

DEVELOPER'S DISCLOSURE

The following information is deemed reliable as of May 20, 2009; however, Land Properties, Inc. and/or the Developers are not responsible or liable for any changes, additions, or alterations to existing town, county or utility company policies, which are subject to change at any time.

Little River Ranch consists of Phase 1, Phase 2, Phase 3, Phase 4, Phase 5, Phase 6 and Phase 7. The subdivision, when referred to in this document, shall mean Little River Ranch Phases 1 through 7. The Developers, when referred to in this document, shall mean Little River Ranch, LLC for Phases 1-3 and Little River Ranch, Inc. for Phases 4-7.

ROADS

Access to Little River Ranch is from U.S. Highway 50 and Poncha Springs Lane, paved roads, which are maintained by the State and Town, respectively, and are open year round. For questions or problems concerning roads or bridges, please contact the Town Administrator at (719) 539-6882.

The subdivision is located in Poncha Springs, Colorado. Roads within each phase of the platted subdivision will be constructed and paved in accordance with the engineered plans as approved by the Town of Poncha Springs, and warranted against defects by the Developers for one year after the Town's approval.

The Developers will be responsible for road maintenance in each phase until the roads are complete and have been accepted by the Town of Poncha Springs. At that time, the Town will be responsible for maintenance, repair, snow removal and supervision of the roads.

Each Owner is responsible for restoring the roads, paved surface, ditches, and culverts within the platted subdivision to their original condition when they are disturbed due to the installation of driveways, culverts, utilities, etc. to Owner's respective Lot. The Owner is responsible for notifying Little River Ranch Homeowners Association, Inc. before commencing any construction, including driveways, culverts, utility taps, etc. and shall post the \$3,000 construction security deposit with the Association as detailed in the covenants and architectural design guidelines.

The Town of Poncha Springs has established a transportation capital improvement expansion fee for the purpose of funding capital improvements related to transportation services. Fees are payable at the time of building permit application for new residential construction and are currently \$1,364 for a single family home.

UTILITIES

The Developers shall provide, to the property line of each lot, a central water and sewer system, underground electric, telephone, and natural gas. The utilities will be installed, inspected and approved by the appropriate utility companies/districts. It will be the responsibility of each Owner to extend the utility services from the main lines to their building site.

Installation of the utilities will begin no later than one (1) year of sell out of 80% of the parcels. There is no guarantee of when the sell-out of the subdivision will occur. Construction is dependent upon the following:

1. The weather and length of the construction season.
2. The construction schedule of the utility companies and contractors, and
3. The availability of utility equipment and materials.

Information regarding specific utilities follows:

ELECTRICITY/TELEPHONE

The Developers shall provide underground electric and underground telephone service to the property line of each lot. The cost of extending the electric and telephone lines from the main lines to the building site will be the responsibility of each Owner.

Electric service will consist of alternating current, single-phase, sixty-hertz, 120/240 volts which is the standard required for residential installation. To obtain service, you must fill out an application with Xcel Energy. Xcel is located at 400 Washington Street, Alamosa, Colorado 81101, or contact Ken Plewes at (719) 539-5128.

Telephone service shall be provided through Qwest, which can be reached by calling their customer service department at (800) 244-1111. The nearest Qwest Communications office is located at 7150 Campus Drive, Colorado Springs, Colorado 80920.

Any rebates in effect at the time of telephone or electric installation for installation of main lines will be credited to the Developers for the costs incurred for the installation of said utilities.

NATURAL GAS

The Developers shall provide natural gas service to the property line of each lot. The cost of extending natural gas from the main line to the building site will be the responsibility of each Owner. Natural Gas service is available through Atmos Energy located at 102 Linderman Avenue, Buena Vista, CO 81211. Their customer service telephone number is (888) 442-1313.

WATER/SEWER

The Developers shall provide water and sewer services to the property line of each lot, through a central water and sewer system. The system is owned and operated by the Town of Poncha Springs. The Town assesses the following fees upon an owner's request for service to their residence, which currently are:

Lots 1-84:

Water Development Fee of \$6,000 Inspection Fee of \$50
Sewer Development Fee of \$5,000

Lots 85-157:

Water Development Fee of \$3,000 Water Meter Fee of \$195
Sewer Development Fee of \$1,000 Inspection Fee of \$50

Only E-One grinder pumps and approved parts may be installed on the wastewater system, unless alternate manufacturers are specifically approved by the Town Board. For information on or to purchase these approved products, please contact Brian Johnson of Ambiente H2O Inc. Their offices are located at 5385 County Road 572, La Veta, CO 81055. Brian Johnson may be reached at (719) 580-7664. For service and maintenance of grinder pumps, contact Valley Pre-cast at (719) 395-6764.

Monthly water and sewer charges will be based on the number of gallons used, and are billed by the Town of Poncha Springs. The Town Hall is located at 330 Burnett Ave, Poncha Springs, Colorado 81242. Their telephone number is (719) 539-6882.

TRASH REMOVAL

In Poncha Springs, Colorado, trash removal service is available through Waste Management at (719) 539-6911.

GEOTECHNICAL REPORT

Engineered foundations are recommended on all properties located within Little River Ranch, and are **required** on all properties lying southerly of the S. Arkansas River. Additionally, all Owners in Phases 1-3 (Lots 1-84) must comply with the recommendations contained in the Terracon Geotechnical Report dated March 19, 2004; and any revisions of this report, all on file with the Developers and the Town of Poncha Springs. Owners in Phases 4-7 (Lots 85-157) must comply with the recommendations contained in the Terracon Geotechnical Report dated February 8, 2006; and any revisions of this report, all on file with the Developers and the Town of Poncha Springs.

PROPERTY TAXES

Personal property is assessed taxes, based on the assessment value given by Chaffee County. Notices of valuation are mailed out by May 1st of each year from the County Assessor's office, and complaints may be heard for a certain time period, should you disagree with the valuation of your property. The County Assessor is located at 217 East 3rd Street, Salida, CO 81201 and may be reached at (719) 539-4016.

Taxes are based on the following formula:

Actual Value x Assessment Rate = Assessed Value

Assessed Value x Mill Levy = Tax Bill

Little River Ranch lies in tax district 08 and the 2008 mill levy was 47.840. Assessment rates are 7.96% for residential and 29% for all other property. The following is an example of how property taxes are calculated prior to any improvements being constructed. Therefore, the construction of improvements will alter your tax bill and the assessment rate used.

\$75,000 actual value x 29% (while property is vacant) = \$21,750 assessed value

\$21,750 assessed value x .047840 mill levy = \$1,040.52 tax bill

ACTS OF GOD

Land Properties, Inc. and/or the Developers may not be held responsible for damage, problems, concerns or issues otherwise involving persons not associated with Land Properties, Inc. and/or the Developers, or for problems caused by natural habitat or wildlife. It is the Owner's sole responsibility to ensure against personal property damage caused by "acts of God" or otherwise. It is also the Owner's sole responsibility to be educated with anticipated problems and concerns as well as insuring against possible damages associated with natural habitat or wildlife.

BUILDING PERMIT & CERTIFICATE OF OCCUPANCY

Chaffee County requires a building permit and all necessary inspections are required before the issuance of a certificate of occupancy. The application for a permit may be obtained at the Department of Building Safety, Environmental Health & Zoning office located at 104 Crestone Ave, Room #225, Salida, Colorado or call (719) 539-2124.

CLOSING COSTS

The following table shows the standard fees associated with the closing of your property:

Closing Fee	\$175	Recording Fee	\$11
Mortgagee's Policy	\$100	Delivery and Postage	\$40
Tax Certificate	\$10	Transfer Fee	.01% of the purchase price
County taxes prorated as credit to Buyer – January 1 st through date of closing			
HOA dues prorated as debit to Buyer – date of closing through December 31 st			

HOMEOWNERS ASSOCIATION

Little River Ranch Homeowners Association, Inc. has been formed by the Developers for Little River Ranch to help enforce the Protective Covenants and Architectural Design Guidelines, collect assessments, maintain open space, and represent all owners in matters of mutual interest. Membership in the Association is mandatory. Annual dues are \$295.00 per lot per year and are the responsibility of Buyer. Developers do not pay assessments. The Developers will maintain control of the Association until 80% of the lots in Phases 1 through 7 are sold. The Developers will appoint a Board of Directors that will control and disburse the funds of the Association. Upon 80% sell-out, a meeting of the members of the Association will be held to elect a new board of directors. The Developers have no financial interest in nor will they derive profit from the Association. The Developers cannot borrow or authorize borrowing from the Association.

Buyer(s) acknowledge receipt of the Developer's Disclosure for Little River Ranch Phase ____ Lot(s) ____

Buyer Date

Buyer Date

OR

Seller Date
By: Adria L. Robinson
For: Little River Ranch, LLC
Its: Manager

Seller Date
By: Adria L. Robinson
For: Little River Ranch, Inc.
Its: Vice President