

**Empire Title of Colorado Springs, LLC**  
**5755 Mark Dabling Blvd., Ste 110**  
**Colorado Springs, CO 80919**  
Phone: **719-884-5300**  
Fax: **719-884-5304**

**Transmittal Information**

Date: 08/27/2018  
File No: 45253ECS  
Property Address: Highway 85-87, Fountain, CO 80817  
Buyer\Borrower: Avatar Fountain #1, LP  
Seller: Venetucci Village, LLC, a Colorado limited liability company

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**For changes and updates please contact your Escrow officer(s):**

**Escrow Officer:**  
**Sara Bremenkamp**  
**Empire Title of Colorado Springs, LLC**  
**5755 Mark Dabling Blvd., Ste 110**  
**Colorado Springs, CO 80919**  
Phone: 719-884-5300  
Fax: 719-884-5304  
E-Mail: sara@etcos.com

**Title Officer:**  
**Patty Wright**  
**Empire Title of Colorado Springs, LLC**  
**c/o ET Production Services, LLC**

**Escrow Processor:**  
**Lara Schippert**  
**E-Mail: lara@etcos.com**  
**Phone: 719-884-5300**

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**Buyer:**  
**Avatar Fountain #1, LP**

**DELIVERED VIA: E-MAIL**

**Buyer's Agent:**  
**NAI Highland Commercial Group**  
**2 N Cascade Avenue #300**  
**Colorado Springs, CO 80903**  
**Attn: James Spittler, Jr.**  
**Phone: 719-577-0044 Fax: 719-577-0048**  
**DELIVERED VIA: E-MAIL**

**Buyer's Attorney:**  
**David Cohen**

**Phone: Fax:**  
**Email: Dcohen@moritthock.com**

**Seller:**  
**Venetucci Village, LLC, a Colorado limited liability company**  
**102 S. Tejon Ste. 530**  
**Colorado Springs, CO 80903**  
**DELIVERED VIA: E-MAIL**

**Seller's Agent:**  
**Highland Commercial Group**  
**2 North Cascade Avenue Ste. 300**  
**Colorado Springs, CO 80903**  
**Attn: Mike Suggs**  
**Phone: Fax:**  
**DELIVERED VIA: E-MAIL**

**Seller's Attorney:**

**DELIVERED VIA: E-MAIL**

**Lender:  
CASH SALE**

**Mortgage Broker:**

**Phone: Fax:  
Attn:**

**Phone: Fax:  
Attn:**

**Transaction Coordinator:**

**Hammers Construction, Inc.  
1411 Woolsey Heights  
Colorado Springs, CO 80915  
Phone: 719-201-3432 Fax: 719-570-7008  
Attn: Lisa Peterson  
DELIVERED VIA: E-MAIL**

**Changes: new effective date, no other changes**  
**Thank you for using Empire Title of Colorado Springs, LLC.**



5755 Mark Dabling Blvd., Ste 110, Colorado Springs, CO 80919  
Phone: 719-884-5300 Fax: 719-884-5304

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## UNDERSTANDING YOUR TITLE COMMITMENT

### SCHEDULE A:

**No. 1: Effective date:** This is the date our title plant is certified through. There will typically be a 1-2 week gap between the certification date and the date the commitment is issued.

**No. 2A: Owner's Policy Proposed Insured:** This is how the buyer's name(s) appear(s) on the Contract, all Closing documents and your Final Title Policy. If your name is appearing incorrectly, please advise your Realtor, Builder and/or Lender.

**No. 2B: Loan Policy Proposed Insured:** This is how your lender has requested their name appear. If you are working with a Mortgage Broker, then this name may be unfamiliar to you. If a determination has not yet been made on what lender will be providing your loan, then this may appear as 'TBD' (To Be Determined). If you are paying cash for this purchase, this item will be left blank.

**Charges: Title Premiums, Endorsements and Tax Certificates:** These are fees for the items that the Company has determined may be required by your Lender and/or to meet the terms of your contract. Your lender may request additional items. This does not include any closing fees.

**No. 3: The estate or interest in the land...:** This shows how title to the property is legally held by current owner(s).

**No. 4: The land referred to in the Commitment...:** This is the 'legal' property description for the real estate you are buying or selling.

### SCHEDULE B-SECTION 1:

These are Requirements that must be satisfied in order to provide clear title to the Buyer and/or Lender. The closer and/or processor for the Title Company, will generally take care of satisfying these requirements, however there may be times when your help will be needed as well. Some requirements will be met prior to closing, and others will be met at the time of closing.

### SCHEDULE B-SECTION 2:

These items are Exceptions to your coverage. We are telling you these items exist (whether by recordation in the County Clerk and Recorder's office or because we have knowledge of them through other means). Since these items have been disclosed to you, you will not be provided any coverage for same. Owner's Extended Coverage will delete Items 1-5 of the pre-printed items on Residential Sale Commitments, provided that the coverage was requested by contract and collected at closing. Copies of the plat and covenants will be automatically sent to the buyer and/or Selling Agent. We are happy to also provide you with copies of any other exceptions as well.



ALTA Commitment For Title Insurance
(Adopted 06-17-06) (Revised 08-01-2016)

COMMITMENT FOR TITLE INSURANCE
ISSUED BY
WESTCOR LAND TITLE INSURANCE COMPANY

NOTICE

IMPORTANT—READ CAREFULLY: THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACONTRACTUAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and the Commitment Conditions, WESTCOR LAND TITLE INSURANCE COMPANY, a South Carolina Corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I—Requirements have not been met within six (6) months after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

IN WITNESS WHEREOF, WESTCOR LAND TITLE INSURANCE COMPANY has caused its corporate name and seal to be hereunto affixed and by these presents to be signed in facsimile under authority of its by-laws, effective as of the date of Commitment shown in Schedule A.

Issued By:

WESTCOR LAND TITLE INSURANCE COMPANY

Empire Title of Colorado Springs, LLC

5755 Mark Dabling Blvd., Suite 110
Colorado Springs, CO 80919
Phone: 719-884-5300



By: [Signature]
President
Attest: [Signature]
Secretary

This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; and Schedule B, Part II-Exceptions; and signed by the Company or its issuing agent that may be in electronic form.



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## COMMITMENT CONDITIONS

### 1. DEFINITIONS

- (a) “Knowledge” or “Known”: Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) “Land”: The land described in Schedule A and affixed improvements that by law constitute real property. The term “Land” does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- (c) “Mortgage”: A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) “Policy”: Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
- (e) “Proposed Insured”: Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) “Proposed Policy Amount”: Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) “Public Records”: Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) “Title”: The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company’s liability and obligation end.

3. The Company’s liability and obligation is limited by and this Commitment is not valid without:

- (a) the Notice;
- (b) the Commitment to Issue Policy;
- (c) the Commitment Conditions;
- (d) Schedule A;
- (e) Schedule B, Part I—Requirements; and
- (f) Schedule B, Part II—Exceptions; and
- (g) signed by the Company or its issuing agent that may be in electronic form.

### 4. COMPANY’S RIGHT TO AMEND

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.

### 5. LIMITATIONS OF LIABILITY

- (a) The Company’s liability under Commitment Condition 4 is limited to the Proposed Insured’s actual expense incurred in the interval between the Company’s delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured’s good faith reliance to:
  - (i) comply with the Schedule B, Part I—Requirements;
  - (ii) eliminate, with the Company’s written consent, any Schedule B, Part II—Exceptions; or
  - (iii) acquire the Title or create the Mortgage covered by this Commitment.
- (b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- (c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- (d) The Company’s liability shall not exceed the lesser of the Proposed Insured’s actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
- (e) The Company shall not be liable for the content of the Transaction Identification Data, if any.
- (f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
- (g) In any event, the Company’s liability is limited by the terms and provisions of the Policy.

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**6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT**

- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- (d) The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- (e) Any amendment or endorsement to this Commitment must be in writing.
- (f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

**7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT**

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for the purpose of providing closing or settlement services.

**8. PRO-FORMA POLICY**

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

**9. ARBITRATION**

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at <http://www.alta.org/arbitration>.

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## **CONDITIONS AND STIPULATIONS**

1. The term “mortgage”, when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has acquired actual knowledge of any defect, lien encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.
3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions, the Conditions and Stipulations and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.

## **STANDARD EXCEPTIONS**

The policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company.

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effect date hereof but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
2. 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.
3. Any discrepancies, conflicts in boundary lines, encroachments, easements, measurements, variations in area or content, party wells and/or other facts which a correct survey and/or a physical inspection of the premises would disclose.
4. Rights or claims of parties in possession not shown in the public records.
5. In the event this Commitment is issued with respect to a construction loan to be disbursed in future periodic installments, then the policy shall contain an additional exception which shall be as follows:

Pending disbursement of the full proceeds of the loan secured by the mortgage insured, this policy only insures the amount actually disbursed, but increases as proceeds are disbursed in good faith and without knowledge of any intervening lien or interest to or for the account of the mortgagor up to the amount of the policy. Such disbursement shall not extend the date of the policy or change any part thereof unless such change is specifically made by written endorsement duly issued on behalf of the Company. Upon request by the Insured (and payment of the proper charges thereof), the Company’s agent or approved attorney will search the public records subsequent to the date of the policy and furnish the insured a continuation report showing such matters affecting title to the land as they have appeared in the public records subsequent to the date of the policy or date of the last preceding continuation report, and if such continuation report shows intervening lien, or liens, or interest to or for the account of the mortgagor, then in such event this policy does not increase in liability unless such matters as actually shown on such continuation report are removed from the public records by the insured.

**COMMITMENT FOR TITLE INSURANCE**

Issued by

*Westcor Land Title Insurance Company*

**SCHEDULE A**

1. Effective Date: **August 16, 2018, 07:30 am**

2. Policy to be issued:

(a) 2006 ALTA® Owner's Policy  
Proposed Insured: **Avatar Fountain #1, LP**  
Proposed Policy Amount: **\$2,200,000.00**

(b) 2006 ALTA® Loan Policy  
Proposed Insured:  
Proposed Policy Amount:

<i>Basic Owner's Policy</i>	\$	<b>4,435.00</b>
<i>Tax Certificate</i>	\$	<b>25.00</b>
<i>110.1 Deleting Except End (O)</i>	\$	<b>469.00</b>
<b>Total:</b>	\$	<b>4,929.00</b>

3. The estate or interest in the land described or referred to in this Commitment is **Fee Simple**.

4. The Title is, at the Commitment Date, vested in:  
**Venetucci Village, LLC, a Colorado limited liability company**

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

**PARCEL A:**

**A tract of land being a portion of West half of the Northeast quarter (W1/2 NE1/4) of Section 14, Township 15 South, Range 66 West of the 6th P.M., El Paso County, Colorado, being more particularly described as follows:**

**BEGINNING at a 3-1/4" aluminum cap by LS#9853 at the Northwest corner of said W1/2 NE1/4 from which a 3-1/4" aluminum cap by LS#9853 at the Southwest corner of said W1/2 NE1/4 bears S00°14'13"E a distance of 2640.39 feet and is the basis of bearings used herein; thence S89°58'10"E on the North line of said W1/2 NE1/4, a distance of 607.65 feet to a 1/2" rebar and illegible washer; thence continuing S89°58'10"E on said North line, a distance of 193.49 feet to a point on the Westerly right-of-way line of U.S. Highway 85-87; thence S35°53'17"E on said Westerly right-of-way line, a distance of 74.09 feet to the Northeasterly corner of a tract of land described in Book 1763 at Page 57 of the records of said El Paso County, the following six (6) courses are on the Northerly, Westerly and Southerly boundary lines of said tract of land; thence: 1) N89°57'48"W a distance of 236.81 feet; 2) S26°47'34"W a distance of 129.27 feet; 3) S15°33'55"E a distance of 166.37 feet; 4) S15°44'38"E a distance of 164.08 feet; 5) S35°53'21"E a distance of 841.05 feet; 6) N54°02'01"E a distance of 198.80 feet to a paint on the Westerly right-of-way line of Southmoor Drive; thence S00°01'43"W on said Westerly right-of-way line, a distance of 556.90 feet; thence S89°45'47"W a distance of 1285.64 feet to the West line of said W1/2 NE1/4; thence N00°14'13"W on said West line, a**

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distance of 1620.74 feet to the POINT OF BEGINNING.

**PARCEL B:**

A tract of land being a portion of West half of the Northeast quarter (W1/2 NE 1/4) of Section 14, Township 15 South, Range 66 West of the 6th P.M., El Paso County, Colorado, being more particularly described as follows:

COMMENCING at a 3-1/4 aluminum cap by LS#9853 at the Northwest corner of said W1/2 NE1/4 from which a 3-1/4 aluminum cap by LS#9853 at the Southwest corner of said W1/2 NE1/4 bears S00°14'13"E a distance of 2640.39 feet and is the basis of bearings used herein; thence S00°14'13"E on the West line of said W1/2 NE1/4, a distance of 1620.74 feet to the POINT OF BEGINNING; thence N89°45'47"E a distance of 1285.64 feet to a point on the Westerly right-of-way line of Southmoor Drive, the following two (2) courses are on said Westerly right-of-way line, thence 1) S00°01'43"W a distance of 88.49 feet; 2) S34°14'17"E a distance of 53.41 feet to the Northwest corner of a tract of land described at Reception No. 202040629 of the records of said El Paso County; thence S00°01'28"E on the West boundary line of said tract of land and the West boundary line of a tract of land described in Book 2621 at Page 849 of the records of said El Paso County, a distance of 813.74 feet to the Southeasterly end of the common boundary line described in the Boundary Agreement and Quit Claim Deed recorded at Reception No. 206153355 of the records of said El Paso County; thence N64°37'39"W on said common boundary line a distance of 1455.02 feet to a point on the West line of said W1/2 NE1/4; thence N00°14'13"W on said West line a distance of 317.59 feet to the POINT OF BEGINNING.

For Informational Purposes Only: **Highway 85-87, Fountain, CO 80817**

Countersigned  
Empire Title of Colorado Springs, LLC

By: 

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Patty Wright

## COMMITMENT FOR TITLE INSURANCE

Issued by

*Westcor Land Title Insurance Company*

### SCHEDULE B, PART I Requirements

The following are the requirements to be complied with prior to the issuance of said policy or policies. Any other instrument recorded subsequent to the effective date hereof may appear as an exception under Schedule B of the policy to be issued. Unless otherwise noted, all documents must be recorded in the office of the clerk and recorded of the county in which said property is located.

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. **Release by the Public Trustee of the County of El Paso of the Deed of Trust from Venetucci Village, LLC, a Colorado limited liability company, for the use of El Paso County Housing Authority, to secure \$48,625.00 dated November 2, 2012 recorded November 2, 2012 at Reception No. 212130708.**
6. **Delivery to the Company for inspection and approval prior to closing, the following documents for Venetucci Village, LLC, a Colorado limited liability company:**
  - (1) **Copy of the current Operating Agreement, and any and all amendments thereto, setting forth the name of the manager(s) or members, and their respective powers. NOTE: This item will not be recorded. This Commitment may be subject to additional Requirements and/or Exceptions upon receipt and review of this item.**
  - (2) **Recordation of Statement of Authority evidencing the existence of the entity and authority of the person(s) authorized to execute and deliver instruments affecting title to real property on behalf of the entity, and containing the other information required by C.R.S. 38-30-172 and/or 38-30-108.5.**

**NOTE: There is a Statement of Authority of record, however, it was recorded more than 2 years prior to**

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the date of this commitment. The Underwriter hereunder requires a new Statement of Authority to be recorded at this time.

7. **Delivery to the Company for inspection and approval prior to closing, the following documents for Avatar Fountain #1, LP:**
- (1) **Copy of the current Partnership Agreement, and any and all amendments thereto, setting forth the name of the partners, and their respective powers. NOTE: This item will not be recorded. This Commitment may be subject to additional Requirements and/or Exceptions upon receipt and review of this item.**
  - (2) **Recordation of Statement of Authority evidencing the existence of the entity and authority of the person(s) authorized to execute and deliver instruments affecting title to real property on behalf of the entity, and containing the other information required by C.R.S. 38-30-172 and/or 38-30-108.5.**
  - (3) **Copy of the Certificate of Good Standing as filed with the Colorado Secretary of State.**
8. **Deed sufficient to convey fee simple estate or interest in the land described or referred to herein, to the proposed insured, Schedule A, Item 2A.**

**NOTE: Section 38-35-109 (2) of the Colorado Revised Statutes, 1973, requires that a notation of the legal address of the purchaser (not necessarily the same as the property address) be included on the face of the deed to be recorded.**

**NOTE: C.R.S.39-14-102 requires that a Real Property Transfer Declaration accompany any conveyance document presented for recordation in the State of Colorado. Said declaration shall be completed and signed by either the grantor or grantee.**

**REQUIREMENTS NOT TO BE RECORDED:**

**A. Payment of any and all due and unpaid general taxes or special assessments pertaining to subject property, as may be evidenced by a tax certificate.**

**B. A SATISFACTORY LAND SURVEY PLAT MUST BE FURNISHED TO THE COMPANY. EXCEPTION WILL BE TAKEN TO ADVERSE MATTERS DISCLOSED THEREBY.**

**NOTE: THIS REQUIREMENT IS NECESSARY TO PROVIDE OWNERS EXTENDED COVERAGE AS REQUESTED IN THE SALES CONTRACT.**

**C. Receipt by the company of a Final Affidavit and Agreement indemnifying it against unfilled mechanic's and materialmen's liens.**

**D. Upon receipt of Items required above, satisfactory to the Company, the Policy to be issued will be an**

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**ALTA Standard Owner's Policy along with Endorsement Form 110.1, which will provide Owner's Extended Coverage.**

**E. Copy of Appraisal. (This requirement is necessary to verify the value of the land, prior sales price was much lower)**

**FOR INFORMATIONAL PURPOSES ONLY:**

**24-month Chain of Title: The only conveyance(s) affecting said land recorded within the 24 months preceding the date of this commitment is (are) as follows:**

**Deed recorded October 10, 2012 as Reception No. 212119153. (Parcel A)**

**Deed recorded October 10, 2012 as Reception No. 212119152. (Parcel B)**

**NOTE: If no conveyances were found in that 24 month period, the last recorded conveyance is reported. If the subject land is a lot in a subdivision plat less than 24 months old, only the conveyances subsequent to the plat are reported.**

**~~INTENTIONALLY DELETED. Approval received. Due to the liability amount of the policy to be issued hereunder, this commitment in it's entirety is subject to approval by this company's underwriter.~~**

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**SCHEDULE B, PART II**  
**Exceptions**

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy or Policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

1. Rights or claims of parties in possession not shown by the Public Records.
2. Easements or claims of easements not shown in the Public Records.
3. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, and any facts which a correct survey and inspection of the land would disclose, and which are not shown by the public record.
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. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this Commitment.
6. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof.
7. Any water rights or claims or title to water, in or under the land, whether or not shown by the public records.
8. Taxes due and payable; and any tax, special assessments, charge or lien imposed for water or sewer service, or for any other special taxing district. Note: Upon verification of payment of all taxes the above exception will be amended to read, "Taxes and assessments for the current year, and subsequent years, a lien not yet due and payable."
9. An easement for electric transmission line and incidental purposes granted to the Town of Fountain now the City of Fountain by the instrument recorded August 11, 1925 in Book 692 at Page 284.
10. Terms, agreements, provisions, conditions and obligations as contained in Right of Way Agreement recorded March 29, 1960 in Book 1800 at Page 1.
11. Terms, agreements, provisions, conditions, obligations and easements as contained in Warranty Deed, recorded March 31, 1960 in Book 1800 at Page 255.

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12. Terms, agreements, provisions, conditions, obligations and easements as contained in Agreement, recorded November 24, 1969 at Reception No. in Book 2320 at Page 1.
13. Reservations, limitations, conditions and obligations as contained in Warranty Deed recorded October 22, 1971 in Book 2444 at Page 841.
14. Any tax, lien, fee or assessment by reason of inclusion of subject property in the Southeast Colorado Water Conservancy District as evidenced by instrument recorded August 22, 1972 in Book 2516 at Page 612.
15. An easement for water and sanitary sewer lines and incidental purposes granted to Security Sanitation District and Security Water District by the instrument recorded November 22, 1983 in Book 3806 at Page 789 and re-recorded November 20, 1984 in Book 3941 at Page 664.
16. Terms, agreements, provisions, conditions and obligations as contained in Possession and Use Agreement recorded June 27, 2003 at Reception No. 203147447.
17. Terms, agreements, provisions, conditions and obligations as contained in Quit Claim Deed recorded October 6, 2005 at Reception No. 205158999.
18. Any tax, lien, fee or assessment by reason of inclusion of subject property in the Security Fire Protection District as evidenced by instrument recorded February 28, 2006 at Reception No. 206029715.
19. Terms, agreements, provisions, conditions and obligations as contained in Resolution No. 06-309 recorded September 1, 2006 at Reception No. 206130427.
20. Terms, agreements, provisions, conditions, obligations, fees and easements as contained in Inclusion Agreement, recorded October 10, 2006 at Reception No. 206150119.
21. Terms, agreements, provisions, conditions and obligations as contained in Boundary Agreement and Quitclaim Deed recorded October 17, 2006 at Reception No. 206153355.
22. Terms, agreements, provisions, conditions and obligations as contained in Order and Decree recorded January 4, 2007 at Reception No. 207001699.
23. Terms, agreements, provisions, conditions and obligations as contained in Riverbend Crossing P.U.D. Development Plan recorded February 21, 2007 at Reception No. 207023658. Development Guide Riverbend Crossing Recorded February 21, 2007 at Reception No. 207026659.
24. The effect of Deeds recorded February 28, 2007 at Reception No. 207027616, Reception No. 207027617 and recorded July 11, 2007 at Reception No. 207091726.
25. Any assessment or lien of Security Sanitation District as disclosed by the instruments recorded July 11, 2007 at Reception No. 207091724 and Reception No. 207091725.
26. The effect of Mineral Deed from Melody Homes, Inc. to DRH Energy, Inc. recorded February 19, 2008 at

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Reception No. 208018859.

27. Terms, agreements, provisions, conditions and obligations as contained in Relinquishment of Surface Rights recorded October 10, 2008 at Reception No. 208111621.
28. Terms, agreements, provisions, conditions, obligations and easements as contained in Judgment and Decree, recorded May 25, 2011 at Reception No. 211051393.
29. Terms, agreements, provisions, conditions, obligations and easements as contained in Resolution No. 12-321, recorded September 14, 2012 at Reception No. 212107095.
30. Any leases or tenancies and any and all parties claiming by, through, or under such leases or tenancies.
31. Any question, dispute or adverse claims as to any loss or gain of land as a result of any change in the river bed location by other than natural causes, or alteration through accretion, reliction, erosion or avulsion of the center thread, bank, channel or flow of waters in Fountain Creek lying within subject land; and any question as to the location of such center thread, bed bank or channel as a legal description monument or marker for purposes of describing or locating subject lands.
32. Any rights, interest or easements in favor of the riparian owners, the State of Colorado, the United States of America, or the general public, which exist, have existed, or are claimed to exist in and over the waters and present and past bed and banks of Fountain Creek.

NOTE: The policy(s) of insurance may contain a clause permitting arbitration of claims at the request of either the Insured or the Company. Upon request, the Company will provide a copy of this clause and the accompanying arbitration rules prior to the closing of the transaction.

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## Empire Title of Colorado Springs, LLC

### Disclosures

All documents received for recording or filing in the Clerk and Recorder's office shall contain a top margin of at least one inch and a left, right and bottom margin of at least one half of an inch. The Clerk and Recorder will refuse to record or file any document that does not conform to the requirements of this section. Pursuant to C.R.S. 30-10-406(3)(a).

The company will not issue its policy or policies of title insurance contemplated by this commitment until it has been provided a Certificate of Taxes due or other equivalent documentation from the County Treasurer or the County Treasurer's authorized agent; or until the Proposed Insured has notified or instructed the company in writing to the contrary. Pursuant to C.R.S. 10-11-122.

No person or entity that provides closing and settlement services for a real estate transaction shall disburse funds as a part of such services until those funds have been received and are available for immediate withdrawals as a matter of right. Pursuant to C.R.S. 38-35-125(2).

The Company hereby notifies the proposed buyer in the current transaction that there may be recorded evidence that the mineral estate, or portion thereof, has been severed, leased, or otherwise conveyed from the surface estate. If so, there is a substantial likelihood that a third party holds some or all interest in the oil, gas, other minerals, or geothermal energy in the subject property. Such mineral estate may include the right to enter and use the property without the surface owner's permission. Pursuant to C.R.S. 10-11-123.

If this transaction includes a sale of property and the sales price exceeds \$100,000.00, the seller must comply with the disclosure/withholding requirements of said section. (Nonresident withholding) Pursuant to C.R.S. 39-22-604.5.

Notice is hereby given that: The subject property may be located in a special taxing district. A Certificate of Taxes due listing each taxing jurisdiction shall be obtained from the County Treasurer or the County Treasurer's authorized agent. Information regarding special districts and the boundaries of such districts may be obtained from the Board of County Commissioners, the County Clerk and Recorder, or the County Assessor. Pursuant to C.R.S. 10-11-122.

Notice is hereby given that: Pursuant to Colorado Division of Insurance Regulation 8-1-2;

"Gap Protection" - When this Company conducts the closing and is responsible for recording or filing the legal documents resulting from the transaction, the Company shall be responsible for all matters which appear on the record prior to such time or recording or filing; and

"Mechanic's Lien Protection" - If you are the buyer of a single family residence, you may request mechanic's lien coverage to be issued on your policy of Insurance. If the property being purchased has not been the subject of construction, improvements or repairs in the last six months prior to the date of this commitment, the requirements will be payment of the appropriate premium and the completion of an Affidavit and Indemnity by the seller. If the property being purchased was constructed, improved or repaired within six months prior to the date of this commitment the requirements may involve disclosure of certain financial information, payment of premiums, and indemnity, among others. The general requirements stated above are subject to revision and approval by the Company. Pursuant to C.R.S. 10-11-122.

Notice is hereby given that an ALTA Closing Protection Letter is available, upon request, to certain parties to the transaction as noted in the title commitment. Pursuant to Colorado Division of Insurance Regulation 8-1.

Nothing herein contained will be deemed to obligate the Company to provide any of the coverages referred to herein unless the above conditions are fully satisfied.



## Joint Notice of Privacy Policy

of

**Westcor Land Title Insurance Company**

and

**Empire Title of Colorado Springs, LLC**

Westcor Land Title Insurance Company (“WLTIC”) and **Empire Title of Colorado Springs, LLC** value their customers and are committed to protecting the privacy of personal information. In keeping with that philosophy, we each have developed a Privacy Policy, set out below, that will endure the continued protection of your nonpublic personal information and inform you about the measures WLTIC and **Empire Title of Colorado Springs, LLC** take to safeguard that information. This notice is issued jointly as a means of paperwork reduction and is not intended to create a joint privacy policy. Each company’s privacy policy is separately instituted, executed, and maintained.

### **Who is Covered**

We provide our Privacy Policy to each customer when they purchase a WLTIC title insurance policy. Generally, this means that the Privacy Policy is provided to the customer at the closing of the real estate transaction.

### **Information Collected**

In the normal course of business and to provide the necessary services to our customers, we may obtain nonpublic personal information directly from the customer, from customer-related transactions, or from third parties such as our title insurance agent, lenders, appraisers, surveyors and other similar entities.

### **Access to Information**

Access to all nonpublic personal information is limited to those employees who have a need to know in order to perform their jobs. These employees include, but are not limited to, those in departments such as closing, legal, underwriting, claims and administration and accounting.

### **Information Sharing**

Generally, neither WLTIC nor **Empire Title of Colorado Springs, LLC** shares nonpublic personal information that it collects with anyone other than those individuals necessary needed to complete the real estate settlement services and issue its title insurance policy as requested by the consumer. WLTIC or **Empire Title of Colorado Springs, LLC** may share nonpublic personal information as permitted by law with entities with whom WLTIC or **Empire Title of Colorado Springs, LLC** has a joint marketing agreement. Entities with whom WLTIC or **Empire Title of Colorado Springs, LLC** have a joint marketing agreement have agreed to protect the privacy of our customer’s nonpublic personal information by utilizing similar precautions and security measures as WLTIC and **Empire Title of Colorado Springs, LLC** use to protect this information and to use the information for lawful purposes. WLTIC or **Empire Title of Colorado Springs, LLC**, however, may share information as required by law in response to a subpoena, to a government regulatory agency or to prevent fraud.

### **Information Security**

WLTIC and **Empire Title of Colorado Springs, LLC**, at all times, strive to maintain the confidentiality and integrity of the personal information in its possession and has instituted measures to guard against its unauthorized access. We maintain physical, electronic and procedural safeguards in compliance with federal standards to protect that information.

*The WLTIC Privacy Policy can be found on WLTIC’s website at [www.wltic.com](http://www.wltic.com)*