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AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY
STANDARD FORM B — 1962



06 04 04 01709

CHICAGO TITLE INSURANCE COMPANY
A STOCK COMPANY

a corporation of Missouri, herein called the Company, for a valuable consideration, hereby insures the party named in Schedule A, hereinafter called the Insured, the heirs, devisees, personal representatives of such Insured, or, if a corporation, its successors by dissolution, merger or consolidation, against loss or damage not exceeding the amount stated in Schedule A, together with costs, attorneys' fees and expenses which the Company may become obligated to pay as provided in the Conditions and Stipulations hereof, which the Insured shall sustain by reason of:

1. Any defect in or lien or encumbrance on the title to the estate or interest covered hereby in the land described or referred to in Schedule A, existing at the date hereof, not shown or referred to in Schedule B or excluded from coverage in Schedule B or in the Conditions and Stipulations; or
2. Unmarketability of such title; or
3. Lack of a right of access to and from the land;

all subject, however, to the provisions of Schedules A and B and to the Conditions and Stipulations hereto annexed; all as of the date of this policy.

In Witness Whereof, CHICAGO TITLE INSURANCE COMPANY has caused this policy to be signed and sealed as of the date of policy shown in Schedule A, the policy to become valid when countersigned by an authorized signatory.

CHICAGO TITLE INSURANCE COMPANY

By:

Alvin W. Long
President.

Issued by:
SECURITY TITLE COMPANY
114 North Howes Street
Fort Collins, Colorado 80521
(303) 482-5242



ATTEST:

Robert T. Haines
Secretary.

IMPORTANT

This policy necessarily relates solely to the title as of the date of the policy. In order that a purchaser of the real estate described herein may be insured against defects, liens or encumbrances, this policy should be reissued in the name of such purchaser.

SCHEDULE A

Number
06 04 04 01709

Date of Policy
September 22, 1971
at 7:00 A.M.

Amount of Policy
\$5,000.00

1. Name of Insured:

DARRELL H. JOHNSTON

2. The estate or interest in the land described or referred to in this schedule covered by this policy is:

Fee simple

3. Title to the estate or interest covered by this policy at the date hereof is vested in the Insured.

4. The land herein described is encumbered by the following mortgage or trust deed, and assignments:

NONE

and the mortgages or trust deeds, if any, shown in Schedule B hereof.

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

A portion of the $W\frac{1}{2}$ of the $NW\frac{1}{4}$ of Section 24, Township 6 North, Range 68 West of the 6th P.M., Larimer County, Colorado as follows: Begin at a point which is the intersection of the West line of said $W\frac{1}{2}$ of $NW\frac{1}{4}$ with the Southerly right-of-way of Colo. State Hwy. 392, said point of beginning bearing S $00^{\circ}21'30''$ W 75.00 feet from the Northwest corner of said Section 24; run thence along said Southerly right-of-way line S $89^{\circ}34'$ E 1240.20 feet, and again along said Southerly right-of-way line N $81^{\circ}16'$ E 94.00 feet to a point on the East line of said $W\frac{1}{2}$ of $NW\frac{1}{4}$, said point bearing S $00^{\circ}32'13''$ W 60.00 feet from the NE corner of said $W\frac{1}{2}$ of $NW\frac{1}{4}$; thence along the East line of said $W\frac{1}{2}$ of $NW\frac{1}{4}$ S $00^{\circ}32'13''$ W 849.70 feet; thence N $89^{\circ}34'$ W 1330.37 feet to a point on the West line of said $W\frac{1}{2}$ of $NW\frac{1}{4}$; thence along said West line N $00^{\circ}21'30''$ E 834.70 feet to the point of beginning.

SCHEDULE B

Policy Number 06 04 04 01709
Owners

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

General Exceptions:

- (1) Rights or claims of parties in possession not shown by the public records.
- (2) Encroachments, overlaps, boundary line disputes, and any other matters which would be disclosed by an accurate survey and inspection of the premises.
- (3) Easements or claims of easements 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 or special assessments which are not shown as existing liens by the public records.

Special Exceptions: The mortgage, if any, referred to in Item 4 of Schedule A.

1. Patent Reservations as recorded in Book 133, page 142 as follows:
"Subject to vested and accrued water rights for mining, agricultural, manufacturing or other purpose and rights to ditches and reservoirs used in connection, and subject to right of proprietor of vein or lode to extract and remove ore."
2. Oil and Gas Lease as recorded October 1, 1953 in Book 958, page 3, Larimer County records.
3. Rights of way for roads, ditches, power lines, pipe lines and telephone lines as now established and used.
4. Lease to Darrell H. Johnston as recorded September 21, 1964 in Book 1263, page 385 and dated March 13, 1961, on subject property for a period of 199 years.
5. Oil and Gas Lease as recorded April 28, 1971, in Book 1459 at Page 895, Larimer County records.
6. Lease from Darrell H. Johnston to James Johnston recorded January 29, 1970, in Book 1426 at Page 330.
7. All taxes for the year 1970 and subsequent years.
8. Subdivision Resolution as recorded July 15, 1968 establishing regulations for subdividing all lands in Larimer County outside of cities and towns.


Authorized Signatory

1. Definition of Terms

The following terms when used in this policy mean:

- (a) "land": the land described, specifically or by reference, in Schedule A and improvements affixed thereto which by law constitute real property;
- (b) "public records": those records which impart constructive notice of matters relating to said land;
- (c) "knowledge": actual knowledge, not constructive knowledge or notice which may be imputed to the Insured by reason of any public records; and
- (d) "date": the effective date.

2. Exclusions from the Coverage of this Policy

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

(a) Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances), restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions, or location of any improvement now or hereafter erected on said land, or prohibiting a separation in ownership or a reduction in the dimensions or area of any lot or parcel of land.

(b) Governmental rights of police power or eminent domain unless notice of the exercise of such rights appears in the public records at the date hereof.

(c) Title to any property beyond the lines of the land expressly described or referred to in Schedule A, or title to areas within or rights or easements in any abutting streets, roads, avenues, lanes, ways or waterways (except to the extent the right of access to and from said land is covered by the insuring provisions of this policy), or the right to maintain therein vaults, tunnels, ramps or any other structure or improvement, unless this policy specifically provides that such titles, rights or easements are insured.

(d) Defects, liens, encumbrances, adverse claims against the title as insured or other matters (1) created, suffered, assumed or agreed to by the Insured; or (2) known to the Insured either at the date of this policy or at the date such Insured acquired an estate or interest insured by this policy and not shown by the public records, unless disclosure thereof in writing by the Insured shall have been made to the Company prior to the date of this policy; or (3) resulting in no loss to the Insured; or (4) attaching or created subsequent to the date hereof.

(e) Loss or damage which would not have been sustained if the Insured were a purchaser for value without knowledge.

3. Defense and Prosecution of Actions—Notice of Claim to be Given by the Insured

(a) The Company, at its own cost and without undue delay, shall provide for the defense of the Insured in all litigation consisting of actions or proceedings commenced against the Insured, or defenses interposed against a sale of the estate in said land which litigation in any of such events is founded upon an alleged defect, lien or encumbrance insured against by this policy, and may pursue such litigation to final determination in the court of last resort.

(b) In case any such action or proceeding shall be begun, or defense interposed, or in case knowledge shall come to the Insured of any claim of title or interest which is adverse to the title as insured, or which might cause loss or damage for which the Company shall or may be liable by virtue of this policy or in the event the title is rejected as unmarketable by one who has leased or has contracted to purchase, lease or lend money on the land described in Schedule A hereof, the Insured shall notify the Company thereof in writing. If such notice shall not be given to the Company within the time specified in this policy, the Insured shall not be bound by the Company's defense or prosecution, or if the Insured shall not in writing, promptly notify the Company of any defect, lien or encumbrance insured against which shall come to the knowledge of the Insured, or if the Insured shall not, in writing, promptly notify

the Company of any such rejection by reason of claimed unmarketability of the title, then all liability of the Company in regard to the subject matter of such action, proceeding or matter shall cease and terminate; provided, however, that failure to notify shall in no case prejudice the claim of any Insured unless the Company shall be actually prejudiced by such failure and then only to the extent of such prejudice.

(c) The Company shall have the right at its own cost to institute and prosecute any action or proceeding or do any other act which in its opinion may be necessary or desirable to establish the title as insured; and the Company may take any appropriate action under the terms of this policy whether or not it shall be liable thereunder and shall not thereby concede liability or waive any provision of this policy.

(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 it the right to so prosecute or provide defense in such action or proceeding, and all appeals therein, and permit it to use, at its option, the name of the Insured for such purpose. Whenever requested by the Company the Insured shall give the Company all reasonable aid in any such action or proceeding, in effecting settlement, securing evidence, obtaining witnesses, or prosecuting or defending such action or proceeding, and the Company shall reimburse the Insured for any expense so incurred.

4. Notice of Loss—Limitation of Action

In addition to the notices required under paragraph 3(b), a statement in writing of any loss or damage for which it is claimed the Company is liable under this policy shall be furnished to the Company within sixty days after such loss or damage shall have been determined and no right of action shall accrue to the Insured under this policy until thirty days after such statement shall have been furnished, and no recovery shall be had by the Insured under this policy unless action shall be commenced thereon within five years after expiration of said thirty-day period. Failure to furnish such statement of loss or damage, or to commence such action within the time hereinbefore specified, shall be a conclusive bar against maintenance by the Insured of any action under this policy.

5. Option to Pay, Settle or Compromise Claims

The Company shall have the option to pay or settle or compromise for or in the name of the Insured any claim insured against or to pay the full amount of this policy and such payment or tender of payment, together with all costs, attorneys' fees and expenses which the Company is obligated hereunder to pay, shall terminate all liability of the Company hereunder.

6. Payment of Loss

(a) The liability of the Company under this policy shall in no case exceed, in all, the actual loss of the Insured and costs and attorneys' fees which the Company may be obligated hereunder to pay.

(b) The Company will pay, in addition to any loss insured against by this policy, all costs imposed upon the Insured in litigation carried on by the Company for the Insured, and all costs and attorneys' fees in litigation carried on by the Insured with the written authorization of the Company.

(c) No claim for damages shall arise or be maintainable under this policy (1) if the Company, after having received notice of an alleged defect, lien or encumbrance not excepted or excluded herein removes such defect, lien or encumbrance within a reasonable time after receipt of such notice; or (2) if liability voluntarily assumed by the Insured in settling any claim or suit without written consent of the Company; or (3) in the event the title is rejected as unmarketable because of a defect, lien or encumbrance not excepted or excluded in this policy, until there has been a final determination by a court of competent jurisdiction sustaining such rejection.