

• Phone: • FAX:

COMMITMENT**SCHEDULE A**

Commitment No: JO35349A04-4

1. Commitment Date: May 7, 2004 at 8:00 A.M.

2. Policy or Policies to be issued: Policy Amount

(a) Owners Policy - Proposed Insured: \$ - 0 -

NONE

3. Fee Simple interest in the land described in this Commitment is owned, at the Commitment Date by:

Idarado Legacy, LLC, a Colorado limited liability company

4. The land referred to in this Commitment is described as follows:

Lots L1, L2, L3, L4, L5, L6, L7, L8, L9, P1, P2, P3, P4, P5, P6, P7, P8, P9,
 P10, P11, P12, P13, P14, P15, P16, P17, P18, P19, P20, P21, P22, P23, P24,
 BV1, BV2, BV3 and BV4,
 Association Parcel,
 and East Colorado Tract,
 Idarado Subdivision Exemption Plat and Plan for Cluster Development Lots,
 Subdivision Exemption Plat for Employee Housing Parcel and Subdivision
 Exemption Plat for Association Parcel recorded February 10, 2004 in Plat Book 1
 at page 3238

County of San Miguel,
 State of Colorado.

(for informational purposes only) Idarado

PREMIUM:

Mortgage Policy	\$	9,158.00
Tax Certificate	\$	45.00

06/30/04 08:59:08 kg

NOTICE TO PROSPECTIVE OWNERS
(A STATEMENT MADE AS REQUIRED BY COLORADO
INSURANCE REGULATION)

GAP PROTECTION

When this Company conducts the closing and is responsible for recording or filing the legal documents resulting from the transaction, the Company shall be responsible for all matters which appear on the record prior to such time of recording or filing.

MECHANIC'S LIEN PROTECTION

If you are a buyer of a single family residence you may request mechanic's lien coverage to be issued on your policy of insurance.

If the property being purchased has not been the subject of construction, improvements or repair in the last six months prior to the date of this commitment the requirements will be payment of the appropriate premium and the completion of an Affidavit and Indemnity by the seller.

If the property being purchased was constructed, improved or repaired within six months prior to the date of this commitment the requirements may involve disclosure of certain financial information, payment of premiums, and indemnity, among others.

The general requirements stated above are subject to the revision and approval of the Company.

SPECIAL TAXING DISTRICT NOTICE

(A Notice Given In Conformity With Section 10-11-122 C.R.S.)

The subject land may be located in a special taxing district; a certificate of taxes due listing each taxing jurisdiction shall be obtained from the county treasurer or the county treasurer's authorized agent; and information regarding special districts and the boundaries of such districts may be obtained from the board of county commissioners, the county clerk and recorder, or the county assessor.

PRIVACY PROMISE FOR CUSTOMERS

We will not reveal nonpublic personal customer information to any external non-affiliated organization unless we have been authorized by the customer, or are required by law.

CONSUMER DECLARATION STATEMENT

This Commitment for Title Insurance may include a Schedule B exception reference to recorded evidence that a mineral estate has been severed, leased, or otherwise conveyed from the surface estate. If such a reference is made, there is a substantial likelihood that a third party holds some or all interest in oil, gas, other minerals, or geothermal energy in the property. The referenced mineral estate may include the right to enter and use the property without the surface owner's permission. You may be able to obtain title insurance coverage regarding any such referenced mineral estate severance and its effect upon your ownership. Ask your title company representative for assistance with this issue.

Form No. 1344-B1 (CO-88)
ALTA Plain Language Commitment

SCHEDULE B - Section 1

Order No. JO35349A04-4

Requirements

The following requirements must be met:

- (a) Pay the agreed amounts for the interest in the land and/or for the mortgage to be insured.
 - (b) Pay us the premiums, fees and charges for the policy.
 - (c) Obtain a certificate of taxes due from the county treasurer or the county treasurer's authorized agent.
 - (d) The following documents satisfactory to us must be signed, delivered and recorded:
 - 1. Release of the Deed of Trust from Idarado Mining Company and Idarado Legacy, LLC, to the Public Trustee of San Miguel County for the benefit of Alpine Bank to secure an indebtedness in the principal sum of \$1,000,000.00, and any other amounts and/or obligations secured thereby, dated October 9, 2003 and recorded November 6, 2003 at reception No. 361787.
 - 2. Deed of Trust sufficient to encumber the fee simple estate or interest in the land described or referred to herein for the benefit of the Proposed Insured, Schedule A, Item 2 (a).
 - (e) Evidence that current taxes and assessments have been paid.
- NOTE: This is automatically deleted upon fulfillment.

NOTE: IF THE SALES PRICE OF THE SUBJECT PROPERTY EXCEEDS \$100,000.00 THE SELLER SHALL BE REQUIRED TO COMPLY WITH THE DISCLOSURE OR WITHHOLDING PROVISIONS OF C.R.S. 39-22-604.5 (NONRESIDENT WITHHOLDING).

Form No. 1344-B2 (CO-88)
ALTA Plain Language Commitment

SCHEDULE B - Section 2

Order No. JO35349A04-4

Exceptions

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction:

1. Taxes and Assessments not certified to the Treasurer's Office.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, or claims of easements, not shown by public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, and any facts which a correct survey and inspection of the land would disclose, and which are not shown by the public records.
5. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
6. All taxes and assessments, now or heretofore assessed, due or payable.
7. Any burdens, terms, agreements, provisions, conditions or obligations which affect the subject property pursuant to Civil Action No. 83-C-2385, and any effect thereof.
8. Any rights, interest or easements in favor of the United States, the State of Colorado or the Public, which exists or are claimed to exist in and over the present and past bed, banks or waters of the San Miguel River, Marshall Creek, Gold Run Creek, Royer Creek and Deer Trail Creek.
9. Any water rights or claims or title to water, in, on or under the land together with any flume, pipeline, ditch or easement appertaining thereto.
10. Conditions and Stipulations contained in Patent from the United States recorded December 6, 1887 in Book 52 at page 121, August 11, 1892 in Book 52 at page 138, August 13, 1898 in Book 52 at page 148, June 3, 1889 in Book 52 at page 125, April 24, 1912 in Book 91 at page 124, July 9, 1890 in Book 21 at page 445 and recorded October 29, 1937 in Book 176 at page 119 being set forth therein as follows:
FIRST-that the grant hereby made is restricted in its exterior limits to the boundaries of the said Lot No. 554 as herein described, and to any veins or lodes of quartz or other rock in place bearing gold, silver, cinnabar, lead, tin, copper, or other valuable deposits, which may have been discovered within said limits subsequent to September 27, 1884, and which are not claimed or known to exist at the date hereof.
SECOND-that should any vein or lode of quartz or other rock in place bearing gold, silver, cinnabar, lead, tin, copper, or other valuable deposits, be

--Continued

Form No. 1344-B2 (CO-88)
ALTA Plain Language Commitment

Schedule B - Section 2 continued

Order No. JO35349A04-4

claimed or known to exist within the above described premises at said last named date, the same is expressly excepted and excluded from these presents. THIRD-That the premises hereby conveyed may be entered by the proprietor of any vein or lode of quartz or other rock in place bearing gold, silver, cinnabar, lead, tin, copper, or other valuable deposits, for the purpose of extracting and removing the ore from such vein or lode, should the same, or any part thereof, be found to penetrate, intersect, pass through or dip into the mining ground or premises hereby granted.

FOURTH-That the premises hereby conveyed shall be held subject to any vested and accrued water rights for mining, agricultural, manufacturing or other purposes, and rights to ditches and reservoirs used in connection with such water rights as may be recognized and acknowledged by the local laws, customs and decisions of courts.

FIFTH-That in the absence of necessary legislation by Congress, the Legislature of Colorado may provide rules for working the mining claim or premises hereby granted, involving easements, drainage, and other necessary means to the complete development thereof.

11. Right of Way granted to The Colorado Telephone Company in Deed recorded July 6, 1906 in Book 92 at page 362, and any right, title or interest appertaining thereto as set forth in instrument recorded November 2, 1955 in Book 251 at page 505.
12. Any easement, or right to an easement, created, asserted or perfected in favor of The Mountain States Telephone and Telegraph Company, its successors and/or assigns, by the findings in Civil Action No. 1879, District Court, County of San Miguel, as set forth in instrument recorded November 2, 1955 in Book 251 at page 505.
13. Easement and Right of Way granted to San Miguel County in instrument recorded June 13, 1959 in Book 281 at page 170.
14. Grant of Easement recorded November 21, 1978 in Book 375 at page 157.
15. Terms, agreements, provisions, conditions and obligations of Colorado Department of Transportation State Highway Access Permit recorded June 8, 1992 in Book 493 at page 447.
16. Driveway Easement recorded November 23, 1992 in Book 501 at page 865.
17. Easement Deed recorded January 15, 1993 in Book 504 at page 610 and Easement Deed recorded August 1, 1993 in Book 516 at page 721 and re-recorded September 1, 1993 in Book 516 at page 770.
18. Pipeline Easement 20 feet in width granted to Rocky Mountain Natural Gas in instrument recorded June 11, 1997 in Book 582 at page 532.

CONTINUED

Form No. 1344-B2 (CO-88)
ALTA Plain Language Commitment

Schedule B - Section 2 continued

Order No. JO35349A04-4

19. Any portion of the subject property lying within or being used as Colorado State Highway 145, Colorado Avenue extended or any County Road.
20. Any right, title, claim, demand or interest created or claimed by virtue of Deed to Town of Telluride recorded November 7, 1994 in Book 537 at page 612.
21. Easement and Agreement by and between Idarado Mining Company and San Miguel Power Association, Inc. recorded January 8, 1998 at reception No. 316446.
22. Town of Telluride Revocable License for an Encroachment in a Public Right of Way recorded February 14, 2000 at reception No. 332440.
23. Terms, agreements, provisions, conditions and obligations of 1992 Town of Telluride Idarado Mining Company Settlement Agreement Amendment No. 1 recorded June 15, 1993 in Book 512 at page 449.
24. Easement granted in instrument recorded July 30, 1998 at reception No. 320309.
25. Terms, agreements, provisions, conditions and obligations of Town of Telluride Revocable License for an Encroachment in a Public Right of Way recorded February 14, 2000 at reception No. 332440.
26. Resolution of the Board of County Commissioners of San Miguel County, Colorado Vacating a Portion of the Roadway for County Road K69 and Accepting the Dedication of a New, Relocated, Roadway for County Road K69, Authorizing the Removal of the Vacated Roadway From and the Addition of the Newly Dedicated Roadway to the County Road Maintenance System, Resolution #2001-25, recorded May 4, 2001 at reception No. 341244.
27. Resolution of the Board of Commissioners, San Miguel County, Colorado, Granting a Road Standard Exemption for County Road K69, Resolution 2001-26, recorded May 4, 2001 at reception No. 341245.
28. Public Easements Agreement (Valley Lands Trails and Parking Area) recorded June 28, 2002 at reception No. 350056 as modified by Modification to Public Easements Agreement (Valley Lands Trails and Parking Area) recorded February 10, 2004 at reception No. 364053.
29. Resolution of the Board of County Commissioners of San Miguel County, Colorado concerning the Temporary Closure of a Portion of San Miguel County Road K69, Resolution #2003-19, recorded June 2, 2003 at reception No. 357651.
30. Resolution of the Board of County Commissioners of San Miguel County, Colorado Authorizing the County Planning Department to Process Applications for a Subdivision Exemption/Cluster Development/Rural Land Use Process: 1041 Reviews and Development Permits for Property Owned by Idarado, Resolution #2003-23, recorded July 9, 2003 at reception No. 358536.

CONTINUED

Form No. 1344-B2 (CO-88)
ALTA Plain Language Commitment

Schedule B - Section 2 continued

Order No. JO35349A04-4

31. Resolution of the Board of County Commissioners of San Miguel County, Colorado Approving a 1041 Environmental Hazard Review, Historic and Archaeological Resource Area Review, and Wetland Special Use Permit for Idarado Mining Company and Idarado Legacy, LLC, Resolution 2003-30C recorded September 22, 2003 at reception No. 360442.
32. Resolution of the Board of County Commissioners of San Miguel County, Colorado, Approving Idarado Development Permits for Pandora Mill, Bridal Veil Cottages and Liberty Bell Cottages, Resolution 2003-30D recorded September 22, 2003 at reception No. 360443.
33. Notice of Geohazard Conditions recorded February 10, 2004 at reception No. 364052.
34. Subdivision Improvements Agreement (Idarado Subdivision) recorded February 10, 2004 at reception No. 364051.
35. Easement reserved in Deed recorded February 10, 2004 at reception No. 364044.
36. Easements, notes and other matters shown or disclosed on First Amendment to the Amended and Restated Idarado Project Tract Map recorded February 10, 2004 in Plat Book 1 at page 3233.
37. Resolution of the Board of County Commissioners of San Miguel County, Colorado Amending and Restating Resolution #2003-30B Approving a Subdivision Exemption for and Employee Housing Parcel for Idarado Mining Company and Idarado Legacy, LLC, Resolution #2004-5, recorded February 10, 2004 at reception No. 364048.
38. Resolution of the Board of County Commissioners of San Miguel County, Colorado Amending and Restating Resolution #2003-30A Approving an Application for a Subdivision Exemption Plat and Cluster Development Plan Submitted by the Idarado Mining Company and Idarado Legacy, LLC, Resolution #2004-4, recorded February 10, 2004 at reception No. 364047.
39. Easements, notes and other matters shown or disclosed on Idarado Subdivision Exemption Plat and Plan for Cluster Development Lots, Subdivision Exemption Plat for Employee Housing Parcel and Subdivision Exemption Plat for Association Parcel recorded February 10, 2004 in Plat Book 1 at page 3238.
40. Easements, notes and other matters shown or disclosed on Site Constraints Map for the Idarado Subdivision recorded February 10, 2004 in Plat Book 1 at page 3247.
41. Public Easement Agreement (Bus Turnaround) recorded April 1, 2004 at reception No. 365092.