

LON9324R

TYPE OF RECORD: PERMANENT

CATEGORY OF RECORD: DEED [GENERAL WARRANTY]

NAME OF AGENCY OR CONTRACTOR: LEONARD LONG AND PALLAS V.  
BRONDEL BY: LEONARD LONG, INDIVIDUALLY, AND AS ATTORNEY-IN-  
FACT FOR PALLAS V. BRONDEL

STREET ADDRESS/PARCEL NAME/SUBDIVISION/PROJECT: 727 - 24  
ROAD LOTS PART OF 28,29,30, 31, AND 32 ALL IN POMONA PARK,  
RIGHT-OF-WAY

CITY DEPARTMENT: PARKS AND RECREATION

YEAR: 1993

EXPIRATION DATE: NONE

DESTRUCTION DATE: NONE

**WARRANTY DEED**

Grantor(s),

LEONARD LONG AND PALLAS V. BRONDEL,

whose address is c/o Leonard Long, 726 - 24 Road, Grand

Junction, 81505 \*County of Mesa, State of

Colorado, for the consideration of  
THREE HUNDRED SEVENTY FIVE THOUSAND AND NO/100-----  
(\$375,000.00)----- dollars, in hand paid, hereby sell(s)

**BOOK 2032 PAGE 625**

1664010 03:19 PM 12/10/93  
MONIKA TODD CLK&REC MESA COUNTY CO  
DOC EXEMPT

and convey(s) to THE CITY OF GRAND JUNCTION, A MUNICIPAL CORPORATION,

whose legal address is 250 North 5th Street, Grand Junction, Colorado 81501

County of Mesa, and State of Colorado

the following real property in the County of Mesa, and State of

Colorado, to wit:

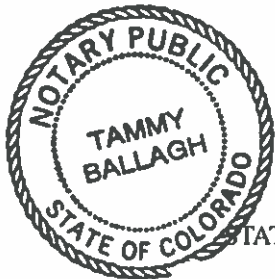
Lots 29, 30, 31, and 32 and that part of Lot 28 which lies West of the Wash which cuts said Lot 28, all in Pomona Park, EXCEPT that part conveyed to Colorado Department of Highways by instrument recorded December 26, 1963 in Book 861 at Page 279, AND EXCEPT Beginning at the Southwest corner of Lot 31 of the Pomona Park and running thence North along the West boundary of said Lot 31 a distance of 145.80 feet, thence East 258.00 feet, thence South 145.80 feet to the South boundary of Lot 31, thence West 258.00 feet to the point of beginning, ALL IN MESA COUNTY, COLORADO

Together with any and all water, water rights, ditches and ditch rights-of-way thereunto appertaining and/or used in connection therewith

also known by street and number as 728 - 24 Road, Grand Junction, Colorado 81505

with all its appurtenances, and warrant(s) the title to the same, subject to: Please See Attached Exhibit A.

Signed this 8th day of December, 19 93



Leonard Long  
Leonard Long, Individually, and as  
Attorney-in-Fact for Pallas V. Brondel

STATE OF COLORADO,  
County of Mesa } ss.

The foregoing instrument was acknowledged before me this 8th day of December, 19 93, by Leonard Long, Individually, and as Attorney-in-Fact for Pallas V. Brondel.

My commission expires February 2, 1994. Witness my hand and official seal.

Tammy Ballagh  
Notary Public

\*If in Denver, insert "City and".

Name and Address of Person Creating Newly Created Legal Description (§ 38-35-106.5, C.R.S.)

No. \_\_\_\_\_

# WARRANTY DEED

TO

STATE OF COLORADO,

County of \_\_\_\_\_

} ss.

I hereby certify that this instrument was filed for record in my

office this \_\_\_\_\_ day of

\_\_\_\_\_, 19 \_\_\_\_\_

at \_\_\_\_\_ o'clock \_\_\_\_\_ M., and duly recorded

in Book \_\_\_\_\_, Page \_\_\_\_\_.

Film No. \_\_\_\_\_ Reception No. \_\_\_\_\_

Recorder

By \_\_\_\_\_  
Deputy

Fees, \$ \_\_\_\_\_

250 North 5th Street  
Grand Junction, Colorado 81501

BRADFORD PUBLISHING CO.

ATTENTION DAN WILSON  
CITY ATTORNEY



Reservation, as set forth in United States Patent recorded September 9, 1890 in Book 11 at Page 50 as follows: "Herein described property subject to the right of the proprietor of a vein or lode to extract and remove his ore therefrom should the same be found to intersect said premises."

Easement and/or Right of Way granted to Grand Junction and Grand River Railway Company across herein described property as set forth by instrument recorded April 21, 1910 in Book 125 at Page 419.

Each and every right or rights of access to and from any part of the right of way, for Interstate 70, from and to any part of the property, as granted to The Department of Highways, State of Colorado, by the Deed from Leonard Long and Pallas V. Long, recorded December 26, 1963 in Book 861 at Page 279 and 282.

Taxes for the year 1993 a lien, but not yet due or payable.

**AGREEMENT FOR  
RIGHT OF FIRST REFUSAL**

THIS RIGHT OF FIRST REFUSAL AGREEMENT dated December 8, 1993, between Leonard Long (the "Owner"), and the City of Grand Junction (the "City").

Owner is the owner of the tract of land located in Mesa County, Colorado, more particularly described on Exhibit A attached hereto (the "Property"), which description is incorporated herein by reference.

The Owner desires to grant to the City, for a period of 50 years beginning on the date hereof and expiring on the twentieth anniversary of the date hereof, a right of first refusal to purchase the Property on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) in hand paid by the City to the Owner and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. If, during the period fifty (50) years after the date of this Agreement, the Owner shall desire to offer to sell the Property or any part thereof, or shall receive from a third party a bona fide offer to purchase the Property or any part thereof which the Owner desires to accept, the Owner, before making or accepting the offer, as the case may be, shall send the City two copies of a contract for the sale of the Property embodying the terms of the offer, both copies of which shall have been executed by the Owner, together with a written notification from the Owner of Owner's intention to make or accept the offer embodied in the contract, as the case may be, if the offer is not accepted by the City. The City shall have the right, within twenty (20) days of the receipt of the contract and the written notice, to purchase the Property or such part thereof on the terms and conditions set forth in the contract. In the event the City elects to accept the offer embodied in the contract, the City must do so by executing one copy of the contract and returning it to the Owner within the twenty (20) day period.

2. If the City does not accept the offer embodied in the contract within the twenty (20) day period provided in paragraph 1 hereof, then the offer embodied in the contract shall be deemed withdrawn and the Owner shall be free for a period of six (6) months from the expiration of the twenty (20) day period to sell or offer to sell the Property to third parties on terms not less favorable to the Owner than those set forth in the contract and thereby clear of this Right of First Refusal. In the event the

Property is not sold to a third party within the six (6) month period, then any further offer to sell or to purchase the Property or any part thereof must first be submitted to the City in accordance with the provisions of paragraph 1.

3. In the event the Owner shall, during the aforesaid six (6) month period (or during a subsequent six (6) month period as in this paragraph 3 provided), decide to revise the terms of its offer so that the Property or any part thereof shall be offered for sale upon terms less favorable to the Owner than those contained in any contract previously submitted to the City, or shall receive from a third party a bona fide offer to purchase the Property or any part thereof on less favorable terms, which offer the Owner is willing to accept (such less favorable terms being hereinafter referred to as a "New Offer"), then the Owner shall, with respect to each such New Offer, before offering the Property or such part thereof for sale to others on the terms embodied in the New Offer, or accepting the New Offer, as the case may be, offer to sell the Property or such part thereof to the City on the terms contained in the then current New Offer. The terms of the New Offer shall be embodied in a new contract for the sale of the Property or such part thereof, which shall be submitted to the City in accordance with the requirements of paragraph 1 above. If the City shall not accept the New Offer within twenty (20) days after the receipt of the new contract and the written notice referred to in paragraph 1 above, then the Owner shall be free for a period of six (6) months from the expiration of the sixty (60) day period to sell or offer to sell the Property or such part thereof to third parties on terms not less favorable to the Owner than those contained in the New Offer free and clear of this Right of First Refusal; provided, however, that in the event the Property or such part thereof is not sold to a third party within the six (6) month period, then any further offers with respect to the Property or any part thereof must be submitted to the City in accordance with the provisions of paragraph 1.

4. This Agreement shall not apply to any conveyance or transfer by gift, devise, inheritance or otherwise to Owner's issue or other members of his family, which shall mean Owner's issue, Owner's brothers and sisters and their issue. This Agreement shall be subordinate and junior to the legal operation and effect of any present or future mortgage or deed of trust which is now or hereafter becomes a lien on the Property.

5. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors and assigns.

6. All notices pursuant to this Agreement shall be deemed given when personally delivered to the party to whom it is directed during business hours on a business day or in lieu of personal delivery on the second business day after the same is deposited in the United States mail, postage prepaid, sent certified mail, return receipt requested, addressed as follows: if to Owner, to 726 24 Road, Grand Junction, Colorado, 81505; if to City, to: 250 N. 5th Street, Grand Junction, Colorado, 81501.

Either party may change his or its address for the purposes of this section by giving notice of the changed address to the other party in the manner provided for above.

IN WITNESS WHEREOF the parties executed this Agreement and affixed their seals as of the date and year first above written.

Leonard Long  
 Leonard Long, Owner

ATTEST:

CITY OF GRAND JUNCTION

By \_\_\_\_\_  
 Title: Clerk

By Mark K. Achen  
 Title: City Manager

STATE OF COLORADO )  
 ) ss.  
 COUNTY OF MESA )

The foregoing instrument was acknowledged before me this 22<sup>nd</sup> day of September, 1993, by Leonard Long

WITNESS my hand and official seal.  
 My commission expires: 7-11-95

Diane Y. Derush  
 Notary Public  
 STATE OF COLORADO

STATE OF COLORADO )  
 ) ss.  
 COUNTY OF MESA )

The foregoing instrument was acknowledged before me this 8<sup>th</sup> day of December, 1993, by Mark K. Achen as City Manager, and by Stephanie Nye as Clerk of the City of Grand Junction.

WITNESS my hand and official seal.  
 My commission expires: 10-26-96

Mildred B. Fowler  
 Notary Public

STATE OF COLORADO  
 PUBLIC  
 MILDRED B. FOWLER  
 NOTARY PUBLIC

**LEGAL DESCRIPTION**

Beginning at the Southwest corner of Lot 31 and running thence North along the West boundary of said Lot 31, a distance of 145.80 feet;  
thence East 258.00 feet;  
thence South 145.80 feet to the South boundary of Lot 31;  
thence West 258.00 feet to the point of beginning.

ALL in POMONA PARK, MESA COUNTY, COLORADO



Original in Grand Valley Irrigation Co. file water shares

Long Property

NUMBER

28362

SHARES

-103-

INCORPORATED UNDER THE LAWS OF THE STATE OF COLORADO

# THE GRAND VALLEY IRRIGATION COMPANY

THE SAID SHARES OF THIS COMPANY ARE ASSESSABLE UNDER ITS BY LAWS BY THE BOARD OF DIRECTORS

CAPITAL STOCK, \$240,000 48,000 SHARES, \$5.00 EACH

**This Certifies that**

City of Grand Junction, A Municipal Corporation *is the owner of*  
----- one hundred three----- *Shares of the Capital Stock of*

THE GRAND VALLEY IRRIGATION COMPANY, Full Paid and Assessable

*transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed*

IN WITNESS WHEREOF, *the said Corporation has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed*  
*this* 3rd *day of* January *A.D.* 1994

*J. A. ...*  
SECRETARY

*R. A. ...*  
PRESIDENT

SHARES

5.00

EACH



AMERICAN LAND TITLE ASSOCIATION  
OWNER'S POLICY  
(4-6-90)

06 0010 60 2083

CHICAGO TITLE INSURANCE COMPANY

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, CHICAGO TITLE INSURANCE COMPANY, a Missouri 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*, CHICAGO TITLE INSURANCE COMPANY has caused this policy to be signed and sealed as of Date of Policy shown in Schedule A, the policy to become valid when countersigned by an authorized signatory.

ISSUED BY:

WESTERN COLORADO TITLE COMPANY  
521 Rood Avenue  
P. O. Box 178  
Grand Junction, Colorado 81501  
(303) 243-3070  
Metro (303) 623-3232

CHICAGO TITLE INSURANCE COMPANY

By:

*Richard L. Pella*  
President

Countersigned

By *Donna M. Jackson*  
Validating Signatory  
AS



By:

*Thomas J. Adams*  
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.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws.

POLICY NO. 06 010 60 2083  
ORDER FILE NO. 93-9-221

SCHEDULE A

AMOUNT  
\$375,000.00

DATE OF POLICY  
December 10, 1993 at 3:19 p.m.

NAME OF INSURED

THE CITY OF GRAND JUNCTION,  
A MUNICIPAL CORPORATION

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

IN FEE SIMPLE

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

THE INSURED

3. The land referred to in this Policy is described as follows:

Lots 29, 30, 31 and 32 and that part of Lot 28  
which lies West of the Wash which cuts said Lot 28,  
all in Pomona Park,  
EXCEPT that part conveyed to Colorado Department  
of Highways by instrument recorded December 26, 1963  
in Book 861 at Page 279,

AND EXCEPT Beginning at the Southwest corner of Lot 31  
of the Pomona Park and running thence North along the  
West boundary of said Lot 31 a distance of 145.80 feet,  
thence East 258.00 feet, thence South 145.80 feet to the  
South boundary of Lot 31, thence West 258.00 feet to the  
point of beginning,

ALL IN MESA COUNTY, COLORADO.

CONTINUED NEXT PAGE

SCHEDULE B

This Policy does not insure against loss or damage by reason of the following:

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 and assessments which are a lien or are now due and payable; any tax, special assessment, charge or lien imposed for or by any special taxing district or for water or sewer service; any unredeemed tax sales.
6. Reservation, as set forth in United States Patent recorded September 9, 1890 in Book 11 at Page 50 as follows: "Herein described property subject to the right of the proprietor of a vein or lode to extract and remove his ore therefrom should the same be found to intersect said premises."
7. Easement and/or Right of Way granted to Grand Junciton and Grand River Railway Company across herein described property as set forth by instrument recorded April 21, 1910 in Book 125 at Page 419.
8. Each and every right or rights of access to and from any part of the right of way, for Interstate 70, from and to any part of the property, as granted to The Department of Highways, State of Colorado, by the Deed from Leonard Long and Pallas V. Long, recorded December 26, 1963 in Book 861 at Page 279 and 282.  
  
NOTE: Document recorded in Book 861 at Page 282 shows no openings.
9. Rights of tenants under existing leases and tenancies.
10. Terms, conditions, stipulations, obligations and provisions of Agreement for Right of First Refusal recorded December 10, 1993 in Book 2032 at Page 621.
11. Taxes for the year 1993 a lien, but not yet due or payable.

## 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 judgment 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 additional 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 the 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.



## 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.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws.