

DOVE RANCH
LOT INFORMATION AND DISCLOSURE STATEMENT
400 – 674 Dove Ranch Road - July 1, 2008

This Lot information Statement and Disclosure Addendum is attached to and incorporated by reference into the Sellers Property Disclosure and Contract to Buy and Sell Real Estate between Dove Ranch, LLC, a Colorado Limited Liability Company ("**Seller**") and the "**Buyer**" concerning the sale of certain real property described therein (the "Property"). Said Contract and this Addendum are hereinafter referred to collectively as the "Contract."

1. **Seller.** The Seller of Dove Ranch and the lots located therein is Dove Ranch, LLC Seller's address is P.O. Box 450, Durango, Colorado, 81302. Bradley Elder is the General Manager of Dove Ranch and is a Colorado licensed real estate broker.
2. **Location of Dove Ranch.** Dove Ranch is a subdivision located in the Town of Bayfield, County of La Plata, and State of Colorado.
3. **Inspection of Property.** The Buyer, Co-Buyer or Buyer's spouse has made a personal inspection of the Property prior to signing the Contract.
4. **Escrow of Funds.** All funds paid by Buyer prior to the delivery of special warranty deed will be held by Colorado Land Title Company (the "Title Company"). The deposit of funds to the Trust Account of the Title Company shall occur no later than the following business day after receipt of such funds and execution of the contract by Buyer and Seller. The Seller shall have no right to the use of such funds in any way while they are in escrow.
5. **Transfer of Title.** From the date Buyer executes the Contract until a special warranty deed is delivered, the Property will be free and clear of all liens encumbrances and adverse claims except for any mortgages or deeds of trust which contain release provisions for the Property. Upon Closing of the Contract, Buyer will own fee simple title to the Property as described in the Contract , subject to those exceptions listed in the title commitment as of the date of Closing as long as those exceptions are accepted by Buyer under the terms in the Contract.
6. **Deed Preparation.** The Title Company shall prepare the deed on behalf of the Seller. Buyer and Seller agree that a Special Warranty Deed substantially similar to the sample deed attached hereto shall be deemed to meet the requirements set forth in §12 of the Contract. Should the Buyer request deed preparation requirements such that The Title Company can not or will not prepare the deed, the deed shall be prepared by the Seller at Buyer's expense.
7. **Delivery of Deed.** Subject to provisions of the Contract, the delivery of the executed special warranty deed to the Buyer shall occur on the Closing date as specified herein and, in all cases, prior to one hundred and eighty (180) days from the date the Buyer signs/executes the Contract. Said special warranty deed shall convey the Property to Buyer free and clear of any monetary liens and encumbrances
8. **Rescission and Cancellation.** Buyer and Seller hereby acknowledge that Buyer shall have the option of canceling the Contract as provided in the Contract. Furthermore, any Buyer who executes a sales Contract shall have seven (7) days following signing of Contract in which to cancel the Contract for any reason upon written notification to the Seller.
9. **Title Insurance Commitment and Policy.** A title insurance commitment will be issued to the Buyer showing that the Seller has marketable title. Exceptions to title may exist provided that they are accepted by the Buyer in the manner provided in the Contract. A title insurance policy, at no expense to the Buyer, will be delivered to the Buyer as soon as practicable after Closing,

but in no event more than ninety (90) days after Closing

10. Dedications. The Seller has or will dedicate the following land, infrastructure and or amenities of Dove Ranch to the Town of Bayfield, Colorado, or the Bayfield Sanitation District as shown on the final plats for Dove Ranch.

10.1. Public Right of way and the streets within the subdivided and platted portions of Dove Ranch.

10.2. Water system improvements.

10.3. Curb, gutter and sidewalks within the public right of way.

10.4. Drainage and utility easements

10.5. Sewer system improvements

All of the terms and conditions of the aforementioned dedications are contained on the Final Plats of Dove Ranch, Annexation and Development Agreement, Subdivision Improvements Agreement and Development Improvements Agreement entered into between Dove Ranch, LLC and the Town of Bayfield or Bayfield Sanitation District and recorded in the La Plata County Clerk and Recorder's Office.

11. Improvements. Seller has completed the following improvements.

Sewer collection, water distribution, electric, natural gas, telephone, and cable TV services front each lot. In the case of wired utilities, connection points may be located at clustered pedestal locations. In such cases conduits may be provided to the property line. In any event it is the Buyers responsibility to extend the physical service wire from the pedestal to the structure. Gas mains will be provided by Seller and Buyer shall be responsible for the extension of the service line from the main to the structure. These improvements in addition to the drainage, curb, gutter and sidewalks have been installed pursuant to the as-built improvement plans approved by the Town of Bayfield, collectively "improvements."

12. Access to Dove Ranch. Legal access to Dove Ranch shall be from North Mountain View Drive, North Cactus Drive and CR 501. These streets are public streets, accessible year around, owned and maintained by the Town of Bayfield and La Plata County.

13. Streets and Street Maintenance Within Dove Ranch. Streets within Dove Ranch have been constructed and paid for by the Seller and dedicated to the Town of Bayfield. Maintenance and snow removal shall be provided by the Town of Bayfield. Alleys, lanes or other private accesses or drives owned by the Home Owners Association shall be maintained by the Association as set forth in the Governing Documents. Special assessments for these accesses may apply to a given lot within Dove Ranch based on it utilization of such access. Access and driveways owned by individual lot owners are the responsibility of each lot owner.

14. Town of Bayfield, Bayfield Sanitation District Plant Investment Fees and Bayfield School District Impact Fee. Prior to receiving water, sewer service or building permit, Buyer shall pay the applicable plant investment fees, tap fees and school impact fees. Such fees must be paid prior to issuance of a building permit. The amount of such plant investment and tap fees will be calculated in accordance with the then prevailing rates as established by Town of Bayfield and the Bayfield Sanitation District.

A water tap deposit of \$1,100.00 shall be collected by Seller from Buyer at closing. A water tap credit certificate shall be issued to Buyer at closing. When the Buyer seeks a building permit they shall deliver such certificate to the Town of Bayfield and shall receive a credit of \$1,100.00 from the then current water tap fee. A school impact fee in the amount of \$794.00 shall be collected from Buyer by Seller at closing and a certificate issued to the Buyer. Prior to applying for a building permit the Buyer shall present the certificate to the school district which

shall credit them the face value of the certificate and provide a receipt to be taken to the building department as evidence for a building permit. As of this writing the school impact fee is \$794.00. In the event this fee is amended by the school district between the time the fee is paid at closing and the request for building permit, the Buyer shall be responsible for any additional amounts due at that time.

THE PAYMENT OF ANY IMPACT FEES, PLANT INVESTMENT FEES AND/OR TAP FEES SHALL BE THE RERESPONSIBILITY OF BUYER OR OTHER SUCH OWNER OF THE PROPERTY AT THE TIME OF PAYMENT OF SUCH FEE(S).

15. Utility Fees and Costs. The costs of making individual connections to the underground electric, natural gas, telephone, and cable TV line at the Property, and all subsequent usage or service fees, will be the sole responsibility of Buyer. For information about such connection fees, service and usage fees, and other charges that may be applicable, please contact the individual service provider.

15.1 Telephone service will be provided by Qwest.

15.2 Electric service will be provided by La Plata Electric Association.

15.3 Natural gas service will be provided by SourceGas.

15.4 Cable television service will be provided by Rocky Mountain Cable Vision.

16. Design Review. The Dove Ranch Design Review Committee (DRC) must first review any and all proposed improvements to the Property. Requirements for home design within Dove Ranch are set forth in the Design Guidelines. Prior to applying for a building permit, the Owner of any lot within Dove Ranch must first apply for and gain approval from the DRC.

The Design Guidelines and Regulations evolve over time. Improvements to the property shall be governed by the design and construction requirements at the time such improvements are submitted to the DRC for approval. The Buyer is advised to contact the Homeowners Association for the most current Design Guidelines prior to designing any improvements within Dove Ranch.

17. Building Permits. Following DRC approval, the Town of Bayfield shall have jurisdiction over the construction of any improvements with respect to building codes and other Town requirements. Prior to the commencement of any improvements, Buyer will need to apply for a building permit, pay the appropriate fees, and satisfy the code and building requirements. Buyer should contact the Town of Bayfield, Colorado (970) 884-9544 for information pertaining to building any structures or proposed improvements.

18. Colorado Common Interest Ownership Act. Dove Ranch is not currently subject to the Colorado Common Interest Ownership Act as the anticipated Association assessments will be less than \$400 per year, plus adjustment for inflation as set forth in the Act. In the event Dove Ranch or the Association become subject to the Act, the Governing Documents, policies and procedures shall be amended as needed so as to fully comply with the Act.

19. Governing Documents. The Property shall be subject to the Governing Documents. The Governing Documents shall consist of, but are not limited to, the following:

19.1. Declaration of Covenants, Conditions, and Restrictions ("Covenants"). Creates rights and obligations that are binding upon the Association and all present and future owners of property at Dove Ranch (recorded by La Plata County Clerk and Recorder).

19.2. Articles of Incorporation. Establishes the Association as a not-for-profit corporation

under Colorado law (filed with the Colorado Secretary of State).

19.3. By-Laws. Sets forth the Association’s governance and internal affairs (initial By-Laws have been recorded and may be adopted, administered and amended by the Board. Subsequent amendments need not be recorded).

19.4. Design Guidelines. Establishes architectural, design and landscaping standards and guidelines for improvements and modifications to Units, including structures, landscaping and any other structural and aesthetic items relating to the Units (may be adopted, administered and amended by the Declarant or the DRC).

19.5. Rules and Regulations. Governs activities, conduct, and use of Units, Common Areas and other property within Dove Ranch (may be adopted, administered and amended by the Declarant, the Board, the DRC, or the Association).

19.6. List of Documents

Description	Doc Date	Reception #	Rec. Date	Status
Dove Ranch, Unit 1 Phase 1 Annexation Plat	6/01/04	886936	6/17/04	Current
Dove Ranch, Unit 1 Phase 1 Subdivision Plat	6/01/04	886935	6/17/04	Current
Dove Ranch Unit 1 Annexation Plat	8/24/05	917880	9/13/05	Current
Dove Ranch Unit 2 Annexation Plat	8/25/05	917881	9/13/05	Current
Dove Ranch Unit 3 Annexation Plat	8/25/05	917882	9/13/05	Current
Dove Ranch, Unit 1 Phase 2 Subdivision Plat	8/25/05	917884	9/13/05	Current
Dove Ranch Unit 2 Phase 1 Subdivision Plat	8/25/05	917889	9/13/05	Current
Dove Ranch Unit 3 Subdivision Plat	8/25/05	926063	9/13/05	Current
Annexation Agreement - Unit 1 Phase 1	6/11/04	886938	6/17/04	Current
Subdivision Improvements Agreement Unit 1 Phase 1	6/11/04	886939	6/17/04	Current
Annexation Agreement Unit 1 Phase 2, Units 2 & 3	8/02/05	917879	9/13/05	Current
Subdivision Improvements Agreement Unit 1 Phase 2	8/16/05	917897	9/13/05	Current
Subdivision Improvements Agreement Unit 2 Phase 1	8/16/05	917898	9/13/05	Current
Subdivision Improvements Agreement Unit 3	1/12/06	926101	1/13/06	Current
CC&R’s	6/01/04	886937	6/17/04	Current
Supplemental Declaration of CC&R’s for Dove Ranch	9/8/05	917875	9/13/05	Current
By-Laws	6/01/04	886937	6/17/04	Current
Initial Rules & Regulations	6/01/04	886937	6/17/04	Current
Restrictions and Rules	10/01/04	Not Recorded	N/A	Current
Design Guidelines	6/01/04	Not Recorded	N/A	Superseded

Design Guidelines	12/01/06	Not Recorded	N/A	Current
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Buyer acknowledges by their signature hereon that they have received, read and understands the forgoing documents except those whose status is pending.

20. **Designated Floodplain.** None of the lots within Dove Ranch are located within a designated floodplain.
21. **Expansive Soils.** Dove Ranch has expansive soils typical of soils in the region. A subdivision wide soils test has been performed by Lambert and Associates and provided as part of your document package. This report is for general information and used for infrastructure construction. The information and recommendations are not lot specific. It is the Buyer's responsibility to have site specific geotechnical studies done and those recommendations followed for their specific lot and home design.
22. **Severed Mineral Interests and Oil and Gas Operations.** The mineral interests for the Property have been severed from the surface rights and therefore not conveyed with the Property. BP Amoco currently operates a natural gas well, attendant equipment and pipelines on Dove Ranch. Notice of these operations has been given to and acknowledged by Buyer.
23. **Judgments or Administrative Orders.** There are no judgments or administrative orders issued or pending against the Seller which are material to the development plans of Dove Ranch.
24. **Taxes and Assessments.** There are no taxes or special assessments, not addressed herein, which Buyer must pay at the time the Contract is executed. Buyer acknowledges and understands that each owner of a lot within Dove Ranch will become a member of the Dove Ranch Home Owners Association, that such membership is mandatory and that dues, fees and assessments will be levied for the activities of the Association as set forth in the Governing Documents.
25. **Real Estates Brokers.** All sales of lots within Dove Ranch will be made by brokers and sales persons licensed by the State of Colorado unless specifically exempted pursuant to C.R.S. 12-61-101(4), The Seller is acting on it's own behalf and no agency, whether explicit or implied, is deemed to exist between Buyer and Dove Ranch.
26. **Jurisdiction and Final Plat Approval.** The Town of Bayfield has jurisdiction over the approval of any particular type of land use within Dove Ranch. The Final Plat of Dove Ranch, has been approved by the Town of Bayfield and recorded in the La Plata County Clerk and Recorder's Office, in conjunction with the Governing Documents for Dove Ranch, sets forth the allowed land uses within Dove Ranch.
27. **Ongoing Development.** Seller has disclosed and Buyer acknowledges that Dove Ranch, is a master planned community and that additional property may be developed and incorporated into the Dove Ranch Home Owners Association as set forth in the Governing Documents.

THE UNDERSIGNED BUYER ACKNOWLEDGES THAT HE OR SHE HAS READ AND UNDERSTANDS EACH AND EVERY ONE OF THE SELLER'S DISCLOSURES WHICH APPEAR ON THIS LOT INFORMATION AND DISCLOSURE STATEMENT ADDENDUM.

BUYER _____ DATE _____

BUYER _____ DATE _____

-NOTICE-

Natural Gas Operations

Your property lies in close proximity to ongoing natural gas operations. As a result, there will be occasions when service trucks will visit the site. There is also the possibility that a temporary derrick might be erected at the well site for up to several weeks at a time to rework the well. At the time of these rework operations; there will be more well service vehicles, such as sand and water trucks entering the site as well as additional noise.

If you have questions with regard to regulatory aspects of natural gas wells, transmission lines or operations, please contact the State of Colorado's Oil and Gas Conservation Commission at 303-894-2100.

For questions regarding specific aspects of ongoing operations of BP Amoco, please call 970-247-6800.

-NOTICE-

Natural Gas Pipeline

There is a natural gas pipeline that traverses your property. Please familiarize yourself with its location.

Do not dig or excavate within fifteen feet of this area!

If you intend to dig or excavate on your property, contact the Utility Notification Center of Colorado (UNCC) for line location service by phone at 800-922-1987 or online at <http://www.uncc2.org/>

For questions regarding specific aspects of pipeline operations of BP Amoco, please call 970-247-6800.

If you have questions with regard to regulatory aspects of natural gas wells, transmission lines or operations, please contact the State of Colorado's Oil and Gas Conservation Commission at 303-894-2100.

SPECIAL WARRANTY DEED

THIS DEED, dated __ , between Dove Ranch, LLC of the County of La Plata and State of COLORADO, grantor and ___ whose legal address is _____of the County of La Plata and State of COLORADO, grantees:

WITNESS, That the grantor for and in consideration of the sum of --No Dollars and 00/100--DOLLARS

the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm, unto the grantees, their heirs and assigns forever, not in tenancy in common but in joint tenancy, all the real property together with improvements, if any, situate, lying and being in the County of LA PLATA and State of Colorado described as follows:

Lot __ of Block __ in DOVE RANCH UNIT __ PHASE __ according to the plat thereof filed for record (date recorded) as Reception No. __

SUBJECT TO 2007 taxes due and payable in 2008. Further SUBJECT TO easements, rights of way, restrictions and reservations of record; and all oil, gas, coal and other mineral rights as have been reserved by predecessors in title; and those exceptions set forth in the title report issued on subject property and accepted by grantee herein.

as known by street and number as: (street address) BAYFIELD, CO 81122 assessor's schedule or parcel number: __

TOGETHER with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the grantor(s), either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto the grantees, their heirs and assigns forever. The grantor(s), for himself, his heirs, and personal representatives, successors and assigns does covenant and agree that the grantor shall and will WARRANT AND FOREVER DEFEND the above bargained premises in the quiet and peaceable possession of the grantees, their heirs and assigns, against all and every person or persons lawfully claiming the whole or any part thereof, by, through or under the grantor(s).

IN WITNESS WHEREOF, the grantor has executed this deed on the date set forth above.

Dove Ranch, LLC

(name), Manager

STATE OF COLORADO
COUNTY OF LA PLATA

The forgoing instrument was acknowledged before me this __ day of __, 2007 by (name) as MANAGER OF DOVE RANCH, LLC.

My commission expires: __

Witness my hand and official seal
