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County MESA
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WHEN RECORDED RETURN TO:
250 North 5th Street
Grand Junction, Colorado 81501

DF: S 43.68

GENERAL WARRANTY DEED

THIS GENERAL WARRANTY DEED is made on March 21, 2008 between **Christopher A. Walter and Angela C. Walter** ("Grantor"), of the County of MESA and State of COLORADO, and **The City of Grand Junction, a Colorado Home Rule Municipality** ("Grantee"), duly organized and existing under the laws of the State of COLORADO, whose legal address is 250 North 5th Street, Grand Junction, Colorado 81501,

WITNESS, that the Grantor, for and in consideration of FOUR HUNDRED THIRTY-SIX THOUSAND EIGHT HUNDRED FIFTEEN AND 00/100 DOLLARS (\$436,815.00), the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed and by these presents does grant, bargain, sell, convey and confirm unto the Grantee and the successors and assigns of the Grantee forever, all of the real property, together with the fixtures and improvements located thereon, if any, situate, lying and being in the County of MESA and State of COLORADO, described as follows:

See Exhibit A attached hereto and made a part hereof.

Also Known As: 2856 F Road, Grand Junction, CO 81506

TOGETHER WITH, all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof and all the estate, right, title, interest, claim and demand whatsoever of the Grantor, either in law or in equity, of, in and to the above bargained premises, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto the Grantee, and the successors and assigns of the Grantee forever. The Grantor, for the Grantor and the successors and assigns of the Grantor, does covenant, grant, bargain and agree to and with the Grantee and the successors and assigns of the Grantee, that at the time of the ensembling and delivery of these presents, the Grantor is well-seized of the premises above conveyed, has a good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple and has good right, full power and lawful authority to grant, bargain, sell and convey the same in manner and form aforesaid and that the same are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments, encumbrances and restrictions of whatever kind or nature soever, except: taxes and assessments for the current year and subsequent years AND those specific Exceptions described by reference to recorded documents as reflected in the Title Documents accepted by the Buyer in accordance with Section 8a ("Title Review") of the contract between the parties hereto for the sale and purchase of the herein-described property.

The Grantor shall and will WARRANT and FOREVER DEFEND the above bargained premises in the quiet and peaceable possession of the Grantee and the successors and assigns of the Grantee, against all and every person or persons lawfully claiming the whole or any part thereof.

EXECUTED AND DELIVERED on the date set forth above.

Christopher A. Walter
Christopher A. Walter

Angela C. Walter
Angela C. Walter

STATE OF: COLORADO

COUNTY OF: MESA

The foregoing instrument was acknowledged before me on March 21, 2008 by Christopher A. Walter and Angela C. Walter.

My Commission Expires:

K. VANDERHOOFVEN
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires 06/23/2010

K. Vanderhoofven
Notary Public

Exhibit A

A parcel of land situated in the SW1/4 of the SE1/4 of Section 6, Township 1 South, Range 1 East of the Ute Meridian, being more particularly described as follows:

Beginning at a point 203.10 feet East of the South Quarter Corner of said Section 6;

thence North 130.00 feet;

thence North 25°00' West 63.93 feet;

thence North 31°03' East 138.10 feet;

thence South 27°41' East 120.00 feet;

thence South 200 feet to a point on the South line of said Section 6;

thence West along the South line of said Section 6 a distance of 100 feet to the Point of Beginning;

EXCEPT the South 50 feet for road right-of-way granted to Mesa County by Instrument recorded March 23, 1982, in Book 1363 at Page 269 and recorded January 14, 1983, in Book 1410 at Page 314.,
County of Mesa, State of Colorado.

Contract to Buy & Sell Real Estate

1 THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES
2 SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

3
4 Date: February 5, 2008

5
6 1. **AGREEMENT.** Buyer agrees to buy and the undersigned Seller agrees to sell
7 the Property defined below on the terms and conditions set forth in this Contract.

8
9 2. **DEFINED TERMS.**

10
11 a. **Buyer.** Buyer will take title to the real property described below as **The**
12 **City of Grand Junction, a Colorado home rule municipality.**

13
14 b. **Sellers.** Sellers are **Christopher A. Walter and Angela C. Walter, as**
15 **Joint Tenants.**

16
17 c. **Property.** The Property is the following legally described real estate:

18
19 **2943-064-00-035:** A parcel of land situated in the SW ¼ of the SE ¼ of Section 6,
20 Township 1 South, Range 1 East of the Ute Meridian, being more particularly described
21 as follows:

22 Beginning at a point 203.10 feet East of the South Quarter Corner of said Section 6;
23 thence North 130.00 feet;
24 thence North 25°00' West 63.93 feet;
25 thence North 31°03' East 138.10 feet;
26 thence South 27°41' East 120.00 feet;
27 thence South 200 feet to a point on the South line of said Section 6;
28 thence West along the South line of said Section 6 a distance of 100 feet to the Point of
29 Beginning;
30 EXCEPT the South 50 feet for road Right-of-Way granted to Mesa County by instrument
31 recorded March 23, 1982, in Book 1363 at Page 269 and recorded January 14, 1983, in
32 Book 1410 at Page 314.

33
34 Together commonly known as **2856 Patterson Road**, Grand Junction, CO 81506.

35
36 The foregoing Parcel shall be conveyed to Buyer together with all of the interests,
37 easements, rights, benefits and privileges appurtenant thereto.

38
39 d. **Dates and Deadlines.**

40

Item No.	Reference	Event	Date or Deadline
1	§5	Title Deadline	February 15, 2008
2	§6a.	Title Objection Deadline	February 22, 2008
3	§6b.	Off-Record Matters Deadline	February 15, 2008
4	§6b.	Off-Record Matters Objection Deadline	February 22, 2008
5	§7	Seller's Property Disclosure Deadline	February 11, 2008
6	§7b.	Inspection Objection Deadline	February 29, 2008
7	§7c.	Resolution Deadline	March 10, 2008
8	§21b.	City Council Ratification Deadline	March 19, 2008
9	§8	Closing Date	March 21, 2008
10	§13	Possession Date	March 21, 2008
11	§13	Possession Time	5:00 p.m. M.S.T.
12	§25	Acceptance Deadline Date	February 7, 2008
13	§25	Acceptance Deadline Time	2:00 p.m. M.S.T.

41
42 e. **Attachments.** The following exhibits, attachments and addenda are a
43 part of this contract: **Attachment "A": Seller's Property Disclosure and**
44 **Attachment "B": Warranty Deed**

46 f. **Applicability of Terms.** A check or similar mark in a box means that
47 such provision is applicable. The abbreviation "N/A" means not applicable.

48 **3. INCLUSIONS AND EXCLUSIONS.**

- 49 a. The purchase price includes the following items ("Inclusions"):
50 (1) **Fixtures.** None. The Seller retains the right to remove and
51 transplant, at Seller's sole cost, one identified six-foot maple tree on the east
52 edge of the property. This removal must occur by May 1, 2008. If Seller does
53 not remove the tree by that date, the Seller forfeits the right to remove the tree.
54 b. **Instruments of Transfer.** The Inclusions are to be conveyed at Closing
55 free and clear of all taxes, liens and encumbrances.
56 c. **Exclusions.** The following attached fixtures are excluded from this sale:
57 **N/A**

58 **4. PURCHASE PRICE AND TERMS.** The Purchase Price set forth below shall be
59 payable in U.S. Dollars by Buyer as follows:
60

Item No.	Reference	Item	Amount	Amount
1	§ 4	Purchase Price	\$ 436,815.00	
2	§ 4a	Earnest Money		\$ 10,000.00
3	§ 4b	Cash at Closing		\$ 426,815.00
4		TOTAL	\$ 436,815.00	\$ 436,815.00

61
62 This offer is subject to the expiration or termination of exiting lease terms and is
63 considered as if the property is vacant as of the date of possession.
64

65 a. **Earnest Money.** The Earnest Money set forth in this Section, in the form
66 of Buyer's check, is part payment of the Purchase Price and shall be payable to and
67 held by **United Title Company**, ("Closing Company"), in its trust account, on behalf of
68 both Seller and Buyer. The parties authorize delivery of the Earnest Money to the
69 Closing Company at or before closing.
70

71 b. **Cash at Closing.** All amounts paid by Buyer at Closing including Cash at
72 Closing, plus Buyer's closing costs, shall be in funds which comply with all applicable
73 Colorado laws, which include Buyer's check, cash, electronic transfer funds, certified
74 check, savings and loan teller's check and cashier's check ("Good Funds").
75

76 **5. EVIDENCE OF TITLE.** On or before **Title Deadline** (§2d, Item 1), Seller shall
77 cause to be furnished to Buyer's City Attorney with a copy to Buyer's City Real Estate
78 Manager, at Seller's expense, a current commitment for owner's title insurance policy
79 ("Title Commitment") in an amount equal to the Purchase Price, together with true and
80 legible copies of all instruments referred to therein, including, but not limited to, true and
81 legible copies of any plats, declarations, covenants, conditions and restrictions
82 describing, affecting or burdening the Property and true and legible copies of any other
83 documents listed in the schedule of exceptions ("Exceptions"). Seller shall have the
84 obligation to furnish the documents pursuant to this subsection without any request or
85 demand by Buyer. The Title Commitment together with copies of such documents
86 furnished pursuant to this Section shall constitute the title documents ("Title
87 Documents"). The Title Commitment shall commit to delete or insure over the standard
88 exceptions which relate to:

- 89
90 (1) parties in possession,
91 (2) unrecorded easements,
92 (3) survey matters
93 (4) any unrecorded mechanics' liens,
94 (5) unpaid taxes, assessments and unredeemed tax sales prior to year of
95 Closing, and
96 (6) gap period (effective date of the Title Commitment to the date the deed
97 is recorded).
98

100
101 Any additional premium expense to obtain this additional coverage shall be paid
102 by Seller. Seller shall cause the title insurance policy to be delivered to Buyer as soon
103 as practicable, at or after Closing.
104

105 **6. TITLE.**

106
107 **a. Title Review.** Buyer shall have the right to inspect the Title Documents.
108 Written notice by Buyer to Seller of unmerchantability of title or of any other
109 unsatisfactory condition shown by the Title Documents shall be signed by or on behalf
110 of Buyer and given to Seller on or before the **Title Objection Deadline** (§2d, Item 2), or
111 within five (5) business days after receipt by Buyer of any Title Document(s) or
112 endorsement(s) adding new Exception(s) to the Title Commitment together with a copy
113 of the Title Document(s) adding new Exception(s) to title, whichever is later. If Buyer
114 does not mail its notice by the date(s) specified above, Buyer shall be deemed to have
115 accepted as satisfactory the condition of title as disclosed by the Title Documents.
116

117 **b. Matters not Shown by the Public Records.** Seller shall deliver to Buyer,
118 on or before the **Off-Record Matters Deadline** (§2d, Item 3), true copies of all lease(s)
119 and survey(s) in Seller's possession pertaining to the Property and shall disclose to
120 Buyer all easements, liens or other title matters not shown by the public records of
121 which Seller has actual knowledge. Buyer shall have the right to inspect the Property to
122 determine if any third party(ies) has any right in the Property not shown by the public
123 records (such as an unrecorded easement, unrecorded lease, or boundary line
124 discrepancy). Written notice of any unsatisfactory condition(s) disclosed by Seller or
125 revealed by such inspection shall be signed by or on behalf of Buyer and mailed to
126 Seller on or before the **Off-Record Matters Objection Deadline** (§2d, Item 4). If Buyer
127 does not mail Buyer's notice by said date, Buyer accepts title subject to such rights, if
128 any, of third parties of which Buyer has actual knowledge.
129

130 **c. Right to Cure.** If Seller receives notice of unmerchantability of title or any
131 other unsatisfactory title condition(s) or commitment terms as provided in §6a or §6b
132 above, Seller shall use reasonable efforts to correct said items and bear any nominal
133 expenses to correct the same prior to Closing. If such unsatisfactory title condition(s)
134 are not corrected on or before Closing, this contract shall then terminate; provided,
135 however, Buyer may, by written notice given to Seller, on or before Closing, waive
136 objection to such items.
137

138 **7. PROPERTY DISCLOSURE AND INSPECTION.** On or before **Seller's Property**
139 **Disclosure Deadline** (§2d, Item 5), Seller shall complete and return to Buyer the
140 attached **Seller's Property Disclosure (Attachment "A")**, providing a written
141 disclosure of adverse matters regarding the Property completed by Seller to the best of
142 Seller's current actual knowledge.
143

144 **a. Inspection.** Buyer shall have the right, at Buyer's expense, to conduct
145 inspections of the physical condition of the Property and Inclusions ("Inspections"). The
146 Inspections may include, but not be limited to, boundary surveys, engineering surveys,
147 soils samples and surveys and environmental surveys. Buyer is responsible for
148 payment of all inspections, surveys, engineering reports, environmental reports or for
149 any other work performed at Buyer's request and shall pay for any damage which
150 occurs to the Property and Inclusions as a result of such activities if Closing does not
151 occur as provided herein. If Buyer does not close as provided for herein, Buyer shall not
152 permit claims or liens of any kind against the Property for inspections, surveys,
153 engineering reports, environmental reports and for any other work performed on the
154 Property at Buyer's request. The provisions of this subsection shall survive the
155 termination of this Contract.
156

157 **b. Inspection Objection Deadline.** If the physical condition of the Property
158 or Inclusions is unsatisfactory as determined by Buyer's sole and subjective discretion,
159 Buyer shall, on or before the **Inspection Objection Deadline** (§2d, Item 6), either:
160

161 (1) notify Seller in writing that this Contract is terminated, in which case all
162 payments and things of value received hereunder shall be returned to
163 Buyer, or
164

165 (2) provide Seller with a written description of any unsatisfactory physical
166 condition(s) which Buyer requires Seller to correct at no cost or expense
167 to Buyer ("Notice to Correct"), on or before the **Resolution Deadline** (§2d,
168 Item 7).
169

170 If written notice is not mailed to Seller on or before the **Inspection Objection**
171 **Deadline** (§2d, Item 6), the physical condition of the Property and Inclusions shall be
172 deemed to be satisfactory to Buyer.
173

174 c. **Resolution Deadline.** If a Notice to Correct is timely mailed to Seller and
175 if Buyer and Seller have not agreed in writing to a settlement thereof on or before the
176 **Resolution Deadline** (§2d, Item 7), this Contract shall terminate and all payments and
177 things of value received hereunder shall be returned to Buyer, unless before such
178 termination Seller receives Buyer's written withdrawal of the Notice to Correct.
179

180 8. **CLOSING.** Delivery of deed from Seller to Buyer shall be on the date specified
181 as the **Closing Date** (§2d, Item 9) or by mutual agreement at an earlier date ("Closing").
182 The hour and place of Closing shall be as designated by mutual agreement between
183 Seller and Buyer at ~~Abstract & Title Company of Mesa County, Inc.~~
184 *United Title Company* *aw* *aw*

185 9. **TRANSFER OF TITLE.** Subject to tender or payment at Closing as required
186 herein and compliance by Buyer with the other terms and provisions hereof, Seller shall
187 execute and deliver a good and sufficient General Warranty Deed to Buyer
188 (**Attachment "B"**), at Closing, conveying the Property free and clear of all taxes except
189 the general taxes for the year of Closing, all leases, all tenancies and all leasehold
190 interests. Except as provided herein, title shall be conveyed free and clear of all liens,
191 including any governmental liens for special improvements installed as of the date of
192 Buyer's signature hereon, whether assessed or not. Title shall be conveyed subject to:
193

194 a. those specific Exceptions described by reference to recorded documents
195 as reflected in the Title Documents accepted by Buyer in accordance with §6a [Title
196 Review];
197

198 b. those specifically described rights of third parties not shown by the public
199 records of which Buyer has actual knowledge and which were accepted by Buyer in
200 accordance with §6b [Matters not Shown by the Public Records]; and
201

202 c. no others.
203

204 10. **PAYMENT OF ENCUMBRANCES.** Any encumbrance required to be paid shall
205 be paid at or before Closing from the proceeds of this transaction or from any other
206 source.
207

208 11. **CLOSING COSTS; DOCUMENTS AND SERVICES.** Buyer and Seller shall pay,
209 in Good Funds, their respective Closing costs and all other items required to be paid at
210 Closing, except as otherwise provided herein. Buyer and Seller shall sign and complete
211 all customary or reasonably required documents at or before Closing. Fees for real
212 estate Closing services shall be paid at Closing by One-Half by Buyer and One-Half by
213 Seller. Any sales and use tax that may accrue because of this transaction shall be paid
214 when due by Seller.
215

216 12. **PRORATIONS.** The following shall be prorated to the **Closing Date** (§2d, Item
217 9), except as otherwise provided:
218

219 a. **Personal Property Taxes.** Personal property taxes, if any, shall be paid
220 by Seller;
221

222 **b. General Real Estate Taxes.** General real estate taxes shall be prorated
223 to the Closing Date based on the most recent mill levy and the most recent assessment;
224

225 **c. Utilities and Other Services.** Seller shall pay for all fees and charges for
226 all utilities and services which have accrued as of the Closing Date. Buyer shall be
227 responsible for all utilities fees and services which accrue thereafter.
228

229 **d. Final Settlement.** Unless otherwise agreed in writing, these prorations
230 shall be final.
231

232 **13. POSSESSION.** Possession of the Property shall be delivered to Buyer on
233 **Possession Date** (§2d, Item 10) and **Possession Time** (§2d, Item 11), free and clear
234 of any and all leases and tenancies. If Seller, after Closing, fails to deliver possession
235 as specified Seller shall be subject to eviction and shall be additionally liable to Buyer
236 for payment of \$100.00 per day from the Possession Date until possession is delivered.
237

238 **14. NOT ASSIGNABLE.** This Contract shall not be assignable by Buyer without
239 Seller's prior written consent. Except as so restricted, this Contract shall inure to the
240 benefit of and be binding upon the heirs, personal representatives, successors and
241 assigns of both parties.
242

243 **15. CONDITION OF AND DAMAGE TO THE PROPERTY AND INCLUSIONS.**
244 Except as otherwise provided in this Contract, both the Property and the Inclusions shall
245 be delivered in the condition existing as of the date of this Contract, ordinary wear and
246 tear excepted.
247

248 **16. LEGAL AND TAX COUNSEL; AMBIGUITIES.** (a) Buyer and Seller have each
249 obtained the advise of its/their own legal and tax counsel regarding this Contract or has
250 knowingly declined to do so. (b) The parties agree that the rule of construing
251 ambiguities against the drafter shall have no application to this Contract.
252

253 **17. TIME OF THE ESSENCE/REMEDIES.** Time is of the essence hereof. If any
254 note or check received as Earnest Money hereunder or any other payment due
255 hereunder is not paid, honored or tendered when due, or if any other obligation
256 hereunder is not performed or waived as herein provided, there shall be the following
257 remedies:
258

259 **a. If Buyer is in Default,** the Earnest Money shall be paid to Seller and both
260 parties shall thereafter be released from all obligations hereunder, except for the duties
261 created by §7a. It is agreed that the Earnest Money is LIQUIDATED DAMAGES and is
262 SELLER'S SOLE AND ONLY REMEDY for Buyer's failure to perform the obligations of
263 this Contract. Seller expressly waives the remedies of specific performance and
264 additional damages.
265

266 **b. If Seller is in Default,** Buyer may elect to treat this Contract as canceled
267 in which case all payments and things of value received hereunder shall be returned to
268 Buyer and Buyer may: either recover such damages as may be proper, or Buyer may
269 elect to treat this Contract as being in full force and effect and Buyer shall have the right
270 to specific performance of damages, or both.
271

272 **c. Costs and Expenses.** In the event of any arbitration or litigation relating
273 to this Contract, each party shall share the costs of such arbitrator but otherwise all
274 reasonable costs and expenses, including reasonable attorney fees, shall be paid by
275 each respective party.
276

277 **18. MEDIATION.** If a dispute arises relating to this Contract, prior to or after Closing,
278 and is not resolved, the parties shall first proceed in good faith to submit the matter to
279 mediation. Mediation is a process in which the parties meet with an impartial person
280 who helps to resolve the dispute informally and confidentially. Mediators cannot impose
281 binding decisions. The parties to the dispute must agree before any settlement is
282 binding. The parties will jointly appoint an acceptable mediator and will share equally in
283 the cost of such mediation. The mediation, unless otherwise agreed, shall terminate in

284 the event the entire dispute is not resolved thirty (30) calendar days from the date
285 written notice requesting mediation is sent by one party to the other. This section shall
286 not alter any date in this Contract, unless otherwise agreed in writing.
287

288 **19. EARNEST MONEY DISPUTE.** Notwithstanding any termination of this Contract,
289 Buyer and Seller agree that, in the event of any controversy regarding the Earnest
290 Money and things of value held by Closing Agent (unless mutual written instructions are
291 received by the holder of the Earnest Money and things of value), Closing Agent shall
292 not be required to take any action but may await any proceeding, or at Closing Agent's
293 option and sole discretion, may interplead all parties and deposit any moneys or things
294 of value into the District Court of Mesa County, Colorado.
295

296 **20. TERMINATION.** In the event this Contract is terminated, all payments and things
297 of value received hereunder shall be returned and the parties shall be relieved of all
298 obligations hereunder, subject to §7a (Inspection Costs), §17b (If Seller is in Default),
299 §18 (Mediation), and §19 (Earnest Money Dispute).
300

301 **21. ADDITIONAL PROVISIONS.**
302

303 **a. Purchase in Lieu of Condemnation.** Buyer is a governmental authority
304 and has determined that the purchase of the Property is necessary for the health, safety
305 and welfare of the inhabitants of the City of Grand Junction; therefore, Buyer has the
306 authority, pursuant to the laws of the State of Colorado, to acquire the Property through
307 condemnation proceedings by exercising its power of eminent domain. Notwithstanding
308 the preceding statements, Buyer desires to purchase the subject property through
309 friendly negotiations and thereby avoid condemnation proceedings.
310

311 **b. City Council Consent.** The execution of this Contract by the City
312 Manager of the City of Grand Junction and Buyer's obligation to proceed under its terms
313 and conditions is expressly conditioned upon and subject to the formal ratification,
314 confirmation and consent of the Grand Junction City Council with regards to: (1) the
315 terms, covenants, conditions, duties and obligations to be performed by Buyer in
316 accordance with this Contract, and (2) the allocation of funds to pay the Purchase Price
317 and all other costs and expenses necessary to perform Buyer's due diligence
318 inspections of the Property. In the event such ratification, confirmation and consent is
319 not obtained on or before the **City Council Ratification Deadline** (§2d, Item 8), this
320 Contract shall automatically terminate, both parties shall thereafter be released from all
321 obligations hereunder and the Earnest Money received hereunder shall be returned to
322 Buyer.
323

324 **c. No Fees or Commissions.** Buyer and Seller each warrant that no person
325 or selling agency has been employed or retained to solicit or secure this Contract upon
326 any agreement or understanding for a commission, percentage, brokerage or contingent
327 fee. Each party agrees to defend, indemnify and hold the other party harmless from any
328 claim for real estate brokerage commissions or finder's fees arising out of this Contract.
329

330 **d. Instrument of Transfer.** Buyer and Seller each agree that title to the
331 Property will be conveyed from Seller to Buyer in the exact form of the General
332 Warranty Deed attached hereto as **Attachment "B"** and incorporated herein by
333 reference.
334

335 **22. ENTIRE AGREEMENT; SUBSEQUENT MODIFICATION; SURVIVAL.** This
336 Contract constitutes the entire contract between the parties relating to the subject
337 hereof and any prior agreements pertaining thereto, whether oral or written, have been
338 merged and integrated into this Contract. No subsequent modification of any of the
339 terms of this Contract shall be valid or binding upon the parties or enforceable unless
340 made in writing and signed by the parties. Any obligation in this Contract which by its
341 terms is intended to be performed after termination or Closing shall survive the same.
342

343 **23. FACSIMILE.** Signatures may be evidenced by facsimile. Documents with
344 original signatures shall be provided to the other party at Closing or earlier upon request
345 of any party.

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24. NOTICE. Except for the notice requesting mediation described in §18, any notice to Buyer shall be effective when received by Buyer and any notice to Seller shall be effective when received by Seller.

25. NOTICE OF ACCEPTANCE; COUNTERPART. This proposal shall expire unless accepted in writing, by Buyer and Seller, as evidenced by their signatures below, and the offering party receives notice of such acceptance pursuant to §24 on or before **Acceptance Deadline Date** (§2d, Item No. 12) and **Acceptance Deadline Time** (§2d, Item No. 13). If accepted, this document shall become a contract between Seller and Buyer, subject to ratification by the Grand Junction City Council (§21 a.).

THE CITY OF GRAND JUNCTION, a Colorado home rule municipality, Buyer:

By: 
Laurie M. Kadrach, City Manager

Date of Buyer's signature: 02-05-2008, 2008.

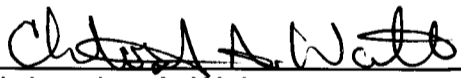
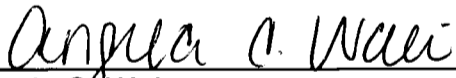
Buyer's Address: City Attorney, 250 North 5th Street, Grand Junction, CO 81501
With Copy to: City Real Estate Manager, 250 North 5th Street, Grand Junction, CO 81501

Buyer's Telephone Number: City Attorney: (970) 244-1503
City Real Estate Manager: (970) 244-1538

Buyer's Fax No.: City Attorney: (970) 244-1456
City Real Estate Manager: (970) 256-4022

[NOTE: If this offer is being countered or rejected, do not sign this document. Refer to § 26.]

Acceptance by **Christopher A. Walter and Angela C. Walter, as Joint Tenants.**

 
Christopher A. Walter Angela C. Walter

Date of Sellers' signature: February 6, 2008.

Seller's Address: 2856 Patterson Road, Grand Junction, CO 81506-6082

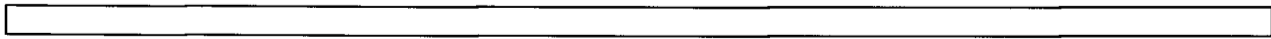
Seller's Telephone Number: (970) 640-4161

Seller's Fax No.: (970) _____

26. COUNTER; REJECTION. This offer is **Countered** **Rejected.**

Initials only of party (Buyer or Seller) who countered or rejected offer: _____

END OF CONTRACT



ATTACHMENT "A"

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

SELLER'S PROPERTY DISCLOSURE

Seller states that the information contained in this Disclosure is correct to the best of Seller's CURRENT ACTUAL KNOWLEDGE as of this Date.

Date: February 6, 2008

Property Address: 2856 Patterson Rd, Grand Junction, Mesa County, Colorado 81506

Seller: Christopher A. Walter and Angela C. Walter as Joint Tenants

Section 1 – Use, Access and Occupancy.

A. Please provide the Names, Telephone Numbers and Mailing Addresses of all **current** occupants or users of Property and indicate the date their occupancy or use began. Please indicate the type of use and If the use is for storage, please indicate the types of materials, items or equipment being stored:

(1). Current Occupant(s) or User(s):

a. Name: N/A Telephone: _____
Mailing Address: _____
Date use or occupancy began: _____
Type of use or occupancy: _____

b. Name: _____ Telephone: _____
Mailing Address: _____
Date use or occupancy began: _____
Type of use or occupancy: _____

c. Name: _____ Telephone: _____
Mailing Address: _____
Date use or occupancy began: _____
Type of use or occupancy: _____

Section 1 Continued.

B. Please provide the Names, Telephone Numbers and Mailing Addresses of all **former** occupants or users of Property and indicate the dates their occupancy or use began and ended. Please indicate the type of use and if the use was for storage, please indicate the types of materials, items or equipment that were stored:

(1). Former Occupant(s) or User(s):

a. Name: NIA Telephone: _____
Mailing Address: _____
Beginning & Ending Dates: _____
Type of use or occupancy: _____

b. Name: _____ Telephone: _____
Mailing Address: _____
Beginning & Ending Dates: _____
Type of use or occupancy: _____

c. Name: _____ Telephone: _____
Mailing Address: _____
Beginning & Ending Dates: _____
Type of use or occupancy: _____

d. Name: _____ Telephone: _____
Mailing Address: _____
Beginning & Ending Dates: _____
Type of use or occupancy: _____

C. Please list of any encroachments, boundary disputes or unrecorded easements that affect the Property:
NIA

D. Please provide a list of any roads, driveways, trails, paths or utilities through the Property which are used by others:

N/A

E. Please provide a list of any known zoning or code violations occurring on or issued against the Property:

N/A

Section 2 – Water & Sewer.

A. Is the Property presently served by domestic (i.e. drinking) water?

Yes No I don't know

If yes, please indicate the source:

Public Community Well Shared Well Cistern None Other

If the Property is served by a Public water system (i.e. City), please provide Buyer with copies of the most recently paid water bill.

If the Property is served by a Cistern, please provide Buyer with a sketch depicting the approximate size and location of the Cistern.

If the Property is served by a Well, please provide Buyer with a copy of the Well Permit.

If Other, please explain: _____

B. Are there any adjudicated water rights (i.e., river, ditch) associated with the Property?

Yes No I don't know

If yes, please provide Buyer with a list of the adjudicated water rights.

C. Is the Property presently served by a sanitary sewer system?

Yes No I don't know

If yes, please indicate the type of system:

Public Septic System None Other

If the Property is served by a Public sewer system (i.e. City), please provide Buyer with copies of the most recently paid sewer bill.

If the Property is served by a Septic System, please provide the date when the septic tank was last serviced: _____

If Other, please explain: _____

Section 3 – Environmental Matters.

A. To the best of your current actual knowledge, do any of the following conditions now exist or have they ever existed:

(1) Have electrical transformers, capacitors or other similar equipment ever been stored on the Property?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	I don't know
--------------------------	-----	-------------------------------------	----	--------------------------	--------------

If yes, please describe types, quantities, when and where they were stored and by whom:

(2). Are there now any or have there ever been any underground or above-ground storage tanks on the Property?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	I don't know
--------------------------	-----	-------------------------------------	----	--------------------------	--------------

If yes, please describe the type(s) of tank(s), when and where the tanks were located and the type(s) of substances stored:

(3). Are there now or have there even been any hazardous or toxic materials stored, spilled or deposited on the Property, such as radioactive materials, asbestos, pesticides, wastewater and other sludge, radon, methane, batteries or oil?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	I don't know
--------------------------	-----	-------------------------------------	----	--------------------------	--------------

If yes, please describe types, quantities and when and where they were stored, spilled or deposited:

(4). Have any Environmental assessments, studies or reports been prepared involving the physical condition of the Property?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	I don't know
--------------------------	-----	-------------------------------------	----	--------------------------	--------------

If yes, please describe: _____

Section 3 Continued.

(5). Has the Property ever been involved in an Environmental cleanup or remedial action?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	I don't know
--------------------------	-----	-------------------------------------	----	--------------------------	--------------

If yes, please describe: _____

0
(6). Have you ever noticed sliding, settling, upheaval, movement or instability of earth or expansive soils on the Property?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	I don't know
--------------------------	-----	-------------------------------------	----	--------------------------	--------------

If yes, please describe: _____

(7) Are any drums or other containers presently located on the Property?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	I don't know
--------------------------	-----	-------------------------------------	----	--------------------------	--------------

If yes, please describe the types of containers and, if known, please describe the substances stored in the containers: _____

(8). Have storage or disposal pits ever been located on the Property?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	I don't know
--------------------------	-----	-------------------------------------	----	--------------------------	--------------

If yes, please describe the locations and types of materials placed in each: _____

(9). Has any fill material ever been placed on the Property?

<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	I don't know
-------------------------------------	-----	--------------------------	----	--------------------------	--------------

If yes, please describe the types and amounts of fill material and the locations the fill materials were placed: Fill dirt for landscaping back yard

Section 4 – Other Disclosures.

A. Please list any other matters regarding the physical characteristics of the Property of which the Buyer should be aware: Deck was removed from rear
of house

ADVISORY TO SELLER:

- Failure to disclose a known material defect may result in legal liability.

The information contained in this Disclosure has been furnished by Seller, who certifies to the truth thereof based on Seller's CURRENT ACTUAL KNOWLEDGE. Any changes will be disclosed by Seller to Buyer promptly after discovery.

By: Christopher A. Walter
Christopher A. Walter, Seller

By: Angela C. Walter
Angela C. Walter, Seller

Date of Seller's Signature: 2-6-08

Buyer hereby acknowledges the receipt of this Disclosure:

Mary Lynn Kinch

Date of Buyer's Signature: 2-7-08

WARRANTY DEED

Christopher A. Walter and Angela C. Walter, as Joint Tenants, Grantors for and in consideration of the sum of Four Hundred Thirty-Six Thousand Eight Hundred Fifteen and 00/100 Dollars (\$436,815.00), the receipt and sufficiency of which is hereby acknowledged, have sold, granted and conveyed, and by these presents do hereby sell, grant and convey to The City of Grand Junction, a Colorado home rule municipality, Grantee, whose address is 250 North 5th Street, Grand Junction, Colorado 81501, its successors and assigns forever, the following described real property in the County of Mesa, State of Colorado, to wit:

A parcel of land situated in the SW 1/4 of the SE 1/4 of Section 6, Township 1 South, Range 1 East of the Ute Meridian, being more particularly described as follows: Beginning at a point 203.10 feet East of the South Quarter Corner of said Section 6; thence North 130.00 feet; thence North 25°00' West 63.93 feet; thence North 31°03' East 138.10 feet; thence South 27°41' East 120.00 feet; thence South 200 feet to a point on the South line of said Section 6; thence West along the South line of said Section 6 a distance of 100 feet to the Point of Beginning; EXCEPT the South 50 feet for road Right-of-Way granted to Mesa County by instrument recorded March 23, 1982, in Book 1363 at Page 269 and recorded January 14, 1983, in Book 1410 at Page 314.

Said tract of land as described herein and depicted on Exhibit "A", attached hereto and incorporated herein by reference.

TO HAVE AND TO HOLD the premises aforesaid, with all and singular the rights, privileges, appurtenances and immunities thereunto belonging or in anywise appertaining, unto the said Grantee and unto its successors and assigns forever, the said Grantors hereby covenant that they will warrant and defend the title to said premises unto the said Grantee and unto its successors and assigns forever, against the lawful claims and demands of all persons whomsoever.

Executed and delivered this _____ day of _____, 2008.

Christopher A. Walter

Angela C. Walter

State of Colorado)
)ss.
County of Mesa)

The foregoing instrument was acknowledged before me this _____ day of _____, 2008, by Christopher A. Walter and Angela C. Walter, as Joint Tenants.

My commission expires: _____.

Witness my hand and official seal.

Notary Public



6400 S Fiddlers Green Cir,
Greenwood Village CO 80111

Mesa



Transmittal

Order No: U0039032

4/22/2008

The City of Grand Junction
250 N 5th St
Grand Junction CO 81501

Enclosed please find 1 attached documents.

United Title

Page Count 11



6400 South Fiddlers Green Circle
Englewood, CO 80111
Ph:

April 22, 2008

**The City of Grand Junction
250 North 5th Street
Grand Junction, CO 81501**

Re: File Number: **U0039032E**

Property Address: **2856 F Road, Grand Junction, CO 81506**

Dear **The City of Grand Junction**

I want to take this opportunity to congratulate you on your real estate purchase and to thank you for your business. Enclosed is your Policy of Title Insurance. This policy contains important information about the real estate transaction you have completed; it insures you against certain risks to your ownership. Please read it and retain it with your other valuable papers.

A record of your recorded title documents is accessible through our office for up to seven years. These records will enable prompt processing of future title orders and save valuable time should you wish to sell or obtain a loan on your property. Visit or call our office and simply give us your personal policy file number when you need assistance.

In the event you sell your property or borrow money from a mortgage lender, you may be entitled to a discount rate if you order your title insurance through this company.

We appreciate the opportunity to serve you and will be happy to assist you in any way in regard to your future title service needs. If you have any questions regarding your title policy, please do not hesitate to call this office.

Sincerely,
United Title Company

POLICY OF TITLE INSURANCE



ISSUED BY

First American Title Insurance Company

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, FIRST AMERICAN 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 or the lien of the insured mortgage, as insured, but only to the extent provided in the Conditions and Stipulations.

First American Title Insurance Company

BY

PRESIDENT

ATTEST

SECRETARY



FIRST AMERICAN TITLE INSURANCE COMPANY

SCHEDULE A

Policy No. U0039032

File No. U0039032

Amount of Insurance: \$436,815.00

Date of Policy: April 17, 2008 at 8:0 A.M.

Policy Issued Simultaneously with Policy No.: None

1. Name of Insured:

The City of Grand Junction, a Colorado Home Rule Municipality

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

Fee Simple

3. Title to the estate or interest in the land is vested in:

The City of Grand Junction, a Colorado Home Rule Municipality

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

See Exhibit A attached

Valid Only if Schedule B and Cover are Attached

Exhibit A

A parcel of land situated in the SW1/4 of the SE1/4 of Section 6, Township 1 South, Range 1 East of the Ute Meridian, being more particularly described as follows:

Beginning at a point 203.10 feet East of the South Quarter Corner of said Section 6;

thence North 130.00 feet;

thence North 25°00' West 63.93 feet;

thence North 31°03' East 138.10 feet;

thence South 27°41' East 120.00 feet;

thence South 200 feet to a point on the South line of said Section 6;

thence West along the South line of said Section 6 a distance of 100 feet to the Point of Beginning;

Except the South 50 feet for road right-of-way granted to Mesa County by Instrument recorded March 23, 1982 in Book 1363 at Page 269 and recorded January 14, 1983, in Book 1410 at Page 314.,
County of Mesa, State of Colorado.

FIRST AMERICAN TITLE INSURANCE COMPANY

SCHEDULE B

Policy No. U0039032

File No. U0039032

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. Any and all unpaid taxes, assessments and unredeemed tax sales.
2. Right of way for ditches or canals constructed by the authority of the United States, as reserved in United States Patent recorded April 28, 1892, in Book 11 at Page 187.
3. Right of the Proprietor of a vein or lode to extract and remove his ore therefrom should the same be found to penetrate or intersect the premises hereby granted as reserved in United States Patent recorded April 28, 1892, in Book 11 at Page 187.
4. Terms, conditions and provisions of the Contract Agreement and/or Subscription for Stock, including rights of way as granted to Grand Valley Waters Users Association in instrument recorded March 4, 1908, in Book 130 at Page 14.
5. Terms, conditions, provisions and restrictions of that certain Agreement recorded April 5, 1954, in Book 602 at Page 103.
6. Covenants, conditions and restrictions none of which contain a forfeiture or reverter clause, but omitting restrictions, if any, based on race, color, religion or national origin, as contained in instrument recorded March 14, 1963, in Book 841 at Page 521.
7. Terms, conditions, provisions and restrictions of that certain Notice recorded November 10, 1988, in Book 1718 at Page 318.
8. Terms, conditions, provisions and restrictions of that certain Patterson (F) Road Corridor Guideline recorded January 29, 1991, in Book 1822 at Page 99.
9. Terms, condition, provisions and restrictions of that certain Notice recorded October 27, 1994, in Book 2107 at Page 541.
10. Effect, if any, of Quit Claim Deed recorded May 9, 2006 in Book 4152 at Page 72 between The United States of America and City of Grand Junction.
11. Effect, if any, of Quit Claim Deed recorded May 9, 2006 in Book 4152 at Page 74 between The United States of America and City of Grand Junction.
12. Any claims that may arise by reason of encroachment by any boundary fences along the property lines of subject property.
13. Any existing leases or tenancies.

14. Any water rights or claims or title to water, in, on or under the land.

CO-130.3/Inflation - Commitment

ENDORSEMENT

Attached to Policy No. U0039032E

Issued by

First American Title Insurance Company

The above referenced policy is hereby amended by adding the following to Schedule A following the policy amount.

The Policy amount will automatically increase by 10% of the amount shown above on each of the first five anniversaries of the policy date.

This endorsement is effective only when attached to an ALTA Policy insuring a 1-to-4 family residence.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

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, that is based on:
 - (a) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (b) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (i) to timely record the instrument of transfer; or
 - (ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

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

CONDITIONS AND STIPULATIONS

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.

(i) 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.

(ii) 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.

Upon the exercise by the Company of either of the

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 or 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.

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 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 or the lien of the insured mortgage, 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 or the lien of the insured mortgage, 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

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.

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 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 title 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.

14. ARBITRATION. (DOES NOT APPLY IN STATE OF MISSOURI)

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 include the number of this policy and shall be addressed to the Company, Attention: Claims Department, 1 First American Way, Santa Ana, California 92707, or to the office which issued this policy.

First American Title Insurance Company

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U0039032E-120-None

ALTA Residential Owners Policy-120

April 17, 2008

None

04/22/2008

120

\$209.00

ALTA Owner's Policy (10/17/92)
NAD-120-000 (2004-04)