

AIR94AVL

TYPE OF RECORD: PERMANENT

CATEGORY OF RECORD: DEED [GENERAL WARRANTY]

NAME OF AGENCY OR CONTRACTOR: AIRCADIA INVESTMENT
CORPORATION, A COLORADO CORPORATION , BY MARY S.HAHN
[PRESIDENT] AND CHARLES H. BOGGS [SECRETARY]

STREET ADDRESS/PARCEL NAME/SUBDIVISION/PROJECT: LOT
11,12,13,14, AND 15 IN BLOCK 116 OF THE CITY OF GRAND
JUNCTION PARCEL NO. 2945-144-19-002 645 MAIN STREET
AVALON THEATER
CITY DEPARTMENT: 1994

YEAR: NONE

EXPIRATION DATE: NONE

DESTRUCTION DATE:

WARRANTY DEED

1697799 11:49 AM 10/12/94
MONIKA TODD CLK&REC MESA COUNTY CO
DSC EXEMPT

KNOW ALL MEN BY THESE PRESENTS, That AIRCADIA INVESTMENT CORPORATION,
a Colorado corporation, of the County of El Paso and State of Colorado,
for the consideration of One Dollar and other good and valuable
considerations, in hand paid, hereby sell and convey to CITY OF
GRAND JUNCTION, a municipal corporation, of the County of Mesa and
State of Colorado, the following real property situate in the County
of Mesa and State of Colorado, to-wit:

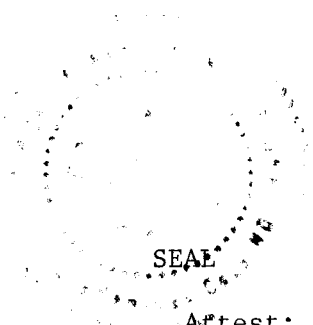
The West 85 feet of Lot 11,12,13,14 and 15 in Block 116
of the CITY OF GRAND JUNCTION,

with all its appurtenances and warrants title to the same, but
excepting and excluding from this conveyance and warranty all
theatre seats now located in the premises, and except the lien
of the 1994 real property tax due and payable in 1995.

SIGNED AND DELIVERED THIS 27th DAY OF SEPTEMBER, 1994.

AIRCADIA INVESTMENT CORPORATION,
a Colorado corporation,

By Mary S. Hahn
Mary S. Hahn, President

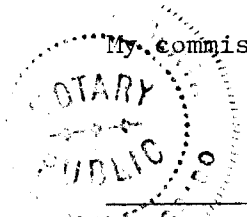


Attest:
Charles H. Baggs
Charles H. Baggs, Secretary

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 27th day
of September, 1994 by Mary S. Hahn as President of AIRCADIA
INVESTMENT CORPORATION, a corporation.
Witness my hand and official seal.

My commission expires October 24, 1997



Rosemary F. Clair
Rosemary F. Clair - Notary Public

Property Address: 645 Main Street, Grand Junction, CO

Tax Schedule No. 2945-144-19-002 - Mesa County, Colorado

Seller's address: P.O.Box 209, Colorado Springs, CO 80901

Purchaser's address: 250 North Fifth Street, Grand Junction, CO
81501-2668

Conceded to Grand Junction, CO

RELEASE OF LEASEHOLD ESTATE

1697800 11:49 AM 10/12/94
MONIKA TODD CLK&REC MESA COUNTY CO

WHEREAS, Notice of Lease recorded November 26, 1984 in Book 1518 at Page 294 of the records of Mesa County, Colorado states that leases existed on three properties in Grand Junction, Colorado, to-wit:

- (1) Mesa Theatre, 538 Main Street: Lots 23 and 24 in Block 104 of the City of Grand Junction; and,
- (2) Cooper Theatre, 645 Main Street: The West 85 feet of Lots 11,12,13,14 and 15 in Block 116 in the City of Grand Junction; and,
- (3) Chief Drive In Theatre, 2868 North Avenue, Grand Junction, Colorado: Portions of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ and of the S $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 7, Township 1 South, Range 1 East, U.M.,

all in Mesa County, Colorado, and

Whereas, the leasehold estates created by said leases were, by mesne assignments, transferred to United Artists Realty Company, and

Whereas, the primary term of said leases expired December 31, 1989 and the options to extend said leases were not exercised by United Artists Realty Company and possession of the properties was surrendered to the owner, Aircadia Investment Corporation, effective January 1, 1990,

NOW, THEREFORE, in order that the public records of Mesa County, Colorado reflect the termination of said leases, United Artists Realty Company hereby remises and releases all its right, title and interest in and to said properties under and by virtue of said leases.

Dated this 18th day of July, 1994

UNITED ARTISTS REALTY COMPANY, a Delaware corporation

By Dennis R. Daniels

SEAL

Attest: R. E. Hardy



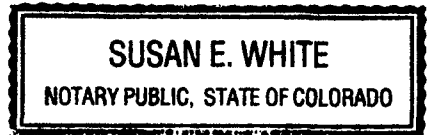
State of Colorado)
) ss
County of Arapahoe)

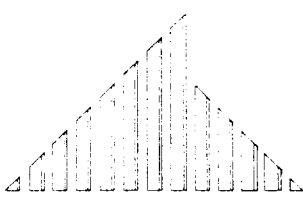
The foregoing instrument was acknowledged before me this 18th day of July, 1994 by Dennis R. Daniels as Executive Vice President and by Ralph E. Hardy as Secretary of United Artists Realty Company, a Delaware corporation

Susan E. White
Notary Public

SEAL

My Commission expires: April 27, 1996





ABSTRACT & TITLE CO.
OF MESA COUNTY, INC.

205 N. 4th Street, P.O. Box 3738, Grand Junction, Colorado 81502

303/242-8234

FAX 303/241-4925

*“Serving You, and Mesa County
Since 1907”*

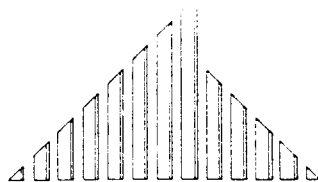
ABSTRACT & TITLE CO.
OF MESA COUNTY, INC.

J. Dale Williams – PRESIDENT

Scott D. Williams – VICE-PRESIDENT

Issuing Agent for:

TRANSAMERICA
TITLE INSURANCE COMPANY



ABSTRACT & TITLE CO. OF MESA COUNTY, INC.

205 N. 4th Street, P.O. Box 3738, Grand Junction, Colorado 81502 303/242-8234 FAX 303/241-4925

Issuing Agent for:

TRANSAMERICA
TITLE INSURANCE COMPANY

[Aircadia Investment Corporation P. O. Box 209 Colorado Springs, CO 80901 L Attention: William Mitchell	[<table border="0"> <tr> <td></td> <td style="text-align: center;">AMOUNT</td> <td style="text-align: center;">PREMIUM</td> </tr> <tr> <td>OWNER</td> <td style="text-align: right;">\$ 200,000.00</td> <td style="text-align: right;">\$ 625.00</td> </tr> <tr> <td>MORTGAGE</td> <td style="text-align: right;">\$ _____</td> <td style="text-align: right;">\$ _____</td> </tr> <tr> <td>COST OF TAX CERTIFICATE</td> <td style="text-align: right;">\$ 10.00</td> <td style="text-align: right;">\$ _____</td> </tr> <tr> <td></td> <td style="text-align: right;">\$ _____</td> <td style="text-align: right;">\$ _____</td> </tr> <tr> <td></td> <td style="text-align: right;">\$ _____</td> <td style="text-align: right;">\$ _____</td> </tr> <tr> <td></td> <td style="text-align: right;">\$ _____</td> <td style="text-align: right;">\$ _____</td> </tr> </table>		AMOUNT	PREMIUM	OWNER	\$ 200,000.00	\$ 625.00	MORTGAGE	\$ _____	\$ _____	COST OF TAX CERTIFICATE	\$ 10.00	\$ _____		\$ _____	\$ _____		\$ _____	\$ _____		\$ _____	\$ _____]
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	\$ _____	\$ _____																						
	\$ _____	\$ _____																						
	\$ _____	\$ _____																						

Your Reference City of Grand Junction

CC's To: (1) Pat Gormley
(1) Dan Wilson
(1) Escrow

No. 895191 C

Tax Schedule No. 2945-144-19-002

Property Address 645 Main Street, Grand Junction, CO

— COMMITMENT TO INSURE —

Transamerica Title Insurance Company, a California corporation, herein called the Company, for a valuable consideration, hereby commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the proposed insured named in Schedule A, as owner or mortgagee of the estate or interest covered hereby in the land described or referred to in Schedule A, upon payment of the premiums and charges therefor; all subject to the provisions of Schedules A and B and to the conditions and stipulations shown on the reverse side.

Customer Contact: Jeanice A. Swank
Phone: (303) 242-8234

By *J. Mitchell*
AUTHORIZED SIGNATURE

The effective date of this commitment is June 17, 19 94 at 7:00 A.M.
At which time fee title was vested in:

AIRCADIA INVESTMENT CORPORATION, a Colorado corporation

SCHEDULE A

1. Policies to be issued:
(A) Owners':

CITY OF GRAND JUNCTION, A MUNICIPAL CORPORATION

(B) Mortgagee's:

SCHEDULE A—Continued

2. Covering the Land in the State of Colorado, County of Mesa
Described as:

The West 85 feet of Lots 11, 12, 13, 14 and 15 in Block 116
of the CITY OF GRAND JUNCTION.

SCHEDULE A—Continued

REQUIREMENTS

3. The following are the requirements to be complied with prior to the issuance of said policy or policies. Any other instrument recorded subsequent to the date hereof may appear as an exception under Schedule B of the policy to be issued. Unless otherwise noted, all documents must be recorded in the office of clerk and recorder of the county in which said property is located.
 - A. Release of Leasehold Estate as described in Notice of Lease recorded November 26, 1984 in Book 1518 at Page 294, a copy of which is attached hereto. Leasehold interest assigned by Westland Theatres, Inc. to Commonwealth Westland Theatres, Inc. by Assignment recorded December 4, 1984 in Book 1519 at Page 346. Said Leasehold assigned by Commonwealth Westland Theatres, Inc. to United Artists Realty Company by Assignment recorded October 19, 1988 in Book 1715 at Page 75.
 - B Deed from : Aircadia Investment Corporation, a Colorado corporation
to : City of Grand Junction, a Municipal corporation

SCHEDULE B

THE POLICY OR POLICIES TO BE ISSUED HEREUNDER WILL NOT INSURE AGAINST:

1. Rights or claims of parties in possession not shown by the public records.
2. Easements, or claims of easements, not shown by the public records.
3. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, and any facts which a correct survey and inspection of the premises would disclose and which are not shown by the public records.
4. 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.
5. Taxes due and payable; and any tax, special assessments, charge or lien imposed for water or sewer service, or for any other special taxing district.

Notice is hereby given that there are in existence, at the date hereof, leases between Aircadia Investment Corporation as lessor, and Westland Theatres, Inc., as lessee, relating to the properties hereinafter described; each of said leases bear expiration dates of December 31, 1989 and each contains provisions for options to extend, on terms set forth therein. Further, the lease covering the Cooper Theatre, as hereinafter described, contains a provision for cancellation under conditions set forth therein. All of the terms and conditions of said leases are incorporated herein by reference and make a part hereof.

The leased premises are described as follows:

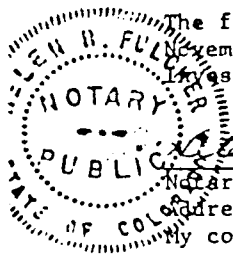
- (1) Mesa Theatre, 558 Main Street, Grand Junction, Colorado. Lots 23 and 24 in Block 104 of the original Plot of Grand Junction, Mesa County Colorado.
- (2) Cooper Theatre, 645 Main Street, Grand Junction, Colorado. The West 85 feet of Lots 11, 12, 13, 14, and 15 in Block 116 of the Original Plot of Grand Junction, Mesa County, Colorado.
- (3) Chief Drive In Theatre, 2868 North Avenue, Grand Junction, Colorado. The Southeast quarter of the Southwest quarter of the Southeast quarter and the South half of the Northeast quarter of the Southwest quarter, Southeast quarter, Section 7, Township 1 South, Range 1 East, U. M. in Mesa County, Colorado except the West 130 feet of the Southeast quarter of the Southwest quarter of the Southeast quarter and the West 130 feet of the South half of the Northeast quarter of the Southwest quarter of the Southeast quarter all in Section 7, Township 1 South, Range 1 East U. M., excepting also therefrom a tract of land in the Southeast corner thereof described as follows, to-wit: Commencing at the Southeast corner of the Southeast quarter of the Southwest quarter of the Southeast quarter running thence West along said South Section line of Section 7 a distance of 350 feet; thence North at right angles 380 feet; thence East parallel with the first course 350 feet; thence South parallel with the second course 380 feet to the point of beginning.

Dated at Colorado Springs, Colorado this first day of November 1983

State of Colorado
County of El Paso

AIRCADIA INVESTMENT CORPORATION
William L. Mitchell
William L. Mitchell, Vice-President

The foregoing instrument was acknowledged before me this first day of November, 1983, by William L. Mitchell, Vice President of Aircadia Investment Corporation, a Colorado Corporation.



Glen R. Fullmer
Notary Public
Address: 1029 LaSalle Street, Colorado Springs, CO 80907
My commission expires: July 5, 1984

TREASURER'S CERTIFICATE OF TAXES DUE

Date: 06/24/94

Certificate No: 34412

CITY OF COLORADO
COUNTY OF MESA

I, the undersigned do hereby certify that the entire amount of taxes and assessments due upon the parcels of real estate described below, and all sales of the same for unpaid taxes or assessments shown by the books in my office, from which the same may still be redeemed, with the amount required for redemption, are as noted herein:

File Co	: ABSTRACT & TITLE	Order #:	895191	---
Order	: AIRCADIA	Buyer	: CITY OF GJ	
Order	:	Ordered:	GOW	
Year	: 93			
Module #:	2945-144-19-002			

Description:
W 85FT OF LOTS 11 TO 15 INC BLK 116 GRAND JUNCTION

Real Estate Tax Amounts Paid:		
93 REAL	\$	8,684.54

Total Due	\$	0.00
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BEFORE PAYING TOTAL DUE, PLEASE CALL FOR UPDATED FIGURES
IF PENALTY IS DUE OR IF THERE ARE OUTSTANDING TAX SALES


--- Continued ---

15-144-19-002

Charges Distribution for Taxing Year '93:

Description	Rate	Amount	Description	Rate	Amount
sa County	17.9913	1684.89			
Co. River	0.3366	31.52			
Drainage	2.7924	261.51			
	4.2710	399.98			
Y Tax Inc	13.5204	1266.19			
and Jct	6.8942	645.64			
rary	2.4003	224.79			
il Bonds	5.6548	529.57			
n Dst 51	34.8941	3267.83			
cial Svcs	3.9789	372.62			
			Totals ----->	92.7340	8684.54

NA M. HARRISON
sa County Treasurer



CERTIFIED DATE

June 24, 1994

PURSUANT TO SENATE BILL 91-14 (CRS 10-11-122) NOTICE IS HEREBY GIVEN THAT:

- (a) THE SUBJECT REAL PROPERTY MAY BE LOCATED IN A SPECIAL TAXING DISTRICT;
- (b) A CERTIFICATE OF TAXES DUE LISTING EACH TAXING JURISDICTION SHALL BE OBTAINED FROM THE COUNTY TREASURER OR THE COUNTY TREASURER'S AUTHORIZED AGENT;
- (c) 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.

NOTE:

A TAX CERTIFICATE WILL BE ORDERED FROM THE COUNTY TREASURER BY THE COMPANY AND THE COSTS THEREOF CHARGED TO THE PROPOSED INSURED UNLESS WRITTEN INSTRUCTIONS TO THE CONTRARY ARE RECEIVED BY THE COMPANY PRIOR TO THE ISSUANCE OF THE TITLE POLICY ANTICIPATED BY THIS COMMITMENT.

TRANSAMERICA TITLE INSURANCE

NOTICE TO PROSPECTIVE INSURED OWNER:

Re: Mechanic's Lien and Gap Protection

This is to advise that Transamerica Title Insurance Company makes available to its prospective insured owners, in conjunction with their Transamerica Title Insurance policy covering a single family residence, including a condominium or townhouse unit, protection against mechanic's liens. This protection is not automatic nor given in all cases, but is subject to the Company's underwriting requirements, and does not cover those liens which arise out of work contracted for or entered into at the request of the insured owner.

These underwriting requirements include, but may not be limited to, the following:

1. Receipt by the Company of agreement(s) indemnifying it for any loss resulting from its granting of lien protection, executed by the seller, contractor or others who might have incurred debts which could result in mechanic's liens;
2. Information concerning the solvency and whereabouts of the parties set forth in item No. 1, possibly including financial statements;
3. Evidence of payment of any bills which might have been incurred for work done on the property, depending upon the length of time elapsed since the last work was completed and what remains to be done;
4. In the event of extensive recent construction, whether on all of the improvements upon the property or not, additional items required may include: (a) the Company's review of the owner's and/or builder's history relative to construction projects previously completed or presently under construction; (b) review of the construction loan agreement, if applicable; (c) review of any performance or materialmen's bonds concerning this construction, if applicable; (d) payment of the appropriate charge for mechanic's lien protection during construction, if applicable.

This is also to advise that, pursuant to Regulation of the Colorado Insurance Commissioner, every title entity shall be responsible for all matters which appear of record prior to the time of recording, and subsequent to the effective date of the commitment, whenever the title entity conducts the closing and is responsible for recording or filing of legal documents resulting from the transaction which was closed. This does not include those matters created, suffered, assumed or agreed to by the insured. The prospective insured is advised to inquire of the closing entity as to whether it is an office of Transamerica, or is an independent agent which will be the responsible entity relative to the closing only.

ABSTRACT & TITLE CO.
OF MESA COUNTY, INC.

Issuing Agent For:
TRANSAMERICA
TITLE INSURANCE COMPANY

December 19, 1994

City of Grand Junction
ATTN: Dan Wilson
P. O. Box 1809
Grand Junction, CO 81502

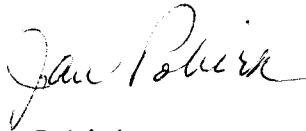
copy
To TIMW
original to
steph N
for permanent
12/20/94
CR
DEC 20 1994
RE: JOB NO. 895191

Please find attached the Owners Policy on the property you purchased in October, 1994 . This should be kept with your permanent records.

We have a history of your property now on file in our office and if, sometime in the future, you want to obtain a loan or possibly sell your property, we would be able to give you quick and accurate service.

Thank you for the opportunity to serve you.

Sincerely,



Jan Pobirk
Policy Dept.

205 N. 4th Street
P.O. Box 3738
Grand Junction, CO 81502
303/242-8234
FAX 303/241-4925

ISSUED BY
**TRANSAMERICA
TITLE INSURANCE COMPANY**

POLICY NUMBER
144-151872

OWNER'S POLICY OF TITLE INSURANCE

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, TRANSAMERICA TITLE INSURANCE COMPANY, a California corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

IN WITNESS WHEREOF, TRANSAMERICA TITLE INSURANCE COMPANY has caused its corporate name and seal to be hereunto affixed by its duly authorized officers, the Policy to become valid when countersigned by an authorized officer or agent of the Company.

TRANSAMERICA TITLE INSURANCE COMPANY

By: *Jeanice A. Swank*
Authorized Countersignature



By:

[Signature]

President

Attest:

James J. D. Lynch, Jr.

Secretary

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS.

The following terms when used in this policy mean:

(a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors.

(b) "insured claimant": an insured claiming loss or damage.

(c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.

(d) "land": the land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.

(e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(f) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Section 1(a) (iv) of the Exclusions From Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.

(g) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE.

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE.

(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action which allege matters not insured against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. PROOF OF LOSS OR DAMAGE.

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgement of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph shall terminate any liability of the Company under this policy as to that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY.

In case of a claim under this policy, the Company shall have the following options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs (b)(i) or (ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

Conditions and Stipulations Continued Inside Cover

SCHEDULE A

Policy No. 144-151872

Amount of Insurance \$ 200,000.00

Order No. 895191

Date of Policy October 12, 1994 at 11:50 A.M.

Sheet 1 of 3

1. Name of Insured:

CITY OF GRAND JUNCTION, a municipal corporation

2. The estate or interest in the land described herein and which is covered by this policy is:

IN FEE SIMPLE

3. The estate or interest referred to herein is at Date of Policy vested in:

CITY OF GRAND JUNCTION , a municipal corporation

Policy No. 144-151872
Order No. 895191

SCHEDULE A—Continued

The land referred to in this policy is situated in the State of Colorado, County of
Mesa , and is described as follows:

The West 85 feet of Lots 11, 12, 13, 14 and 15 in Block 116
of the CITY OF GRAND JUNCTION

SCHEDULE B

EXCEPTIONS FROM COVERAGE

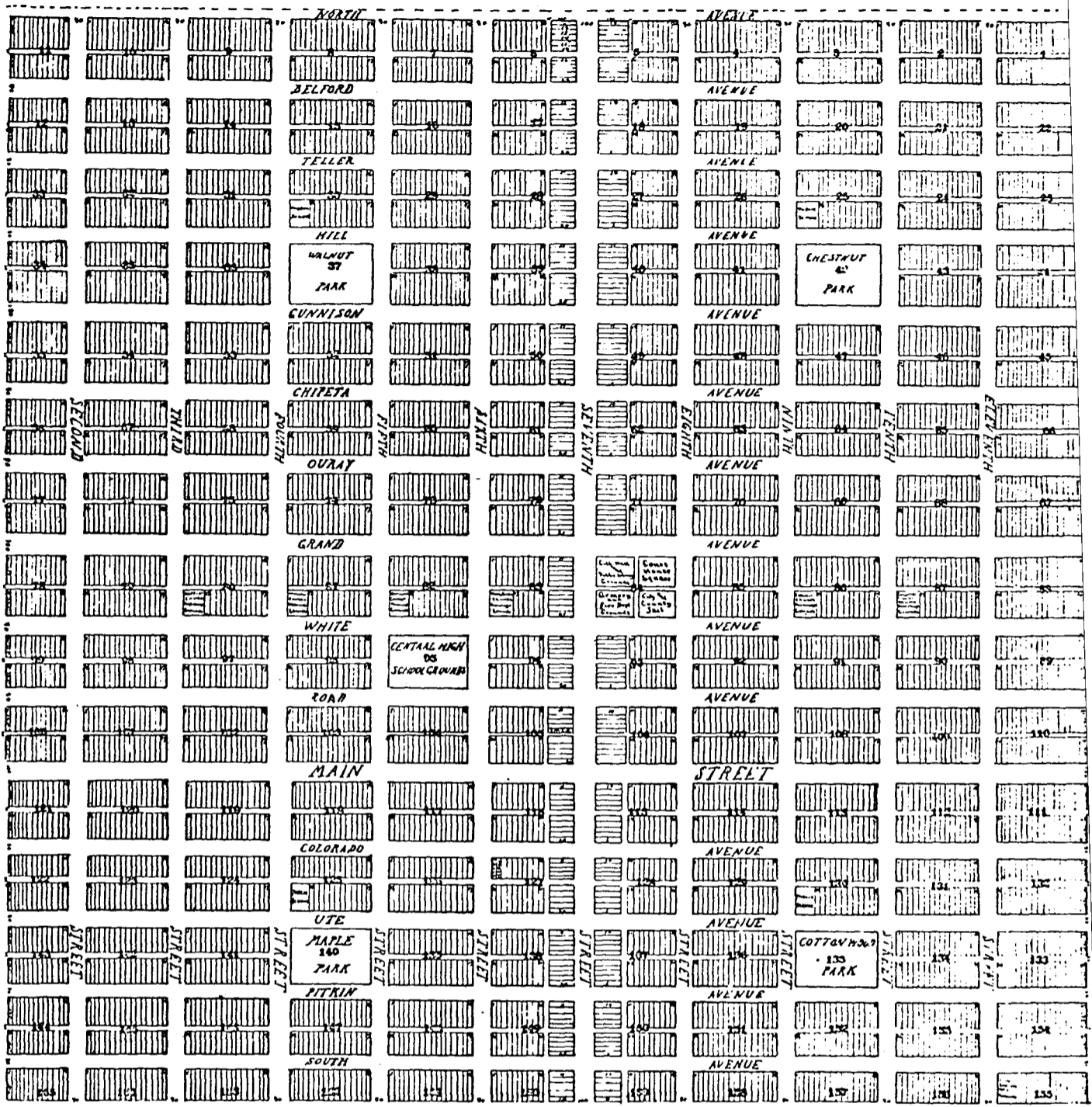
This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Rights or claims of parties in possession not shown by the public records.
2. Easements, or claims of easements, not shown by the public records.
3. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, and any facts which a correct survey and inspection of the premises would disclose and which are not shown by the public records.
4. 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.
5. Taxes due and payable; and any tax, special assessments, charge or lien imposed for water or sewer service, or for any other special taxing district.

None

PLAT OF THE TOWN OF
WEST  EAST 
GRAND JUNCTION

Mesa County, Colorado



Grand and Gunnison Avenues and Main and Seventh streets are 100 feet wide. All others are 80 feet except on the East, North and West which are half streets. All alleys are 20 feet wide and run East and West except those running North and South in the rear of Seventh street from Block 6 to 160 and Block 5 to 159, which are 15 feet wide.

(Continued)

7. DETERMINATION, EXTENT OF LIABILITY AND COINSURANCE.

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A; or,

(ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) In the event the Amount of Insurance stated in Schedule A at the Date of Policy is less than 80 percent of the value of the insured estate or interest or the full consideration paid for the land, whichever is less, or if subsequent to the Date of Policy an improvement is erected on the land which increases the value of the insured estate or interest by at least 20 percent over the Amount of Insurance stated in Schedule A, then this Policy is subject to the following:

(i) where no subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that the amount of insurance at Date of Policy bears to the total value of the insured estate or interest at Date of Policy; or

(ii) where a subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that 120 percent of the Amount of Insurance stated in Schedule A bears to the sum of the Amount of Insurance stated in Schedule A and the amount expended for the improvement.

The provisions of this paragraph shall not apply to costs, attorneys' fees and expenses for which the Company is liable under this policy, and shall only apply to that portion of any loss which exceeds, in the aggregate, 10 percent of the Amount of Insurance stated in Schedule A.

(c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. APPORTIONMENT.

If the land described in Schedule A consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

9. LIMITATION OF LIABILITY.

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.

11. LIABILITY NONCUMULATIVE.

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

12. PAYMENT OF LOSS.

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

13. SUBROGATION UPON PAYMENT OR SETTLEMENT.

(a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to these rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(b) The Company's Rights Against Non-insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

14. ARBITRATION

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

16. SEVERABILITY.

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

17. NOTICES, WHERE SENT.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to TRANSAMERICA TITLE INSURANCE COMPANY, 44 Montgomery Street, Suite 3450, San Francisco, CA 94104.