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TETON COUNTY, IDAHO

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**GENERAL INFORMATION DISCLOSURE**  
**WEST RIM AREA HOMESITES RIVER RIM RANCH**  
**TETON VALLEY, IDAHO**  
**November 30, 2006**

River Rim Ranch is a low density Planned Unit Development (PUD) consisting of approximately 5,500 acres located at the north end of Teton Valley, Idaho. River Rim Ranch is a compatible blend of residential uses, recreational amenities, long term agricultural uses and an open space system that protects a two and one half mile stretch of the Teton River and River Canyon environment. The property is being developed in multiple phases. The initial phase consisting of approximately 900 acres was started in 2004 and completed in 2006. A separate General Information Disclosure was prepared for that phase and reference is made to that disclosure for specific information relative to those properties. This General Information Disclosure relates to the West Rim Area Development.

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 is being provided by Rendezvous Engineering of Jackson, Wyoming and AW Engineering of Victor, Idaho. Infrastructure construction is being done by Owen-PC Construction of Victor, Idaho, Fall River Electric Cooperative and Silver Star Communications. The Teton Rim Golf Course is being designed by Greg Norman Golf Course Design Company and fishing amenities are being managed by World Cast Anglers. Sales and marketing efforts are being provided by Teton Springs Realty of Victor, Idaho and Prime Properties of Jackson Hole.

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 the 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 PUD 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 (Potter Clinton Development, Inc.)  
Michael E. Potter, Landscape Architect (Potter Clinton Development, Inc.)

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River Rim Ranch - Division I consists 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 Sports Barn Area. These Properties began construction and development in 2004 and were completed in 2006. There are single family homesites and cabin sites still available for sale in Division I.

Division II consists of some 578 homesites of which the West Rim Area is the first to be developed. The West Rim Area, which is the subject of this disclosure, consists of the following:

Phase I

8	West Rim Ranches
22	West Rim Estates
40	West Rim Cabin Lots
39	Golf Fairway Lots - East
24	Golf Cabin Lots
12	Big Hole Estate Lots
14	Golf Fairway Lots - West
<u>4</u>	Highland Ranch Lots
163	<i>Subtotal Phase I</i>

Phases II, III, IV

25	Big Hole Estate Lots
31	Golf Fairway Lots - West
14	Big Hole Chalet Lots
46	Golf Chalet Lots
45	Golf Chalet Cluster Units
4	Residential Homesites in the West Rim Farm
<u>30</u>	Bed and Breakfast/Residential Condos
195	<i>Subtotal Phase II, III, IV</i>
358	Total West Rim

In addition to the homesites, the West Rim Area contains the West Rim Village and the Teton Rim Golf Village Area and O&M Center.

The Phase I lands of the West Rim Area are being developed beginning in 2006. Phases II through IV will follow with construction beginning in 2007/2008 time period. There are five subsequent neighborhoods in Division II in different areas of the master planned River Rim Ranch Community consisting of 220 additional residential homesites that will be under development as demand dictates through 2011.

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. Amendment I to the 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 - WEST RIM AREA. 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 including Cable TV and high speed internet;
- c. Domestic (potable) water to each lot via a community system;
- d. Community wastewater lines to each lot
- e. Common irrigation water systems and service lines stubbed to each lot;
- f. Fire hydrants for fire protection located at various locations along the main road;
- g. Common area landscape and irrigation;
- h. Common trails and pathways; and
- i. Common fencing.

Each owner will be responsible for extending their utilities from the stubs provided to the lot lines for water, sewer, electrical service, telephone, and irrigation water. Water, sewer and irrigation water will be metered and each lot will be charged according to usage. The charges for water and sewer are estimated to be \$90 - \$100 for properties connected and a standby/availability charge of \$45-\$50 per month for properties not connected. Irrigation charges are expected to be in the \$30 per month range. Actual billing rates will be determined based on budgets to be developed in the future.

Water and Sewer Services will be initially provided by the River Rim Ranch Water and Sewer Company, a private company owned by West Rim, LLC. As soon as practicable, it is the intention to establish the River Rim Ranch Water and Sewer District which will acquire the water and sewer assets and operate on a non profit basis thereafter. The Water and Sewer District will be owned by the property owners of those being served by the District with the objective of achieving the lowest possible rates on a non profit basis.

Electrical service is being provided by Fall River Electrical Cooperative. Telephone, Cable TV and high speed internet service is being provided by Silver Star Communications. 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 building permits 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. TITLE COMMITMENT. 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, has been 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 years from the initial recording of the plat, whichever is first, in order to ensure that things are running smoothly before transition to the owners. Transition can occur earlier. The Home Owners' Association is distinct and separate from the Teton Rim 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 June 30, 2007 when improvements are substantially complete. Fees are estimated at \$100 per month.

7. THE TETON RIM CLUB. Each purchaser is required to become a Full Member in the Teton Rim Club at River Rim Ranch. The Full Member is a unitary class of Membership, which allows the members to choose the level of golf privileges and corresponding dues on an annual basis. Full memberships are attached to the lots and must be transferred when a property is sold. There are a limited number of Founder Members, Corporate Members, Invitational Members, Honorary Members and Company Members in which members do not have to own property at River Rim Ranch. The cost of a full membership is currently \$55,000 which is treated as a membership deposit that is refunded to the member 30 years after the Membership is acquired, or if the Member resigns before 30 years, 100% of the Membership deposit paid, less a 20% transfer fee is refunded upon re-issuance of membership. Company members and current property owners who received memberships without paying any membership deposit will receive 40% of the initial membership deposit paid by the members within 30 days after re-issuance of a resigned membership if prior to conversion to a member owned club. If the club converts to a member owned club, the Company members and current property members who received a membership without paying any membership deposit will receive 40% of the then current membership contribution amount within 30 days after re-issuance of the resigned membership.

The membership documents are being prepared to allow conversion of the Membership deposit program to an equity club owned by the members. If converted, the members will own all of the assets of the club and will be instrumental in operations of the club. The details of conversion to a member owned equity club are currently being determined but it is likely that conversion will not occur until substantially all of the full memberships are sold.

Full Members with The Golf Dues Option are entitled to the use of all Club facilities which include the following planned amenities: the Overlook Lodge, The Fishing Lodge, The Sports Barn and Horseback Riding facilities, common trails and pathways, fishing ponds, trail shelters, Teton River fishing, fitness facility, tennis courts, swimming pool, and spa facilities. All restaurant, bar and grill facilities are accessible in this membership. Members with the Golf Dues Option will also have unlimited use of the Teton Rim Golf Club with no greens fees consisting of an 18 hole championship golf course designed by Greg Norman Golf Course Design Company. The Sports Barn facility will include among other things snowmobiles, ATV's, Mountain Bikes, and Cross County Ski equipment for rent. In addition a licensed outfitter will provide horses and trail rides for a fee. The Teton Rim Club at River Rim Ranch is pleased to be affiliated with World Cast Anglers who will provide and manage all fishing activities at River Rim Ranch. Such activities include guide services on the Teton and all area rivers, instruction, fishing gear, and supplies.

The Full Member with The Sports Dues Option has access to the same facilities as the full member with The Golf Dues Option. The only difference is in the dues structure whereby the sports due option pays a lesser monthly due but must pay for green fees when they play golf. Membership dues are currently estimated as follows:

	<u>Monthly Golf Dues</u>	<u>Monthly Sports Dues</u>
Until opening of Golf Course	\$0	\$0
Upon opening of Golf Course	\$275	\$200
Upon opening of golf club house	\$400	\$300

The Overlook Lodge, river trails and pathways, Teton River fishing and the Division I fishing pond have been completed. The Teton Rim Golf Course is being designed by Greg Norman Golf Course Design and is scheduled to begin construction in 2007. Course construction and grow-in will span a 2-3 year period with all 18 holes being playable in 2010. Proshops for the golf and tennis operations, spa facilities and a clubhouse with locker room, conference space and dining facilities are planned to be constructed in the same general time frame.

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 Ranch. 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. The farm/ranch units 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.

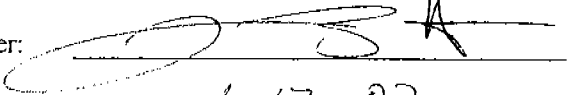
12. **SALES LITERATURE.** As part of River Rim Ranch's literature and as a convenience to buyers, brochures, maps, graphs, diagrams, plans and other information related to the lot or community have been provided. This information is for general informational purposes only and in no way reflects exact 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 WEST RIM AREA.**

- A) River Rim Ranch West Rim Area Construction Schedule:
- Infrastructure begins 2006
  - Golf Course Design 2006
  - Golf Course Construction 2007-2010
- B) River Rim Ranch Owners Association Monthly Assessments: (West Rim Area)
- Assessments to start July 2007
  - Estimated monthly assessment amount \$100 per month
- C) Utility Costs:
- Water/sewer charges
  - \$90-\$100 per month for connected properties
  - \$45-\$50 per month for properties not connected as an availability/standby charge
  - Irrigation season monthly cost estimated at \$50-60 per month
  - Silver Star Communications (phone, cable TV, high speed internet): Contact Silver Star Communications for the various service options available.
  - Fall River Cooperative (power): Future extension costs vary. Contact Fall River for details.

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

Prospective Buyer:



Date:

1-17-07

Prospective Buyer:

\_\_\_\_\_

Date:

\_\_\_\_\_

SALES PERSON CERTIFICATION:

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

Sales Person:

\_\_\_\_\_

Date:

\_\_\_\_\_

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EXHIBIT "D"  
LEGAL DESCRIPTION

The land referred to in the foregoing document, 14 Big Hole Chalets sites and 45 Cluster Chalets in the City of Teton, in Teton County, Idaho, is described more particularly as follows:

Tract C1, Tract C2 and Tract D, River Rim Ranch Division II, according to the official plat thereof on file in the office of the county recorder.