



GENERAL INFORMATION DISCLOSURE
RIVER RIM RANCH
TETON VALLEY, IDAHO
June 22, 2004

This initial phase of the River Rim Ranch is a low density Agricultural Planned Unit Development consisting of 898.46 acres located at the north end of Teton Valley, Idaho. Phase I of River Rim Ranch is a compatible blend of residential uses, long term agricultural uses, recreational amenities and an open space system that protects a one mile stretch of the Teton River and River Canyon environment.

The property is being developed by West Rim, LLC, an Idaho Limited Liability Company established for the purpose of developing River Rim Ranch. Engineering for the project has been provided by AW Engineering of Victor, Idaho and construction of infrastructure is being done by Alta Construction, Fall River Electric Cooperative, and Teton Telecom. Sales and marketing efforts are being provided by American Realty West.

The following information is being provided to potential buyers of River Rim Ranch in an effort to provide full disclosure as to the development and what is being provided by the developer, the Covenants, Conditions and Restrictions under which the property is being purchased and the rights, privileges, obligations and duties of buyer and seller.

This document is to be signed, dated, and attached to each Buy-Sell Agreement as an integral part of the agreements therein. The information is intended to be generally descriptive of River Rim Ranch, and to answer commonly asked questions; however, it may or may not be all inclusive.

1. The lands located in The River Rim Ranch Planned Unit Development are being developed by West Rim, LLC, an Idaho Limited Liability Company, established for the phased development of River Rim Ranch. The members of the West Rim, LLC are:

Roger Hoopes, Attorney
Brent Hoopes, Agricultural Operations
Thomas L. Clinton, CPA
Michael E. Potter, Landscape Architect

River Rim Ranch - Phase I consist of 898.46 acres in Teton County, Idaho containing 52 single family lots, 20 cabin lots, and one Farm/Ranch Conservation Unit which contain a four-lot residential compound within it. Additionally, there is one lot for the Overlook Lodge and one lot for the Horse Barn Area.

The lands are being developed and platted in conformance with subdivision regulations and standards set forth by Teton County, the State of Idaho, and, therefore, the property, and its development and use is subject to the terms, covenants and conditions set forth in these county and state regulations. Development, construction, and use of land within River Rim Ranch are also addressed in the following documents:

- a. Declaration of Covenants, Conditions, and Restrictions for River Rim Ranch; and
- b. Design Guidelines and Regulations for River Rim Ranch.
- c. Final Plat for River Rim Ranch

In addition to the above documents, there may be other sources of information important to your property purchase which are not addressed nor referred to herein. As a buyer, you should carefully review all documents which relate specifically to your property and adjacent property within River Rim Ranch, to ensure that your intended plans for the lot are permitted. Additionally, you should also make yourself aware of all property zoning and use of the adjacent properties within River Rim Ranch.

2. DEVELOPER IMPROVEMENTS. The developer will construct the following improvements to the subdivision:

- a. Paved main roads serving each lot;
- b. Electricity and phone lines stubbed to each lot;
- c. Common irrigation water systems and service lines stubbed to each lot;
- d. Fire hydrants for fire protection located at various locations along the main road;
- e. Common area landscape and irrigation;
- f. Common trails and pathways; and
- g. Common fencing.

The Farm House at the entry, the Overlook Lodge, the Fishing Lodge, the Barn and Equestrian Facilities, and the Fishing Shelters will initially be constructed and capitalized by the developer and will be operated by the Overlook Club. The Overlook Club will be owned and operated by West Rim, LLC. All owners in Phase I will automatically become members of the Overlook Club and will pay dues, which dues will be utilized to operate the club and retire debt service relative to those improvements.

Regarding individual residential lots, each individual owner will be financially responsible for the permitting, installation, operation and maintenance of their own domestic water system and individual septic disposal system. In addition, each owner will be responsible for extending their utilities from the stubs provided to the lot lines for electrical service, telephone, and irrigation water. Irrigation water will be metered and each lot will be charged according to usage.

Electrical service is being provided by Fall River Electrical Cooperative. Telephone service is being provided by Teton Telecom. Buyers should check with these companies for cost of utility extension, activation, and charges which change from time to time.

3. **COVENANTS AND DESIGN GUIDELINES.** The Declaration of Covenants, Conditions, and Restrictions defines the relative rights, duties and obligations of the individual owner, owners' association, directors, and the developer, and contain provisions governing the operation of the development and the River Rim Ranch Owners Association.

Prior to constructing improvements or changes to your residence or lot, you must obtain written approval of the building plans and landscape plans from the Committee for Design Review as well as obtaining any necessary permits from District 7 Health for septic systems, Idaho Department of Water Resources for residential wells, and building permit from Teton County. This restriction includes construction of the home, any outbuildings, any exterior improvements, landscaping, and any removal or trimming of trees on your lot or common area. Certain restrictions exist with respect to county rights-of-way, utility easements, set backs and other restrictions and reference is made to the Design Guidelines and Regulations.

The developer or his agents shall furnish to a prospective buyer the Covenants, Conditions and Restrictions of River Rim Ranch and the Design Guidelines of River Rim Ranch prior to signing the Buy-Sell Agreement. As the buyer, you acknowledge receipt of these documents on the date of your execution of this Disclosure Statement.

4. The seller is providing title insurance with First American Title Company in Driggs, Idaho to assure that the buyer receives marketable title. Any exceptions will be set forth in the general and special exceptions shown on the preliminary title commitment which will be furnished to the buyer prior to closing. As a buyer, you should carefully review the title commitment and title insurance policy.

Upon full payment of the purchase price, you will receive a warranty deed conveying merchantable title to the property, subject to the general and special exceptions noted in the title insurance policy.

5. **OWNERS ASSOCIATION.** Pursuant to the Declaration of Covenants, Conditions and Restrictions, the River Rim Ranch Owners Association, an Idaho nonprofit corporation, shall be established to operate and maintain the common areas and facilities of the River Rim Ranch PUD. The developer will constitute the majority of the Board of Directors until 75% of all the lots are sold or five (5) years, whichever is first, in order to ensure that things are running smoothly before transition to the owners. Transition can occur earlier. The Homeowners Association is distinct and separate from the Overlook Club.

The Board of Directors will initially constitute the Committee for Design Review.

6. ASSOCIATION ASSESSMENTS. The Association through its Board of Directors will levy assessments for the management and administration of the Association and the improvement, maintenance and repair of the common areas, which include, but are not limited to, roads, snow removal, landscaping of common areas, insurance of the common areas, common utilities, management fees, administrative expenses, debt service where applicable, street signs, common irrigation, reserves, entry monuments and gates, common fence maintenance and similar common items. As an owner you will be billed by the Association for your share of the assessments in accordance with your allocated interests for the expenses of the Association on a monthly, quarterly or annual basis. Failure of any owner to pay the assessments will result in a lien for the amount of the past due assessments being filed against the property. Please refer to the Covenants for the purposes and procedures for allocating and collecting owners' fees and assessments, and the schedule of each owner's allocated share of common interests.

A budget is to be proposed by the Directors of the Owners Association annually. The annual budget is based upon a projected estimate of the costs as described above. The budget forms the basis for the assessments to be charged to each owner. Assessments will generally be billed on a quarterly basis in advance and are due upon receipt. It is anticipated that assessments will begin on January 1, 2006 when improvements are substantially complete.

7. THE OVERLOOK CLUB. The common amenities of River Rim Ranch will initially be capitalized by the developer and will be operated by the Overlook Club. These common amenities include the following items: the Farm House and maintenance facilities at the entry; the Overlook Lodge; the Fishing Lodge; the Barn and Equestrian facilities, the Trail Shelters; the Common Trails and Pathways, and the Pond.

All owners of Phase I of River Rim Ranch (the 76 lots previously described herein) shall automatically become members of the Overlook Club with no initiation fee. Monthly dues, based on estimated cost of operations and debt service will be assessed to members on a prorata basis.

Members and owners will have access and use of all of the facilities of the Club including access to the Teton River from the common area lands. Access to the Teton River from the River Rim Ranch property is exclusive to owners and their guests. It is anticipated that Club dues will begin on January 1, 2006 when improvements are substantially complete.

West Rim, LLC, the developer, will more than likely develop adjacent and additional properties in the future related to River Rim Ranch Phase I. Memberships to the Overlook Club will be made available to owners of these properties; however, those members will be required to pay an initiation fee as well as monthly or quarterly dues. Membership privileges would be the same as those granted in Phase I. The effect of adding additional members will be to spread operating costs over a larger number of participants, thus lowering monthly costs. The number of total members in the Overlook Club will not exceed 304 members.

- Phase I members	76
- Future phase members	<u>228</u>

Additionally, development of other parcels will likely include the development of other recreational facilities in conjunction with those properties such as hiking trails, and additional River frontage for fishing or similar activities and facilities. These facilities will be available to Overlook Club members including River Rim Ranch Phase I should they be developed in the future.

8. **PROPERTY TAXES.** Property taxes are based on the appraised value of the lot together with improvements and are determined by the Assessor. Teton County will bill for assessments in accordance with state laws.

9. **PRICES AND INVESTMENT.** The developer and its broker make no representations that real estate will be a good investment. The future value of real estate is uncertain and the developer may raise or lower prices at any time without regard to the property prices previously paid by other buyers within River Rim Ranches. All prices, terms, features and other inclusions are subject to change at the sole discretion of the developer. No representation is made by developer as to the rates of property sales in River Rim Ranch.

10. **LOCAL WILDLIFE AND SAFETY.** River Rim Ranch is located in an area with wild animals, steep topography, and plant life that could pose a danger or threat to humans. Special precautions should be taken to protect property, children, family and invitees from risk of injury or death. There are vertical cliffs from which serious injury or death would result from falling and wild animals within the river corridor or migrating through the property with which encounters should be avoided. The Teton River is a natural waterway with swift currents and deep holes, requiring precautions. Homes should be constructed and maintained to consider these and other safety features. Lot purchasers acknowledge the existence of these inherent risk characteristics and further acknowledge the need for special precautions.

11. **AGRICULTURAL ACTIVITIES.** The Farm/Ranch Conservation Unit within the River Rim Ranch PUD has been designed to carry on agricultural activities. Consisting of 374 ± acres, the farm/ranch may carry on limited agricultural operations which may include grain crops, hay crops, natural grasses, potato crops, other grain or row crops and limited grazing of horses, llamas, donkeys, mules or limited cattle for hobby purposes. Similarly, adjacent properties are engaged in commercial agricultural activities. Buyers acknowledge and agree that such activities are protected by the State of Idaho Right to Farm Statute and that such activities are not considered to be a nuisance unless operated improperly or negligently.

12. SALES LITERATURE. As part of River Rim Ranch's literature and as a convenience to buyers, brochures, maps, graphs, diagrams, plans, and other information related to the lot or community have been provided. This information is for general informational purposes only and in no way reflects exact as-built conditions. Please refer to recorded plat maps and other formal representations for specific detailed information concerning your property at River Rim Ranch.

13. PROJECTION OF SCHEDULE, COMMON COSTS AND ESTIMATE OF ASSESSMENTS FOR RIVER RIM RANCH PHASE I - 898.46 ACRES:

- A) River Rim Ranch Phase I Construction Schedule:
- Infrastructure 2004
 - Amenities 2004-2005
- B) River Rim Ranch Owners Association Monthly Assessments:
- Assessments to start January 2006
 - Estimated monthly assessment amount \$85 per month
- C) Overlook Club Monthly Dues:
- Dues to start January 2006
 - Estimated monthly dues - \$95 per month
- D) Utility Costs:
- Residential typical domestic well installation estimate - \$15,000 (+,-)
 - Residential typical septic system installation estimate - \$8,500 (+,-)
 - Irrigation season monthly cost estimated at \$75 per month
 - Teton Telecom (phone): Contact Teton Telecom for the various service options available.
 - Fall River Cooperative (power): Future extension costs vary. Contact Fall River for details.
- E) Committee for Design Review:
- Review fee of plans - \$100

14. FUTURE EXPANSION. Lot purchasers acknowledge the possibility that there will be future phases to River Rim Ranch that may be contiguous or non-contiguous. Trail systems, roadway systems and open space configurations may or may not connect with the initial Phase I (898.46 acres) layout. Lot purchasers acknowledge these possibilities and agree not to contest or oppose future phase expansion plans and subdivision platting procedures by West Rim, LLC.

15. NO ORAL PROMISES OR CONTRACTS. There are no oral promises or representations regarding the home sites, residences, ownership rights, ownership costs, views, future prices or property values, or subdivision amenities by developer or broker. Any promises or representations must be in writing in a Buy-Sell Agreement signed by the seller and buyer.

THIS DISCLOSURE STATEMENT IS MADE A PART OF AND INCORPORATED IN ANY BUY-SELL AGREEMENT EXECUTED BY THE UNDERSIGNED BUYERS.

Prospective Buyer: _____
Date: _____

Prospective Buyer: _____
Date: _____

BROKER'S CERTIFICATION:

I hereby certify that I have made no statements contrary to the above information.

Broker:

Date: