging beams and headers; foundation piers/posts/anchors/support, etc.

☐ ***If checked, Seller affirms no actual knowledge of adverse material facts regarding these elements***

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5. **BUILT-IN SYSTEMS** ***(Central Vacuum, Garage Openers, Intercoms, Security Systems, Smart House Technology, etc.).***
Describe any known issues such as: Damaged or inoperable system or missing components, etc.

☐ ***If checked, Seller affirms no actual knowledge of adverse material facts regarding these elements***

6. **DOMESTIC WATER SUPPLY** ***(Associations, City/Municipal, Community, Private or Shared Wells, Storage Tanks, etc.)***

DOMESTIC WATER WELLS
Well Type?:
☐ *Private Well* ☐ *Shared Well*

If well is shared, check applicable:
☐ *Well Share Agreement in place?* ☐ ***YES*** ☐ ***NO***

Well Meter?: ☐ ***YES*** ☐ ***NO***

Location of Well: ☐ *ON PROPERTY.* ☐ *OTHER:* _____

Describe any known issues such as: Inefficient and/or Inoperable Systems; Low Production; Poor Water Quality; Usage Restrictions (drought or legal); Contamination; Unpermitted Well or Cancelled Well Permit; Notice of Change of Permitted Water Usage Allowance; Inability to obtain NMOSE permit for repair or replacement; other known defects or concerns:

☐ ***If checked, Seller affirms no actual knowledge of adverse material facts regarding these elements***

7. **FLOODING** ***(Building, Property, Arroyos, Riverbeds, etc.)***
Describe any known issues such as: Damage Caused by Inefficient, Inoperable and/or Broken Pipes, Interior or Exterior Flooding, Improper Draining, Grading Problems, Standing Water, etc.

☐ ***If checked, Seller affirms no actual knowledge of adverse material facts regarding these elements***

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8. HAZARDOUS, ENVIRONMENTAL AND TOXIC

Describe known issues such as: Asbestos, Clandestine Drug Laboratories, Environmentally Sensitive Area, Landfill or Waste Dump, Cannabis Production, Mold, Radon, Reports of Lead-Based Paint, Underground StorageTanks, etc.

☐ ***If checked, Seller affirms no actual knowledge of adverse material facts regarding these elements***

9. HEATING AND/OR COOLING SYSTEMS

Describe any known issues such as: Inefficient and/or Inoperable System(s), Rooms without Heating and/or Cooling, etc.

☐ ***If checked, Seller affirms no actual knowledge of adverse material facts regarding these elements***

10. INSURANCE CLAIMS

Is the Property uninsurable? If "yes", please explain why.
Describe any claim such as: Fire, Hail, Smoke and/or Water Damage, etc. Describe if insurance proceeds, if received, were used to remediate the subject of the claim.

☐ ***If checked, Seller affirms no actual knowledge of adverse material facts regarding these elements***

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11. IRRIGATION RIGHTS AND SYSTEMS ***(Ditches, Irrigation Wells used for agricultural or commercial irrigation beyond domestic or one-acre yard/garden uses, Pivots, Sprinklers, etc. NOT Domestic Wells)***
Describe any known issues such as: Disputed Rights, Failing and/or Inoperable Systems, Low Production Ditches or Wells, Restrictions (legal or drought), etc.

☐ ***If checked, Seller affirms no actual knowledge of adverse material facts regarding these elements***

12. NOISE, ODORS AND/OR POLLUTION (Does NOT include noise, odors and/or pollution in areas directly adjacent or surrounding the Property, which issues are governed by Paragraph 21 of NMAR Form # 2104 – Purchase Agreement – Residential Resale)
Describe any known issues such as: Continuous or Periodic Noise in/on the Property, Continuous or Periodic Odors **in/on** the Property, Pet Odors **in/on** the Property, etc.

☐ ***If checked, Seller affirms no actual knowledge of adverse material facts regarding these elements***

13. PEST OR ANIMAL INFESTATION AND/OR DAMAGE
Describe any known issues such as: Damage caused by Animals, Rodent Infestation, Termites, etc.

☐ ***If checked, Seller affirms no actual knowledge of adverse material facts regarding these elements***

14. PLUMBING ***(Gas Lines, Radiant Heating, Sprinkler Systems, Water Heaters, Water Supply Lines, etc.)***
Describe any known issues such as: Leaks, Inefficient and/or Inoperable Systems, Inferior Products (i.e., Entran II, Kitec, Polybutylene), etc.

☐ ***If checked, Seller affirms no actual knowledge of adverse material facts regarding these elements***

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15. POOLS, SPAS AND/OR SAUNA ***(Covers, Equipment, Liners, Surface, etc.)***
Describe any known issues such as: Abandoned pools/spas/saunas, Inefficient or Inoperable Systems (e.g., filters, motors, pumps), Leaks, etc.

☐ ***If checked, Seller affirms no actual knowledge of adverse material facts regarding these elements***

16. RENEWABLE ENERGY ***(Hydropower, Solar, Wind Turbines, etc.)***
Describe any known issues such as: Inefficient and/or Inoperable Systems (e.g., Batteries, Converters, Panels, Turbines), etc.

☐ ***If checked, Seller affirms no actual knowledge of adverse material facts regarding these elements***

17. ROOF SYSTEM, GUTTERS AND/OR DOWNSPOUTS (PARAPETS, SKYLIGHTS/SOLAR TUBES)
Describe any known issues such as: Leaks, Deterioration, Inefficient and/or Inoperable Systems, Ponding, Clogged Gutters, and/or Downspouts, etc.

☐ ***If checked, Seller affirms no actual knowledge of adverse material facts regarding these elements***

18. SEWER AND/OR SEPTIC SYSTEM(S)
Describe any known issues such as: Back-ups, Clogging, Inefficient and/or inoperable Leach Field, Cracked or Leaking Holding Tanks, Sewer Line Intrusion(s), Improperly Abandoned System(s), Requirement to hook-up to City/ Community/Municipal Sewer, etc.

☐ ***If checked, Seller affirms no actual knowledge of adverse material facts regarding these elements***

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19. SOIL, VEGETATION AND/OR LANDSCAPING
Describe any known issues such as: Contaminated and/or Non-Fertile Soil, Diseased and/or Dying and/or Infested Plants/Trees/Shrubs, etc., Sprinklers/Drip System issues or Lack of Coverage.

☐ ***If checked, Seller affirms no actual knowledge of adverse material facts regarding these elements***

20. SUPPLEMENTAL WATER SUPPLY (AGRICULTURAL/LIVESTOCK) ***(Dirt Tanks, Livestock Wells, Ponds, Storage Tanks, Streams, etc.)***
Describe known issues such as: Inefficient and/or Inoperable Systems, Low Supply/Production, Poor Quality, Restrictions (Legal or Drought), etc.

☐ ***If checked, Seller affirms no actual knowledge of adverse material facts regarding these elements***

21. USE, ZONING AND/OR LEGAL
Describe any known issues such as: Citations from Government Entity, First Right of Refusal, Historic Overlay, Judgments, Lawsuits or Legal Proceedings, Liens, Recipients of Class Action Lawsuit (Kitec, Polybutylene, etc.), Un-Permitted Construction and/or Repairs, Violations of New Mexico Subdivision Act, etc.

☐ ***If checked, Seller affirms no actual knowledge of adverse material facts regarding these elements***

22. WIRING ***(Cable, Electrical, Ethernet, Telephone, etc.)***
Describe any known issues such as: Aluminum wiring, Faulty Systems, Faulty Wiring, Limited Internet, Non-Functioning Switch or Receptacle, etc.

☐ ***If checked, Seller affirms no actual knowledge of adverse material facts regarding these elements***

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23. OTHER RIGHTS

Have any rights been severed from the Property or leased to a third party (mineral, water, etc.). If "yes", please describe details of severance and/or lease and provide all applicable documents.

If Seller is conveying water rights; have the water rights been adjudicated: ☐ ***YES. or*** ☐ ***NO.*** *If water rights have been adjudicated, attach/include additional information.*

☐ ***If checked, Seller affirms no actual knowledge of adverse material facts regarding this issue***

24. OTHER

IMPORTANT NOTICE TO SELLER(S) AND BUYER(S)

The PURCHASE AGREEMENT, NOT this DISCLOSURE STATEMENT, determines whether an item is included or excluded from the sale.

SELLER(S) warrants that the information herein is true, correct, and complete to the best of the Seller's ACTUAL KNOWLEDGE and belief as of the date signed by Seller.

Seller Signature	Printed Name	Date	Time
John D Watt	John D Watt	10/23/2026	12 noon

If additional signature lines are needed, please use NMAR Form 1150 — Signature Addendum

BUYER'S DUE DILIGENCE: This Disclosure Statement is not a substitute for any inspections the Buyer may wish to obtain. Buyer is advised to exercise all his rights under and in accordance with the Purchase Agreement to investigate the Property. Unless otherwise waived, Buyer(s) may complete any and all inspections of the Property that he deems necessary. The Buyer's rights to object to inspections and terminate the Agreement based on inspections are set forth in the Inspections Paragraph of the Purchase Agreement. Buyer is advised to thoroughly review those rights and understand the process. **The fact this Disclosure Statement fails to disclose an adverse material fact concerning a particular feature, fixture, and/or element of the Property DOES NOT imply that the same is free of defects.**

BUYER(S) acknowledges receipt of this DISCLOSURE STATEMENT.

Buyer Signature	Printed Name	Date	Time

If additional signature lines are needed, please use NMAR Form 1150 — Signature Addendum

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