


From: **TD Smith** td@tdsmith.com 
Subject: Due Diligence Info
Date: October 2, 2019 at 7:07 PM
To: Lara Knoerr lara@exclusivelyrealestate.com

TS

Hi Lara~

See due diligence information, below.

Best,

TD

1. All contracts relating to the operation, maintenance and management of the Property. *There is no contract with Don Lundberg (caretaker), but he charges \$40 / hr. for irrigation and general oversight and \$85 / hr. when using his mini excavator. His annual average annual costs are \$6000 for ranch management (irrigating, minor road work, patrol during hunting season) and ditch cleaning \$1000. Attached are the Pleasant Valley Ditch most recent financials. (Association Dues are \$600 annually per share, so about \$92.82 related to BR). Also included is an attachment entitled "Pleasant Valley Ditch Agreement."*

Below is an explanation by the ditch attorney, Jeff Houpt, as to the PVD fundamentals:

"The Pleasant Valley Ditch Association currently operates as an unincorporated association. Although the ditch owners often refer to themselves as "shareholders" and to their respective interests in the ditch and its water rights as "shares," the ditch is unincorporated and has operated as an unincorporated entity, guided primarily by the attached 1951 agreement among the users of the PV Ditch. The shareholders have considered incorporation and have gone so far as to draft up documents for that purpose, but have never voted to formally incorporate. They work together pretty well based on a single annual meeting and a few active members that take on matters as they arise. As you know, Janie Goldberg keeps track of financial matters and the shareholders assess themselves annually to cover the expenses associated with operation, repair, maintenance of the ditch, legal matters, etc."

2. Property tax bills for the last 5 years. *This property has only been in its present configuration for 2+ years:*

Tax Account Summary

Tax Year	Tax Due	Interest Due	Penalty Due	Misc Due	Lien Due	Lien Interest	Total Due
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Year	Due	Due	Due	Due	Due	Due	Due
2018	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Transaction Details

Tax Year	Type	Effective Date	Amount	Balance
2018	Tax Payment	4/16/19	\$1,085.86	\$0.00
2018	Tax	1/8/19	\$1,085.86	\$0.00
2017	Tax Payment	4/13/18	\$944.80	\$0.00
2017	Tax	1/4/18	\$944.80	\$0.00

The amounts of taxes due on this page are based on **last year's** property value assessments. For current year values visit the [San Miguel County Assessor's site](#).

3. Operating statements for the past 5 years. *There are no operating statements and no income. In addition to the costs stated above, weed spraying averages \$3500 per year.*
4. All insurance policies pertaining to the Property and copies of any claims which have been made for the past 5 years. *The owner has a blanket umbrella policy for multiple properties, so it is difficult to extract a cost specifically for Parcel BR. I have spoken with Clifford Hansen of Insurance of the San Juans and he states that a policy should be no more than \$1000 per year. If your client insures his personal residence through AIG or Chub, it can be added onto that policy for \$50. No claims have been made.*
5. Soils reports, surveys and engineering reports or data pertaining to the Property. *No engineering (unless you consider Bikis water matters in separate Drop Box) or soils reports. Surveys and maps in Drop Box, below.*

<https://www.dropbox.com/sh/tfp9ob391dvqhzu/AA BD6KSzjF0gWwNroE2G6j5Xa?dl=0>

6. Any and all existing documentation and reports regarding Phase I and II environmental reports, letters, test results, advisories, and similar documents respective to the existence or nonexistence of asbestos, PCB transformers, or other toxic hazardous or contaminated substances, and/or underground storage tanks and/or radon gas. If no reports are in Seller's possession or known to Seller, Seller warrants that no such reports are in Seller's possession or known to Seller. *None, except for Phase I Environmental Report, attached.*
7. All permits, licenses and other building or use authorizations issued by any governmental authority with jurisdiction over the Property and written notice of any violation of any such permits, licenses or use authorizations. *None.*
8. Other documents and information: Seller will provide documents that are in the reasonable possession or control of Seller relating to Parcel BR and relating to the following (if any): water rights, such as wells, flowing, ditch, storage, etc. *See Drop Box, below.*

https://www.dropbox.com/sh/2ofht7hd55h2p6k/AAAewFwLw24rOevx0o_i0rv4a?dl=0

<https://www.dropbox.com/sh/j54mask94pnotiu/AAAewFw7OpD0NOc3AicbclZjfa?dl=0>

https://www.dropbox.com/sh/n7as0pg2yywupcs/AAAeu5f_WV8Gk0-9SQEbvkk1a?dl=0

9. Restrictive covenants not shown in the title commitment. *None, unless contained in Conservation Easement (should be of record) or Pleasant Valley Ditch Docs, all included by prior email, or attached.*

10. Building permits, filed or not filed by seller. *None.*

11. Documentation regarding the conservation easement with the Rocky Mountain Elk Foundation on Parcel AR, Parcel BR and Parcel CR. *Previously forwarded.*

12. Reports and other information provided by Seller to the Rocky Mountain Elk Foundation in furtherance of the requirements of the conservation easement. *Annual "Assessment Reports" to follow. New director of ranching operations is out of the office for a few days.*

13. Any appraisals of the Property dated after 1/1/14 if any). *None.*

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PLEASANT
VALLE...018.xls



SOM Ranch
ESA-Fi...07.pdf

(CERTIFIED COPY)

STATE OF COLORADO } ss.
COUNTY OF SAN MIGUEL }

I, GAY CAPPIS County Clerk and Recorder in
and for said County and State, do hereby certify that the within and foregoing is a full, true and correct copy of
JUDGMENT AND DECREE (AGREEMENT)

No. 104367 & 104370 as it appears NE record in my
office in Book 217 at page 450
Witness my hand and official seal at Telluride, Colorado, this 17TH day of APRIL 1997
Issued to WAYNE - MINON HYDROLOGIC
No. 973 Fee 2.25 GAY CAPPIS
County Clerk and Recorder, San Miguel County, Colorado
By William Stephens Deputy.

NO. 104370
AGREEMENT

STATE OF COLORADO, } ss.
County of San Miguel }

Filed for record at 4:50 o'clock
P. M. Dec. 5, 1952 and duly recorded in
Book 217 Page 450.

Sally A. Clark
Recorder

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each share shall represent a one-fifteenth (1/15th) ownership in said ditch and the waters decreed to and carried therethrough, including any undecreed water carried therein.

The respective shares or interests are hereby divided and recognized to be as follows:
P. C. WHITELEY and ALMA WHITELEY six (6) shares; NEAL SNYDER and LORNA SNYDER five (5) shares; HUGHES RANCH, standing in the names of Dan H. Hughes and Mary A. Hughes, three (3) shares, and the Ross 160 acres, now owned by P. C. WHITELEY and ALMA WHITELEY one (1) share.

The parties hereto agree prior to the irrigation season of 1952 to place boxes in said ditch for the purpose of dividing the waters on the above basis, which boxes shall contain permanent dividers and shall be so constructed so as to properly apportion and divide the waters in accordance with the ownerships of the respective owners.

IT IS UNDERSTOOD AND AGREED that the Whitely water shall be taken on the basis of four (4) shares to be taken from the ditch before it reaches the Ross place, and two (2) shares shall be taken below the Hughes Ranch, and that the two division boxes will be all the division boxes used by the said Whiteleys; that there shall be placed one box only for the diversion of water to the Ross place and one box to the Hughes place.

PROVIDED that if the diversions as above set out shall not prove practical, any owner may change the point of diversion but shall not change the amount of water to be taken and shall stand the expense of such change; PROVIDED, FURTHER, that any additional points of diversion shall be based upon permanent dividers in boxes so installed.

AND FURTHER PROVIDED that such divisions are made by permanent boxes, at each owner's expense, and the boxes shall be so built so as to take no more water than herein provided for and are to be set with permanent dividers.

No water shall be taken from said ditch except through permanent boxes with dividers as hereinabove provided for. After the ditch enters the Snyder land an agreement and arrangements as to boxes shall be made between Snyder and Whiteleys and the provisions herein shall apply only after such agreement has been made between them.

The cost of maintenance of said ditch shall be borne in proportion to the shares herein agreed upon.

This agreement shall supersede all previous contracts, agreements and understandings concerning the ownership of said ditch and its waters, and this agreement is based upon the owners' best estimates and understanding of the lands irrigated through the ditch so as to equitably divide the water in accordance with the lands irrigated from said ditch.

DATED at Montrose, Colorado, this 20th day of September, 1951.

Dan H. Hughes Mary A. Hughes Neal E. Snyder Lorna Snyder P. C. Whitely Alma Whitley

