

Land Title Guarantee Company
CUSTOMER DISTRIBUTION

Date: January 16, 2018

Our Order Number: SC55067834

Property Address: 1755 E LAS VEGAS ST, COLORADO SPRINGS, CO 80903

LAND DEVELOPMENT CONSULTANTS INC
Attn: DAVID HOSTETLER
3898 MAIZELAND ROAD
COLORADO SPRINGS, CO 80909
dhostetler@ldc-inc.com

If you have any inquiries or require further assistance, please contact [Final Policy Team](#)

Phone: 303-850-4158

Email Address: finals@ltgc.com

Property Information Binder

CONDITIONS AND STIPULATIONS

1. Definition of Terms

The following terms when used in this Binder mean:

- (a) "Land": The land described, specifically or by reference, in this Binder 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) "Date": the effective date;
- (d) "the Assured": the party or parties named as the Assured in this Binder, or in a supplemental writing executed by the Company;
- (e) "the Company" means Old Republic National Title Insurance Company, a Minnesota stock company.

2. Exclusions from Coverage of this Binder

The company assumes no liability including cost of defense by reason of the following:

- (a) Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; taxes and assessments not yet due or payable and special assessments not yet certified to the Treasurer's office.
- (b) Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
- (c) Title to any property beyond the lines of the Land, or title to streets, roads, avenues, lanes, ways or waterways on which such land abuts, or the right to maintain therein vaults, tunnels, ramps, or any other structure or improvement; or any rights or easements therein unless such property, rights or easements are expressly and specifically set forth in said description.
- (d) Mechanic's lien(s), judgment(s) or other lien(s).
- (e) Defects, liens, encumbrances, adverse claims or other matters: (a) created, suffered or agreed to by the Assured; (b) not known to the Company, not recorded in the Public Records as of the Date, but known to the Assured as of the Date; or (c) attaching or creating subsequent to the Date.

3. Prosecution of Actions

- (a) The Company shall have the right at its own costs to institute and prosecute any action or proceeding or do any other act which in its opinion may be necessary or desirable to establish or confirm the matters herein assured; and the Company may take any appropriate action under the terms of this Binder, whether or not it shall be liable thereunder and shall not thereby concede liability or waive any provision hereof.
- (b) In all cases where the Company does not institute and prosecute any action or proceeding, the Assured shall permit the Company to use, at its option, the name of the Assured for this purpose. Whenever requested by the Company, the Assured shall give the Company all reasonable aid in prosecuting such action or proceeding, and the Company shall reimburse the Assured for any expense so incurred.

4. Notice of Loss - Limitation of Action

A statement in writing of any loss or damage for which it is claimed the Company is liable under this Binder 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 Assured under this Binder until thirty days after such statement shall have been furnished, and no recovery shall be had by the Assured under this Binder unless action shall be commenced thereon with two years after expiration of the thirty day period. Failure to furnish the statement of loss or damage or to commence the action within the time hereinbefore specified, shall be conclusive bar against maintenance by the Assured of any action under this Binder.

5. Option to Pay, Settle or Compromise Claims

The Company shall have the option to pay, settle or compromise for or in the name of the Assured any claim which could result in loss to the Assured within the coverage of this Binder, or to pay the full amount of this Binder. Such payment or tender of payment of the full amount of the Binder shall terminate all liability of the Company hereunder.

6. Limitation of Liability - Payment of Loss

(a) The liability of the Company under this Binder shall be limited to the amount of actual loss sustained by the Assured because

of reliance upon the assurances herein set forth, but in no event shall the liability exceed the amount of the liability stated on the face page hereof.

(b) The Company will pay all costs imposed upon the Assured in litigation carried on by the Company for the Assured, and all costs and attorneys' fees in litigation carried on by the Assured with the written authorization of the Company.

(c) No claim for loss or damages shall arise or be maintainable under this Binder (1) if the Company after having received notice of any alleged defect, lien or encumbrance not shown as an Exception or excluded herein removes such defect, lien or encumbrance within a reasonable time after receipt of such notice, or (2) for liability voluntarily assumed by the Assured in settling any claim or suit without written consent of the Company.

(d) All payments under this Binder, except for attorney's fees as provided for in paragraph 6(b) thereof, shall reduce the amount of the liability hereunder pro tanto, and no payment shall be made without producing this Binder or an acceptable copy thereof for endorsement of the payment unless the Binder be lost or destroyed, in which case proof of the loss or destruction shall be furnished to the satisfaction of the Company.

(e) When liability has been definitely fixed in accordance with the conditions of this Binder, the loss or damage shall be payable within thirty days thereafter.

7. Subrogation Upon Payment or Settlement

Whenever the Company shall have settled a claim under this Binder, all right of subrogation shall vest in the Company unaffected by any act of the Assured, and it shall be subrogated to and be entitled to all rights and remedies which the Assured would have had against any person or property in respect to the claim had this Binder not been issued. If the payment does not cover the loss of the Assured, the Company shall be subrogated to the rights and remedies in the proportion which the payment bears to the amount of said loss. The Assured, if requested by the Company, shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect the right of subrogation, and shall permit the Company to use the name of the Assured in any transaction or litigation involving the rights or remedies.

8. Binder Entire Contract

Any action or actions or rights of action that the Assured may have or may bring against the Company arising out of the subject matter hereof must be based on the provisions of this Binder. No provision or condition of this Binder can be waived or changed except by a writing endorsed or attached hereto signed by the President, a Vice President, the Secretary, an Assistant Secretary or other validating officer of the Company.

9. Notices. Where Sent

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at 400 Second Avenue South, Minneapolis, Minnesota 55401, (612) 371-1111.

10. Arbitration


Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association.

ANTI-FRAUD STATEMENT: Pursuant to CRS 10-1-128(6)(a), it is unlawful to knowingly provide false, incomplete or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.


This anti-fraud statement is affixed and made a part of this policy.

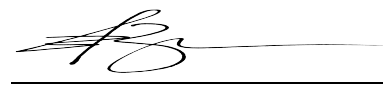
Issued through the Office of:
LAND TITLE GUARANTEE COMPANY
3033 E 1ST AVE #600
DENVER, CO 80206
303-850-4165

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
a Stock Company
400 Second Avenue South
Minneapolis, Minnesota 55401
612) 371-1111


John E. Freyer, Jr., President




Mark Bilbrey, President


Rande Yeager, Secretary

Land Title Guarantee Company Representing Old Republic National Title Insurance Company

PROPERTY INFORMATION BINDER

Order Number: SC 55067834

Policy Number: PIB55067834.2535237

Liability: \$50,000.00

Fee: \$500.00

Subject to the exclusions from coverage, the limits of liability and other provisions of the Conditions and Stipulations hereto annexed and made a part of this Binder,

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
a Corporation, herein called the Company,

GUARANTEES

LAND DEVELOPMENT CONSULTANTS, INC., A COLORADO CORPORATION

Herein called the Assured, against loss, not exceeding the liability amount stated above, which the assured shall sustain by reason of any incorrectness in the assurance which the Company hereby gives that, according to the public records as of January 09, 2018 at 5:00 P.M.

1. Title to said estate or interest at the date hereof is vested in:

ROCKY TOP RESOURCES, INC., A COLORADO CORPORATION

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

A FEE SIMPLE

3. The land referred to in this Binder is situated in the State of Colorado, County of El Paso, described as follows:

PARCEL 1:

TRACTS 1 AND 2 IN VALLEY GARDENS, AND ALL THAT PORTION OF WEST STREET VACATED BY RESOLUTION NO. 04-545 RECORDED DECEMBER 12, 2006 UNDER RECEPTION NO. [206179579](#), BEING A PART OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 29, AND THE WEST HALF OF SECTION 28 IN TOWNSHIP 14 SOUTH, RANGE 66 WEST OF THE 6TH P.M., COUNTY OF EL PASO, STATE OF COLORADO, EXCEPT THAT PORTION CONVEYED TO THE COUNTY COMMISSIONERS OF EL PASO COUNTY, COLORADO RECORDED JANUARY 10, 1984 IN BOOK 3823 AT PAGE [439](#), AND EXCEPT THAT PORTION CONVEYED TO THE DEPARTMENT OF TRANSPORTATION STATE OF COLORADO RECORDED MAY 5, 1992 IN BOOK 5973 AT PAGE [205](#).

PARCEL 2:

TRACTS 7, 8, 9 AND 12 IN VALLEY GARDENS, BEING A PART OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 29, AND THE WEST HALF OF THE NORTHWEST

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QUARTER OF SECTION 28 IN TOWNSHIP 14 SOUTH, RANGE 66 WEST OF THE 6TH P.M.,
COUNTY OF EL PASO, STATE OF COLORADO,

EXCEPTING FROM THE ABOVE DESCRIPTION THAT PORTION THEREOF CONVEYED BY
B.W. BABCOCK TO A.G. PINELLO AND RECORDED IN BOOK 539 AT PAGE 485 IN THE
OFFICE OF THE COUNTY CLERK AND RECORDER OF EL PASO COUNTY, COLORADO, AND
FURTHER EXCEPTING THE RIGHT OF WAY CONVEYED TO THE CITY OF COLORADO
SPRINGS BY DEED RECORDED IN BOOK 1000 AT PAGE 316 IN THE OFFICE OF THE
COUNTY CLERK AND RECORDER OF EL PASO COUNTY, COLORADO, COUNTY OF EL
PASO, STATE OF COLORADO,

AND

TRACTS G AND H AND TRACTS E, I AND K, RYAN'S SUBDIVISION, COUNTY OF EL PASO,
STATE OF COLORADO,

EXCEPTING FROM ALL THE FOREGOING PARCELS THOSE PORTIONS CONTAINED IN
FINDINGS, ORDER AND DECREE RECORDED IN BOOK 3823 AT PAGE 439, WARRANTY
DEED TO THE DEPARTMENT OF TRANSPORTATION, STATE OF COLORADO RECORDED IN
BOOK 5973 AT PAGE 205 AND IN WARRANTY DEED TO JAY A. RINGLER RECORDED IN
BOOK 6354 AT PAGE 339, EL PASO COUNTY, COLORADO,

NOW KNOWN AS TRACT 7 IN VALLEY GARDENS IN ACCORDANCE WITH ADMINISTRATIVE
VACATION OF INTERIOR LOT LINES AS RECORDED JANUARY 17, 2006 AT RECEPTION NO.
[206006560](#).

4. The following documents affect the land:

- 1) A PERPETUAL RIGHT OF WAY AND EASEMENT, 100 FEET WIDE, FOR THE CONSTRUCTION, MAINTENANCE, AND OPERATION OF POPES, ELECTRIC LINES, POLES, WIRES, AND GUYS, TOGETHER WITH NECESSARY FIXTURES AND ATTACHMENTS, CONVEYED TO THE CITY OF COLORADO SPRINGS BY INSTRUMENT RECORDED MARCH 21, 1942 IN BOOK 1000 AT PAGE [316](#).
- 2) A PERPETUAL RIGHT OF WAY AND EASEMENT, 100 FEET WIDE, FOR THE CONSTRUCTION, MAINTENANCE, AND OPERATION OF ELECTRICAL LINES, TOGETHER WITH NECESSARY FIXTURES AND ATTACHMENTS, CONVEYED TO THE CITY OF COLORADO SPRINGS BY INSTRUMENT RECORDED AUGUST 5, 1965 IN BOOK 2086 AT PAGE [798](#).
- 3) A PERPETUAL RIGHT OF WAY EASEMENT, 30 FEET WIDE, FOR THE CONSTRUCTION, MAINTENANCE, AND OPERATION OF SEWER LINES, TOGETHER WITH THE NECESSARY FIXTURES AND ATTACHMENTS, CONVEYED TO THE CITY OF COLORADO SPRINGS BY INSTRUMENT RECORDED JANUARY 28, 1974 IN BOOK 2652 AT PAGE [606](#).
- 4) A PERPETUAL RIGHT OF WAY AND EASEMENT, FOR THE PURPOSE OF FOUNTAIN CREEK CHANNEL CHANGE AND MAINTENANCE, TOGETHER WITH THE RIGHT FOR INGRESS AND EGRESS THERETO CONVEYED TO THE CITY OF COLORADO SPRINGS BY INSTRUMENT

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RECORDED AUGUST 12, 1983 IN BOOK 3767 AT PAGE [75](#).

5) A PERMENENT EASEMENT 20 FEET WIDE FOR RIGHT OF WAY PURPOSES OVER THAT PORTION OF TRACT 1 IN VALLEY GARDENS DESCRIBED IN EXHIBIT B TO THAT FINDINGS, ORDER AND DECREE ENTERD JANUARY 10, 1984 IN CIVIL ACTION NO. 80CV1918, A CONDEMNATION PROCEEDING, RECORDED JANUARY 10, 1984 IN BOOK 3823 AT PAGE [439](#) OF THE RECORDS OF THE EL PASO COUNTY CLERK AND RECORDER.

6) TERMS, CONDITIONS, AND PROVISIONS OF MEMORANDUM OF AGREEMENT BETWEEN THE COLORADO DEPARTMENT OF HIGHWAYS AND BEULAH MOORE RECORDED NOVEMBER 4, 1991 IN BOOK 5899 AT PAGE [189](#).

7) ELIMINATION OF ALL RIGHTS OF ACCESS TO COLORADO STATE HIGHWAY NO. 24, RELINQUISHED BY WARRANTY DEED TO THE DEPARTMENT OF TRANSPORTATION OF THE STATE OF COLORADO RECORDED MAY 5, 1992 IN BOOK 5973 AT PAGE [203](#).

8) A PERSONAL, TEMPORARY, NON-TRANSFERABLE LICENSE TO CROSS STATE HIGHWAY RIGHT OF WAY FOR AGRICULTURAL PURPOSES THROUGH A 20 FOOT WIDE CORRIDOR, GRANTED TO BEULAH MOORE BY LICENSE FROM THE DEPARTMENT OF TRANSPORTATION OF THE STATE OF COLORADO RECORDED MAY 5, 1992 IN BOOK 5973 AT PAGE [208](#). ADDITIONAL RESTRICTIONS PERTAINING TO THIS ACCESS ARE CONTAINED IN THAT "TEMPORARY ACCESS PERMIT" FROM THE CHIEF ENGINEER OF THE DEPARTMENT OF TRANSPORTATION OF THE STATE OF COLORADO RECORDED MAY 5, 1992 IN BOOK 5973 AT PAGE [210](#).

9) AN EASEMENT, 50 FEET WIDE, GRANTED TO THE CITY OF COLORADO SPRINGS FOR A RECREATIONAL TRAIL RECORDED MARCH 4, 1999 UNDER RECEPTION NO. [099034230](#).

10) EFFECT OF RESOLUTION NO. 04-4 04 OF THE BOARD OF COUNTY COMMISSIONERS RECORDED NOVEMBER 16, 2004 UNDER RECEPTION NO. [204188858](#).

11) TERMS, CONDITIONS, PROVISIONS, BURDENS, OBLIGATIONS AND EASEMENTS AS SET FORTH AND GRANTED IN EASEMENT AGREEMENT RECORDED JANUARY 11, 2006 UNDER RECEPTION NO. [206004640](#) AND RERECORDED JANUARY 17, 2006 UNDER RECEPTION NO. [206006564](#).

12) THE EFFECT OF ADMINISTRATIVE VACATION OF INTERIOR LOT LINES AND RELATED EASEMENTS WITHIN UNINCORPORATED EL PASO COUNTY, COLORADO, RECORDED JANUARY 17, 2006, UNDER RECEPTION NO. [206006560](#).

13) TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN RESOLUTION NO. 04-545 RECORDED JANUARY 17, 2006 UNDER RECEPTION NO. [206006565](#).

14) TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN FINDINGS OF FACT AND RULING OF REFEREE GRANTING, UNDERGROUND WATER RIGHTS, CHANGE OF WATER RIGHT, AND APPROVAL OF PLAN OF AUGMENTATION RECORDED

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SEPTEMBER 29, 2006 UNDER RECEPTION NO. [206144191](#).

15) TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN RESOLUTION NO. 04-545 RECORDED DECEMBER 12, 2006 UNDER RECEPTION NO. [206179579](#).

16) DEED OF TRUST DATED NOVEMBER 02, 2012, FROM M J & M, LLLP, A COLORADO LIMITED LIABILITY LIMITED PARTNERSHIP TO THE PUBLIC TRUSTEE OF EL PASO COUNTY FOR THE USE OF PIKES PEAK NATIONAL BANK TO SECURE THE SUM OF \$1,643,571.68 RECORDED NOVEMBER 07, 2012, UNDER RECEPTION NO. [212132227](#). ADDENDUM TO SAID DEED OF TRUST RECORDED APRIL 14, 2016 UNDER RECEPTION NO. [216037893](#).

17) RIGHTS OF UPPER AND LOWER RIPARIAN OWNERS IN AND TO THE FREE AND UNOBSTRUCTED FLOW OF THE WATER OF FOUNTAIN CREEK AS THE SAME COURSES THROUGH THE SUBJECT PROPERTY, WITHOUT DIMINUTION.

NOTE: ADDITIONAL UPDATES TO THE EFFECTIVE DATE OF THE BINDER MAY BE REQUESTED BY THE PROPOSED INSURED. ONE UPDATE IS INCLUDED WITH THIS BINDER AT NO ADDITIONAL COST. ANY ADDITIONAL UPDATES WILL BE ISSUED AT THE COST OF \$125 PER UPDATE. FOR EACH UPDATE PROVIDED, A REVISED BINDER WILL BE ISSUED SHOWING A NEW EFFECTIVE DATE AND ANY MATTERS RECORDED SINCE THE EFFECTIVE DATE OF THE PREVIOUS BINDER.

NOTE: THIS BINDER DOES NOT REFLECT THE STATUS OF TITLE TO WATER RIGHTS OR REPRESENTATION OF SAID RIGHTS, RECORDED OR NOT.

NOTE: THIS BINDER IS NOT A REPORT OR REPRESENTATION AS TO MINERAL INTERESTS, AND SHOULD NOT BE USED, OR RELIED UPON, IN CONNECTION WITH THE NOTICE REQUIREMENTS THAT ARE SET FORTH IN CRS 24-65.5-103.