

NOTICE OF GEOHAZARD CONDITIONS

Idarado Legacy, LLC, a Colorado limited liability company ("Idarado") is the current fee simple owner of that certain real property, located in San Miguel County ("Idarado Property"), more particularly described on that attached **Exhibit "A"**. With respect to the Idarado Property, Idarado states as follows:

1. The Property has secured certain land use entitlements, which, together with other documents of record, govern the use and development of the thirty-seven Lots and other Parcels approved in certain resolutions adopted by the San Miguel County Board of County Commissioners, which are listed and described below ("Resolutions"). The Resolutions also establish restrictions, limitations and obligations concerning use and development on said Lots and Parcels and also provides for such other matters as stated therein:
 - a. Resolution #2003-23, recorded in the records of the San Miguel County Clerk and Recorder on July 9, 2003, at Reception No. 358536.
 - b. Resolution #2003-30A, recorded in the records of the San Miguel County Clerk and Recorder on September 22, 2003, at Reception No. 360440, as amended by Resolution dated February 10, 2004 and recorded on February 10, 2004, at Reception No. 364047.
 - c. Resolution #2003-30B, recorded in the records of the San Miguel County Clerk and Recorder on September 22, 2003, at Reception No. 360441 as amended by Resolution dated February 10, 2004 and recorded on February 10, 2004, at Reception No. 364048.
 - d. Resolution #2003-30C, recorded in the records of the San Miguel County Clerk and Recorder on September 22, 2003, at Reception No. 360442.
 - e. Resolution #2003-30D, recorded in the records of the San Miguel County Clerk and Recorder on September 22, 2003, at Reception No. 360443.
2. The Idarado Property, including the Lots and certain of the Parcels, are also subject to and governed by a certain Declaration of Covenants, Conditions and Restrictions ("Idarado CCR's") as may be amended or supplemented, to be recorded in the records of the San Miguel County Clerk and Recorder.
3. The Idarado Property has obtained Final Record Plat approval ("Idarado Record Plat"), consistent with the Resolutions, and was recorded on February 10, 2004 in Plat Book 1, Plat No. 3038, Reception No. 364049, as may be amended or supplemented.
4. Portions of certain Lots may experience certain Geohazard conditions. Development and construction on affected Lots may require special geotechnical engineering and construction practices. The affected Lots are identified and the conditions and requirements are stated in the Resolutions, the Idarado CCR's and the Idarado Record Plat.
5. A purchaser of a Lot should review the Geohazard conditions and the special geotechnical engineering and construction practices stated in the Resolutions, the Idarado CCR's and the

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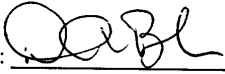
Idarado Record Plat.

- 6. This Notice may only be modified, released or waived by written document, which has been signed by Idarado and recorded.
- 7. This Notice shall be recorded with the San Miguel Clerk and Recorder and shall constitute a covenant, running with the land.

IDARADO:

IDARADO LEGACY, LLC,
a Colorado limited liability company

By: IDARADO MINING COMPANY, Its Manager

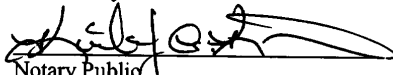
By: 
David A. Baker, President

Date: 02-09-2004

STATE OF COLORADO)
) ss.
COUNTY OF San Miguel)

Acknowledged, subscribed and sworn to before me this 9th day of February, 2004 by David A. Baker, President of Idarado Mining Company, Inc.

Witness my hand and official seal.


Notary Public

My commission expires: 10/16/2006

