

**Date: 14 October 2014**

Re: Evidence to be submitted, regarding the Saguache County Commissioners petition to the Colorado Secretary of State for the abandonment of Bonanza City, Colorado. This evidence argues against the Saguache County Commissioners petition for the abandonment of Bonanza City, Colorado.

The procedure for the argument will contain several individual documents. These documents must be considered collectively to understand why the Saguache County Commissioners petition for abandonment must be denied.

Three sets of documents will be considered. First, will be the consideration of property tax records for two recently built properties in Bonanza City, Colorado. These can be found on the Saguache County Assessor's office web page. Second, five deeds related to the construction of one of these just identified properties will be considered. Along with this will be the 11 March 2014 official minutes of the Saguache County Commissioners.

These deeds may be found in the Clerk's Office at the Saguache Court House. The official minutes may be found on the Commissioners' web page.

## **I. Introduction**

### **A. Exhibits:**

(10) Petition for Determination of Abandonment of the Town of Bonanza

### **B. Discussion**

Mr. Ben Gibbons, as attorney for the Saguache County Commissioners, did, on 28 October 2013, submit a petition to the Colorado Secretary of State's office for abandonment of Bonanza City, Colorado. In this petition, it was alleged that the town of Bonanza City had not carried on normal functions of government from five years previous to the date of the petition.

This submission will indicate that:

(a) Issuing permits are a part of Bonanza City's governmental responsibilities. During 2012/13, a building permit was issued by the town of Bonanza City. Along with the building permit was the issuance of a permit for a septic disposal system. (It should be noted that these permits are required by both Colorado State Law and also the Land Use requirements of Saguache County. These permits are required before any new construction can commence.) And

(b) Allegations made by the SCC in the 11 March 2014 official minutes of the Saguache County Commissioners regularly scheduled meeting do not agree with either the facts or the dates found in the five deeds (2011). This suggests that both the premise on which the petition was based and the rational

for establishing the time date for abandonment of Bonanza City called for in the petition are misrepresented.

As this submission makes use of documents with different dates and content, it will be necessary to make references between the various items of evidence. As stated previously, close attention to differing dates will be necessary.

## **2. Reply to the Saguache County Commissioner's petition that the Bonanza City government had ceased to function.**

### **A. Exhibits**

(1) Saguache County Assessor Parcel #407125477002: completion date (2013) and tax levied (\$511.76

(2) Saguache County Assessor Parcel #407125477003: completion date (2012) and tax levied (\$167.74)

### **B. Discussion:**

These documents are found on the Saguache County Assessor's office website. In addition to identifying the completion dates for each construction, it is important to note that both are listed on the Saguache County Tax rolls. For this listing to have occurred, building permits had to have been granted for the construction of each building.

**C. Exhibit:** (3) E-mail message date 9 October 2014.

**Discussion:** To continue the discussion from B above, the question then becomes "who granted the building permits? Was the grantor the Bonanza City government or was it the Land Use Office in the Saguache County Court House?"

Building permits are normally issued by the city in Colorado where the property is located, but building permits for unincorporated areas are issued at the county level. As of this date (14 October 14), **Bonanza City is incorporated.** Therefore, Bonanza City is the only entity which grants the building permit.

The e-mail message clearly states that the Saguache County Land Use Office "does not do construction permits or sewage inspections in the Town of Bonanza and both these Parcels Numbers are located in the Town of Bonanza."

Since Saguache County did not issue the building permit, then the building permit had to originate with the Bonanza City town government (as required by Colorado state law).

## **3. Reply to Saguache County Commissioners' statements (related to the Bonanza City issue), published in the 11 March 2014 official minutes of the Saguache County Commissioners.**

**A. Exhibit (4)** Saguache County Commissioners' official minutes – 11 March 14

**Discussion:** Compare the dates of the two Saguache Assessor Parcels (specified above – 2012/2013) to the date of the official minutes (11 March 14). The reader will observe that the official minutes (11 March 14) came after the dates on the Saguache County Assessor parcels (2012/2013).

**B. Exhibits**

- (5) Warranty Deed
- (6) Construction Deed of Trust
- (7) Disburser's Notice
- (8) Deed of Trust
- (9) Request for Full Release of Deed of Trust

**Discussion:** The material to look for is the “Eye on the County” discussion – ‘Town of Bonanza Update’. Locate the top paragraph on page 15. These lines are quoted in this submission:

1. “County provision of building and septic permitting would ..... (11 March 14)”.  
As discussed in Section 1, building and septic permitting had already been accomplished )2012/2013).
2. “Unable to obtain these needed permits, property owners are  
[1] blocked from installing proper sanitation on their land,  
[2] building a home, and  
[3] obtaining a mortgage if needed.”

**Discussion:** A comparison of the exhibits (#5 thru #9) is made with these statements found in the official minutes just specified.

- a. The date of the Saguache County Commissioners ‘eye on the county’ (11 March 2014) comes after the Assessor’s Parcel date of completion (2013);
- b. The date of the Saguache County Commissioners statement referencing ‘blocked from proper sanitation’ (11 March 2014) comes after the Assessor’s Parcel date of completion (2013). The sanitation system had already been installed.
- c. The date of the Saguache County Commissioners statement referencing ‘building a home’ (11 March 2014) comes after the Assessor’s Parcel date (2013). The ‘disbursement deed’ had already been completed (29 August 11).
- d. The date of the Saguache County Commissioners statement referencing ‘obtaining a mortgage if need (11 March 14) comes after the Assessor’s Parcel date (2013). The ‘construction deed of trust’, the ‘disburser’s notice’, the ‘deed of trust’ (all dated 29 August 11), and the ‘request for full release of deed of trust had already been completed.

**Conclusions:** These inaccuracies suggest that there is no hesitation on the part of the Saguache County Commissioners to misrepresent the facts as needed. The misrepresentations just identified occurred both

with (a) dates and (b) content. Additionally, the original petition, as presented by Mr. Gibbons, does not reference this evidence just presented. It must be observed that the concerns of the Saguache County Commissioners were stated in official record (11 March 2014); this was after completion of construction (2013). These concerns were apparently non-existent to the Saguache County Commissioners during the process of construction (2012/2013).

**Not only did the Saguache County Commissioners attempt to create a rationale that would explain/support their petition for the abandonment of Bonanza City, but by creating an untrue rationale, they destroyed their credibility in the process.**

If the Saguache County Commissioners are willing to create these misrepresentations, then any rationale given by the Saguache County Commissioners to justify it's petition to the Secretary of State for abandoning Bonanza City lacks in credibility.

#### 4. Conclusions

A. The Saguache County Commissioners premise in their petition for abandonment ('...the town failed, for a period of longer than five years immediately before the filing of the application' (28 Oct 2013)) is incorrect.

B. The documented facts presented in this evidence submission are relevant. These facts demonstrate that the petition of the Saguache County Commissioners to abandon Bonanza City should be ruled against.

C. If a date for a future abandonment hearing were to be determined, it should be no earlier than 2019.

D. Volunteers on the Committee to Save Bonanza City have located, developed and submitted this evidence. The work on locating, developing, and submitting this evidence has been accomplished by volunteers. Because of the necessity of locating the factual evidence in a short time period, this factual evidence ignored by the Saguache County Commissioners, the Committee to Save Bonanza City has had no discussion with property owners and residents as to (a) "rectifying the identified short-comings, and (b) starting the process which would lead to a Bonanza City election.

**5. In summary**, These documented facts clearly illustrate that the Saguache Board of County Commissioners (a) ignored (building permit) and (b) misrepresented material facts (deeds in actual construction (2012/2013) and in statements in the "Eye on the County" in the Saguache County Commissioners official minutes.

*I respectfully request that the Secretary of State rule against the Saguache County Commissioners's petition for the abandonment of Bonanza City.* This ruling against the Saguache County Commissioners will allow the work and efforts of the Committee to Save Bonanza City to continue ... ultimately allowing Bonanza City to have the growth and future that is due Bonanza City.

Steve Lunt

<b>TIME LINE</b>			
<b>YEAR</b>	<b>EXHIBIT</b>	<b>DATE</b>	<b>BRIEF SUMMARY</b>
<b>2015</b>			
<b>(Dec)</b>			
	#3	9-Oct-14	E-mail message: Saguache County does not do construction permits in Bonanza
	#4	11-Mar-14	Saguache County Commissioners Official Minutes - "Eye on the County"
<b>(Jan)</b>			
<b>2014</b>			
	#10	28-Oct-13	Saguache County Commissioners Petition to Abandon Bonanza
<b>(Jan)</b>			
<b>2013</b>	#2	Built 2013	Saguache County Assessor's Office
<b>(Dec)</b>			
	#9	26-Apr-12	Release of Deed of Trust - related to Exhibit #1
	#8	29-Mar-12	Deed of Trust - related to Exhibit #1
<b>(Jan)</b>	#1	Built 2012	Saguache County Assessor's Office
<b>2012</b>			
<b>(Dec)</b>			
	#7	29-Jul-11	Disbursement Deed - related to Exhibit #1
	#6	29-Jul-11	Construction Deed - related to Exhibit #1
	#5	3-Jun-11	Warranty Deed - related to Exhibit #1
<b>(Jan)</b>			
<b>2011</b>			
<b>(Dec)</b>			
<b>(Jan)</b>			
<b>2010</b>			

# Saguache County Assessor Parcel 407125477002

**Name:** COUETTE, AARON J.  
**Location Address:** 332 S 2ND ST, BONANZA, CO 81155  
**Mailing Address:** BOX 1335, FRISCO, CO 80443  
**Assessor Nbhd:** 50611 (BONANZA B) **Tax District:** 11A

**Legal Description:** LOTS 1-2-3-4-5-6 BLOCK O BONANZA

	<b>Abstract Class</b>	<b>Actual Value</b>	<b>Assessed</b>
<b>Land Information:</b>	SITUS SING FAM RES LAND	3960	315
<b>Improvements:</b>	SINGLE FAMILY RES	85426	6800

**Total Value, Land and Imps: 89386 7115**

**Residential Structure #1**  
 Frame Construction  
 Basement Garage: 192sqft  
 Above Average Quality  
 Effective Year Built: 2013



<b>Year Built:</b>	2013	<b>Year remodeled:</b>	0
<b>Rooms:</b>	0	<b>Bedrooms:</b>	2
<b>Bathrooms:</b>	2		
<b>First Floor:</b>	768	<b>Above First Floor:</b>	0
<b>Half Story Area:</b>	0	<b>Total Basement Area:</b>	576
<b>Finished Basement:</b>	0		
<b>Total Garage Area:</b>	192	<b>Total Carport Area:</b>	0
<b>Total Porch:</b>	335	<b>Roof Type:</b>	Gable Roc
<b>Composition:</b>			
<b>HVAC:</b>	Electric All Types		
<b>Fireplace:</b>	NO	<b>Landscaping:</b>	NO
<b>Misc:</b>			

**Current Tax Information for tax year 2013**

**Mill Levy:** 71.926      **Property Type:** REAL      **Total Tax Amount:** \$ 511.76

... (Continued on next page) ...

*Exhibit 1*

# Saguache County Assessor Parcel 407125477002

## Current Transfer Information

<u>Sale Date</u>	<u>Sale Amount</u>	<u>Grantor</u>	<u>Grantee</u>	<u>Other Details</u>
06/03/11 WARRANTY DEED	15000	PERKOVICH, MARK A.	COUETTE, AARON J.	Rcpt# 369562 Bk/Pg 0/0 SALE INV. MULT
05/20/03 CORRECTION DEED	N/A	CLOSE, BENCE V. & CLO PERKOVICH, MARK A.		Rcpt# 341310 Bk/Pg 0/0 CORRECTION DEE
03/17/03 340783	9000	CLOSE, BENCE V. & CLO PERKOVICH, MARK A.		Rcpt# 340783 Bk/Pg 0/0 SALE INV. MULT
11/21/00 332382	1800	MAYHEW, E. JAY AKA E. CLOSE, BENCE V. & KIM		Rcpt# 332382 Bk/Pg 0/0 SALE NOT VERIF
10/31/00 332383	1800	DE RUYTER, DANIEL B. CLOSE, BENCE V. & KIM		Rcpt# 332383 Bk/Pg 0/0 SALE NOT VERIF
04/25/00 329976	N/A	MAYHEW, E. JAY AKA E. MAYHEW, E. JAY AKA E.		Rcpt# 329976 Bk/Pg 0/0 NO DOC FEE
03/14/98 322778	N/A	RUGGERI, ROBERT H. & DE RUYTER, DANIEL & E		Rcpt# 322778 Bk/Pg 0/0 SALE NOT VERIF
12/27/95 314681	N/A	NEVADA OIL & MINING C RUGGERI, ROBERT H.		Rcpt# 314681 Bk/Pg 0/0 SALE OF A PRTI
03/01/98 0	30000		MAYHEW, E.J. & NEVADA	Rcpt# 0 Bk/Pg 460/38 SALE INV. MULT



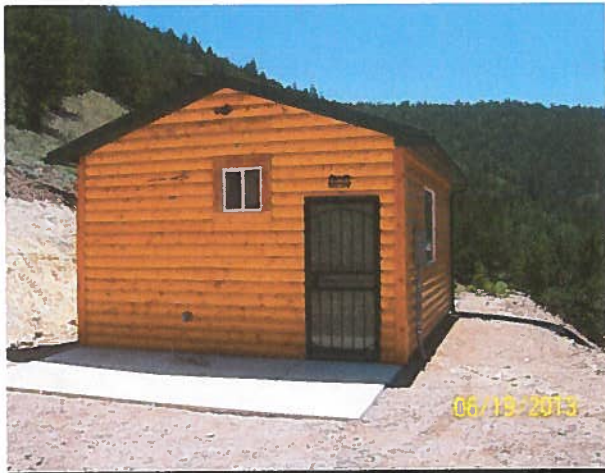
# Saguache County Assessor Parcel 407125477003

**Name:** Not Published  
**Location Address:** 7 BON BLK O, BONANZA, CO 81155  
**Mailing Address:** 1365 W. LOS CHARROS DR, PUEBLO WEST, CO 81007  
**Assessor Nbhd:** 50611 (BONANZA B) **Tax District:** 11A  
**Legal Description:** LOTS 7-8-9-10-11-12 BLOCK O BONANZA

<b>Land Information:</b>	SITUS	<b>Abstract Class</b> SING FAM RES LAND	<b>Actual Value</b> 3960	<b>Assessed</b> 315
<b>Improvements:</b>		SINGLE FAMILY RES	25344	2017

<b>Total Value, Land and Imps:</b>	<b>29304</b>	<b>2332</b>
------------------------------------	--------------	-------------

**Residential Structure #1**  
 Frame Construction  
 No Garage or Carport  
 Above Average Quality  
 Effective Year Built: 2012



<b>Year Built:</b>	2012	<b>Year remodeled:</b>	0
<b>Rooms:</b>	0	<b>Bedrooms:</b>	1
<b>Bathrooms:</b>	1		
<b>First Floor:</b>	320	<b>Above First Floor:</b>	0
<b>Half Story Area:</b>	0	<b>Total Basement Area:</b>	0
<b>Finished Basement:</b>	0		
<b>Total Garage Area:</b>	0	<b>Total Carport Area:</b>	0
<b>Total Porch:</b>	0	<b>Roof Type:</b>	Gable Roc
<b>Composition:</b>			
<b>HVAC:</b>	Wood Stove		
<b>Fireplace:</b>	NO	<b>Landscaping:</b>	NO
<b>Misc:</b>			

### Current Tax Information for tax year 2013

<b>Mill Levy:</b> 71.926	<b>Property Type:</b> REAL	<b>Total Tax Amount:</b> \$	\$167.74
--------------------------	----------------------------	-----------------------------	----------

... (Continued on next page) ...

*Exhibit (2)*

# Saguache County Assessor Parcel 407125477003

## Current Transfer Information

<u>Sale Date</u>	<u>Sale Amount</u>	<u>Grantor</u>	<u>Grantee</u>	<u>Other Details</u>
01/25/12 WARRANTY DEED	32000	PERKOVICH, MARK A.	PRUCE, NATHAN JAMES &	Rcpt# 370981 Bk/Pg 0/0 SALE INV. MULT
05/20/03 CORRECTION DEED	N/A	CLOSE, BENCE V. & CLO PERKOVICH, MARK A.		Rcpt# 341310 Bk/Pg 0/0 CORRECTION DEE
03/17/03 340783	9000	CLOSE, BENCE V. & CLO PERKOVICH, MARK A.		Rcpt# 340783 Bk/Pg 0/0 SALE INV. MULT
11/21/00 332382	1800	MAYHEW, E. JAY AKA E. CLOSE, BENCE V. & KIM		Rcpt# 332382 Bk/Pg 0/0 SALE NOT VERIF
10/31/00 332383	1800	DE RUYTER, DANIEL B. CLOSE, BENCE V. & KIM		Rcpt# 332383 Bk/Pg 0/0 SALE NOT VERIF
04/25/00 329976	N/A	MAYHEW, E. JAY AKA E. MAYHEW, E. JAY AKA E.		Rcpt# 329976 Bk/Pg 0/0 NO DOC FEE
03/14/98 322778	N/A	RUGGERI, ROBERT H. & DE RUYTER, DANIEL & E		Rcpt# 322778 Bk/Pg 0/0 SALE NOT VERIF
12/27/95 314681	N/A	NEVADA OIL & MINING C RUGGERI, ROBERT H.		Rcpt# 314681 Bk/Pg 0/0 SALE OF A PRTI
03/01/98 0	30000		MAYHEW, E.J. & NEVADA	Rcpt# 0 Bk/Pg 460/38 SALE INV. MULT

**Sender:** Lisa Cyriacks <lcyriacks@rocketmail.com>

E-mail Source

**Subject:** Fw: Question about building permits

**Date:** Thu, 9 Oct 2014 22:21:29 +0000 (UTC)

**To:** Steve Lunt <slunt@bresnan.net>, Steve Lunt <sstevlunt@gmail.com>

On Thursday, October 9, 2014 3:42 PM, Wendi Maez <wmaez@saguachecounty-co.gov> wrote:

Hey Lisa – we don't do construction permits or sewage inspections in the Town of Bonanza and both of these Parcel Numbers are located in the Town of Bonanza.  
Wm

**From:** Sue Gallegos [mailto:sgallegos@saguachecounty-co.gov]

**Sent:** Thursday, October 09, 2014 3:40 PM

**To:** Wendi Maez

**Subject:** Fwd: Question about building permits

----- Forwarded message -----

**From:** Lisa Cyriacks <lcyriacks@rocketmail.com>

**Date:** Thu, Oct 9, 2014 at 9:46 AM

**Subject:** Question about building permits

**To:** Sue Gallegos <sgallegos@saguachecounty-co.gov>

Hi Sue,

Can you let me know if there have building and/or septic permits issued for:

Aaron Couette, Parcel 407125477002

Nathan Pruce, Parcel No. 407125477003

Thank you!

Lisa

Information from ESET Endpoint Antivirus, version of virus signature database 10538  
(20141009)

The message was checked by ESET Endpoint Antivirus.

<http://www.eset.com>

Exhibit (3)

**SAGUACHE COUNTY BOARD OF COMMISSIONERS**  
**REGULAR SESSION MEETING**  
**9:00 A.M. MARCH 11, 2014**

**MINUTES**

**I. CALL TO ORDER**

The meeting was called to order by Board Chair Joseph at 9:00 a.m., with the following members present:

Linda Joseph, Chair  
Ken Anderson, Co-Vice Chair  
Jason Anderson, Co-Vice Chair  
Wendi Maez, Co-Administrator  
Lyn Lambert, Co-Administrator  
Ben Gibbons, County Attorney  
Staci Burkhart, Acting Secretary to the Board

**II. EMPLOYEE APPRECIATION**

No Employee anniversaries

**III. ADDITIONS/DELETIONS TO AGENDA**

**MOTION BY COMMISSIONER JASON ANDERSON TO APPROVE THE AGENDA AS PRESENTED**

**SECOND BY COMMISSIONER KEN ANDERSON**

**VOTES IN FAVOR: 3**

**VOTES AGAINST: 0**

**MOTION CARRIED**

**IV. READING AND APPROVAL OF MINUTES – FEBRUARY 18, 2014**

**MOTION BY COMMISSIONER JASON ANDERSON TO APPROVE THE MINUTES OF THE FEBRUARY 18, 2014 REGULAR SESSION MEETING AS AMENDED**

**SECOND BY COMMISSIONER KEN ANDERSON**

**VOTES IN FAVOR: 3**

**VOTES AGAINST: 0**

**MOTION CARRIED**

**V. REVIEW OF MAIL AND OTHER CORRESPONDENCE**

1. **Rio Grande Water Users Association** sent the Notice of the Annual Membership Meeting will be held at the Monte Vista Coop Hospitality Room, Tuesday, March 4, 2014 at 1:30 p.m. (2/25/14)  
Emailed Time Sensitive.

2. **Michael Horan** sent a letter to the Editor in regards to Saguache County Coyote Bountly. (2/21/14)
3. **Tom Spezze** sent an email in regards to the Scope of Work and Budget for the RGCT County Coalition. (2/24/14)
4. **Bill Case** sent a letter resigning from the Saguache County Tourism Board. (2/21/14)
5. **Rio Grande Water Conservation District** sent the February 2014 Ground Water Table Measurements. (2/24/14)
6. **Friends of the SLV National Wildlife Refuges** sent The Avocet Volume 23 no. 1 February 2014 Newsletter. (2/24/14)
7. **Jennifer Palmer** sent notice that the CSU Extension summary report is now available from CSU. (2/28/14)
8. **The Rio Grande Water Conservation District Newsletter**, February 2014 was received. (2/28/14)
9. **The March 2014 San Luis Valley Extension Newsletter** was received. (3/4/14)
10. **Chantel Unfug, DLV Division Director**, sent notice to Connie Trujillo to withhold distribution of moneys for the Center Sanitation District for failure to file the 2014 budget. (3/4/14) Have since sent in the budget.
11. **Chantel Unfug, DLV Division Director**, sent notice to Connie Trujillo to withhold distribution of moneys for the Town of Bonanza City for failure to file the 2014 budget. (3/4/14)
12. **Frederick J. Dunets** sent an email to Wendi Maez inquiring the status of Title III funds for KFM and wanting to know when work and draw down on KFM's allocation can begin. (3/5/14)
13. **Thad J. Englert and Lynn Sutherland** sent a letter requesting funding for operations from Saguache County for the Saguache County Museum during the 2014 season. (5/5/14)
14. **Lisa Cyriaks, Jim Shepard and Kevin Harris** sent letter's with comments in regards to the Town of Bonanza. Cyriaks requested if neither she nor Shepard are able to attend the March 11, 2014 Board of Commissioners Meeting that their letter be read into the record of minutes. (3/7/14)

**VI. INTRODUCTION OF GUESTS**

Jon Billingsley – self                      T. Bennis – Center Post Dis                      Diane Dunlap - self  
 Matie Belle Lakish – Crestone Eagle

**VII. PUBLIC COMMENT**

None at this time

**VIII. COMMISSIONERS REPORT**

**Commissioner Joseph:**

1. February 18 - Public Hearing on the Retail Marijuana regulations with Planning Commission representatives attending.
2. February 19 - Attended the Gunnison Sage Grouse Strategic Conservation Committee meeting by teleconference. This committee extended an invitation to our forming Wildlife & Habitat Strategic Committee for a joint meeting on April 16, 2014.
3. February 25 - Attended the Veterans Services Officers meeting, where Korean War Vets were recognized, and ongoing issues and efforts to improve them were discussed.

4. Had lunch with Roni and Mike Wisdom; discussion of the San Luis Valley Council of Government. Follow-up with Jeannie Norris for additional COG funds to finish repairs and exterior of the Haskin Building in Center.
5. March 3 - Attended the SLV All Hazards Executive Committee meeting; reviewed funding available for grant requests - slightly more than last year.
6. March 4, 5, 6 - Attended the quarterly Regional Emergency & Trauma Advisory Council Forum, in Estes Park.
7. Spoke briefly with a Denver Post reporter, and also Kevin Harris, a property owner in Bonanza whose letter was forwarded with the Cyriaks/Shepard letter.
8. March 10 - Attended the SLV Regional Public Health Partnership monthly teleconference. There will be a Summit of our Partners, and RWJ Learning Community representatives, with representatives of the West Central Partnership, which has been in place for some years here in Colorado.
9. Other Activities -
  - Worked on Eye on the County March column.
  - Completed the support letter for the District Attorney Grant.
  - Spoke with Julie Mach regarding attendance of Tess Beneduce - VISTA, at the Tourism Council meeting this week.
  - e-mailed Assessor Stephens regarding reassignment of computers she must replace, due to changes in Windows operating system. Discussion on what Departments and computers will need updated.
  - Spoke with Marv Weidner, Managing Results for final schedule adjustments. Instead of September 17, perhaps the consultants could add a day onto their visit at the end of the month - April 28, 29, and 30 and do BoCC interviews then.
  - Correspondence with Mark Talbot, XPlore regarding the scope of work for consolidating web mastering for the County's 3 websites; and, about providing the Tourism Council with access to the website in development for Tourism.
  - Reviewed Rio Grande Cutthroat Trout documents. Clarification is needed on status of the County Coalition MOU, and, when Tom Spezze will be on our agenda next week.
  - Received a call from Peggy Godfrey, recent appointee to the Rio Grande Water Conservation District Board.
10. Consulted with Susan Pierce grant writer pursuing funding for food banks to meet needs of citizens and families.

**Commissioner Ken Anderson:**

1. 2-18- Attended the Recreational Marijuana Public Meeting at Road & Bridge meeting room.
2. 2-19 – Attended Senator Bennett’s Farm Bill discussion.
3. 2-20 – Attended the Senior Citizens meeting in Alamosa.
4. 2-25-26 – Attended the Rocky Mountain Farmers Union meeting in Denver.
5. 2-27 – Attended the Governors Ag Forum work session. Very interesting discussion and views on organic and all natural.
6. 3-1 – Attended the DRG meeting/retreat.
7. 3-10 – Attended the Farmers Union Convention in Santé Fe. Discussion on Cut-throat trout and sage grouse, discussions on new farmers starting up and the financial aspect.



**Commissioner Jason Anderson:**

1. 2/18 - Attended Marijuana Regulations meeting.
2. 2/19 - Met with Alex Due from the Wilderness Society who is looking for support for the Public Lands Renewable Energy Bill (HR 596 / S279).
3. 2/20-21 - Attended the CCI Steering Committee meetings.
4. **HB14-043** – places growing facilities that grow plants in containers such as greenhouses or nurseries or any plants not grown in the ground, at the 29% commercial property tax rate.
5. **HB14-1144** - This raises minimum salary requirements for entry-level District Attorneys. Amended to include the State contributing 20% toward the requirements for counties with 225,000 people or less. Supported
6. **HB14-1193** - Research and retrieval fees under CORA. Amended to take fee cap to 4 times minimum wage and strikes nominal language from the bill.
7. **SB14-84** - Allows counties with population of less than 70,000 to change elections where commissioners are only elected by their district. Oppose
8. Colorado's state revenue is the 10th lowest in the nation, our local government charges are the 6th highest.
9. 2/24 - Attended office hours at County Courthouse
10. 2/24 - Spoke with Shawn Holmer, maintenance supervisor for the Baca Grande POA. Discussion centered on possession of Spanish Creek Trail Baca access road.
11. 2/25 - Spoke with Joy Sweeny concerning land use for a church.
12. 2/26 - Attended the SLV Broadband meeting, discussion was about applying for a DOLA planning grant to map vertical and horizontal assets in the SLV, as well as area coverage and future planning.
13. 2/27 - Attended SLVGO monthly meeting. Topics included project updates (Vista Grande for Saguache) and a presentation from the Rio Grande Headwaters Institute.
14. 2/27 - Met with Ben Gibbons, County Attorney concerning court case.
15. 3/1 - Attended NACO annual meeting in Washington D.C
16. Public Lands Committee meeting proposed resolutions.
  - Propose that each Superintendent of a Public Lands Unit (NFS, BLM, and F&W) formulate a Plan of Operation for their unit in the absence of appropriations.
  - Proposed Resolution on Federal Lands Management Policy.  
Policy requires federal lands to be managed in both an ecological and financially sustainable manner providing a source of revenue to the federal, state, and local government, with consideration to cost of remediation after a severe event (fire etc.).
  - Proposed resolution on the Endangered Species Act.  
Resolution to require greater transparency in the available science, and greater local influence in decisions to list species as threatened or endangered.
  - Reauthorization of the Federal Land Transaction Facilitation Act.  
Facilitates the sale of BLM lands identified for disposal, which generates Revenue for high-priority conservation.
17. 3/3-4 - Attended NACO speeches from Secretary of the Interior, transportation, and Agriculture. 3/5 - Met with Colorado Senators and Congressmen representing CCI. Priorities list included mandatory, full funding of PILT, Rural Broadband, transportation funding, waters of the US, Internet Sales Tax, and Community Development Block grants.
18. 3/10 - Attended office hours at County Courthouse

**BREAK**

**IX. CO-ADMINISTRATOR REPORT - WENDI MAEZ & LYN LAMBERT**

1. Monthly Veteran's report reviewed and signed.
2. Lambert met with an auditor from WSB on Friday, March 7. Firm date for year- end inventory not yet set.
3. Scott Alexander from the Northern Saguache County Ambulance addressed the BoCC about the Sales Tax Grant received and the concrete work needing done. Mr. Alexander would like to do gravel and retaining wall work in-house with volunteers since they did not receive other grant for which the Sales Tax Grant was the matching funds, to do the concrete work. BoCC is okay with the change in use of grant funds.
4. The May 20<sup>th</sup> meeting has been changed due to Commissioner Jason Anderson's traveling schedule and that is the date that was scheduled for the BoCC to make final decisions on the Sales Tax Grants. BoCC will set a work session date in May, later if needed. There are already 4-5 days of meetings added in late April/early May for the Strategic planning process.
5. Email and letter received from Ms. Cyriacks stating that there is a possibility that neither Mr. Shepard nor she will be in attendance at the meeting this afternoon. The Cyriacks/Shepard letter has been put in the mail for BoCC review.
6. Incident in the Town of Center on Thursday, March 6<sup>th</sup> caused the County building to be put in lock down for several hours. Will discuss with Ms. Vieira and Sheriff Norris this afternoon.

**X. LAND USE ADMINISTRATOR – WENDI MAEZ**

1. Retail Marijuana Regulation – possible adoption. Attached.

**MOTION BY COMMISSIONER JASON ANDERSON TO APPROVE LU-2014-3 RESOLUTION CONCERNING THE AUTHORIZATION, PERMITTING AND REGULATION OF RETAIL MARIJUANA**

**SECOND BY COMMISSIONER KEN ANDERSON**

**VOTES IN FAVOR: 3**

**VOTES AGAINST: 0**

**MOTION CARRIED**

2. Retraction of Retail Marijuana Ordinance.

**MOTION BY COMMISSIONER JASON ANDERSON TO ADOPT LU-2014-4, AN ORDINANCE REVOKING ORDINANCE LU-2013-42 WHICH PROHIBITED THE OPERATION OF MARIJUANA CULTIVATION FACILITIES, MARIJUANA PRODUCT MANUFACTURING FACILITIES MARIJUANA TESTING FACILITIES OR RETAIL MARIJUANA STORES WITHIN THE UNINCORPORATED BOUNDARIES OF SAGUACHE COUNTY, STATE OF COLORADO**

**SECOND BY COMMISSIONER KEN ANDERSON**

**VOTES IN FAVOR: 3**

**VOTES AGAINST: 0**

**MOTION CARRIED**



**MOTION BY COMMISSIONER JASON ANDERSON TO APPROVE LU-2014-5 RESOLUTION OF ADOPTION OF AMENDMENTS TO THE SAGUACHE COUNTY LAND DEVELOPMENT CODE**

**SECOND BY COMMISSIONER KEN ANDERSON**

**VOTES IN FAVOR: 3**

**VOTES AGAINST: 0**

**MOTION CARRIED**

3. Solar Reserve deferral of permit request will be discussed next work session.
4. David S. and Alicia Mason Miller, Lot Consolidation request to consolidate lots 569 and 570, Baca Grande Chalet Unit One. CBPC recommended approval of this request during their regular meeting on March 5, 2014.

**MOTION BY COMMISSIONER KEN ANDERSON TO APPROVE THE LOT CONSOLIDATION FOR DAVID S. AND ALICIA MASON MILLER FOR LOTS 569 AND 570, BACA GRNADE CHALET UNIT ONE AS RECOMMENDED BY THE CBPC**

**SECOND BY COMMISSIONER JASON ANDERSON**

**VOTES IN FAVOR: 3**

**VOTES AGAINST: 0**

**MOTION CARRIED**

5. Stewart Ward Olin Jr. and Deborah Lynne Bouvier, Lot Consolidation request to consolidate Lots 939C and 938, Baca Grande Chalet Unit One. CBPC recommended approval of this request during their regular meeting on March 5, 2014.

**MOTION BY COMMISSIONER KEN ANDERSON TO APPROVE THE LOT CONSOLIDATION FOR STEWART WARD OLIN JR AND DEBRAH LYNNE BOUVIER FOR LOTS 939C AND 938, BACA GRANDE CHALET UNIT ONE AS RECOMMENDED BY THE CBPC**

**SECOND BY COMMISSIONER JASON ANDERSON**

**VOTES IN FAVOR: 3**

**VOTES AGAINST: 0**

**MOTION CARRIED**

6. Sue Gallegos and Maez will be out of the office from Wednesday afternoon, March 12 and will return to the office on Monday, March 17, 2014. We will be attending the Rocky Mountain Land Use Conference in Denver on Thursday and Friday.

**XI. COUNTY ATTORNEY – BEN GIBBONS**

**MOTION BY COMMISSIONER JASON ANDERSON TO CONVENE AS THE BOARD OF EQUALIZATION AT 11:36 AM**

**SECOND BY COMMISSIONER KEN ANDERSON**

**VOTES IN FAVOR: 3**

**VOTES AGAINST: 0**

**MOTION CARRIED**

1. Presented the Board of Equalization with the Settlement Agreement for Assessment Appeals.

**MOTION BY COMMISSIONER KEN ANDERSON TO APPROVE THE SETTLEMENT AGREEMENT BETWEEN THE COUNTY AND STEVEN P MCDOWELL AND ALL PARTIES  
SECOND BY COMMISSIONER KEN ANDERSON  
VOTES IN FAVOR: 3 VOTES AGAINST: 0  
MOTION CARRIED**

**MOTION BY COMMISSIONER JASON ANDERSON TO ADJOURN AS THE BOARD OF EQUALIZATION AND RETURN TO REGULAR SESSION MEETING AT 11:43 AM  
SECOND BY COMMISSIONER KEN ANDERSON  
VOTES IN FAVOR: 3 VOTES AGAINST: 0  
MOTION CARRIED**

**XII. SHERIFF REPORT – MIKE NORRIS**

1. Presented bids to BoCC for the new jail doors and locks. Discussion on budget line item for the purchase.
  - Ecodynamics, Inc. bid was \$13, 659.81
  - Van Iwaarden Builders, Inc. bid was \$12,800.00

**MOTION BY COMMISSIONER KEN ANDERSON TO APPROVE THE VAN IWAARDEN BUILDERS INC BID FOR THE JAIL PLATE DOORS WITH DETENTION LOCKS FOR \$12,180.00  
SECOND BY COMMISSIONER JASON ANDERSON  
VOTES IN FAVOR: 3 VOTES AGAINST: 0  
MOTION CARRIED**

2. Discussion on the recent Center incident and the lock down. Debriefing with Center Police Department, Sheriff's Office, and Department Heads to discuss incident on March 12, 2014.

**LUNCH**

**XIII. ROAD & BRIDGE SUPERVISOR – RANDAL ARREDONDO**

1. Iris Garcia in for Arredondo.
2. BoCC reviewed four bids for gravel crushing work.
  - Dillon Construction bid total \$480,000.00
  - Elk Creek Sand and Gravel bid total \$576,500.00
  - Colorado Crushing, Inc. bid total \$348,500.00
  - Southway Construction bid total \$366,850.00

**MOTION BY COMMISSIONER JASON ANDERSON TO ACCEPT THE BID FROM COLORADO CRUSHING INC FOR GRAVEL CRUSHING PROJECT FOR \$348,500.00  
SECOND BY COMMISSIONER KEN ANDERSON  
VOTES IN FAVOR: 3 VOTES AGAINST: 0  
MOTION CARRIED**

3. BoCC instructed Ms. Garcia to discuss with Arredondo fill dirt for the concrete work at the Northern Saguache County Ambulance building.

**MOTION BY COMMISSIONER JASON ANDERSON TO CONVENE AS THE SAGUACHE COUNTY BOARD OF HEALTH AT 1:30 PM**

**SECOND BY COMMISSIONER KEN ANDERSON**

**VOTES IN FAVOR: 3**

**VOTES AGAINST: 0**

**MOTION CARRIED**

**XIV. PUBLIC HEALTH DIRECTOR - DELLA VIEIRA**

1. Core Services updates: Review function and statutory requirements:
  - a. Assessment, Planning, and Communication:
    1. Environmental Health Summit with West Central Partnership in Gunnison 4/14/2014 9:00-3:00 @ site on campus. Gianfranco Pezzino from the Center for PH Sharing will be joining us. Two other learning community sites have expressed interest in attending as well.
  - b. Vital Records and Statistics: draft of letter requesting data from Rio Grande Clerk & Recorder for 2013, review and sign
  - c. Communicable Disease Prevention, Investigation, and Control:
    1. Flu hospitalizations SLV=12 since mid-December, 5 of those from February alone
      - a. (1-Saguache County)
  - d. Prevention and Population Health Promotion:
    1. Strategic planning begun in SCPP at Feb meeting, to be continued with visit from Community and Outreach Coordinator for the Colorado Meth Project at yesterday's to assess needs, identify community partners and determine what resources are in place in the SLV for awareness and abatement.
    2. Health Fairs: 4/4/2014 in Center from 7:00-11:00  
4/19/2014 in Saguache from 7:30-11:30
  - e. Emergency Preparedness and Response:
    1. Provided letter of support to OEM 2/14/2014 for grant app to continue Resident EMT Program
    2. Attended Saguache County fir planning session 2/18/14-notes forwarded to Linda
    3. New regional Epidemiologist=Samantha Escobedo visited Saguache PH office this am; she expressed her intention to coordinate for more public outreach and education during her term as Regional Epidemiologist.
    4. Alamosa County interviewed 3/4/2014 for Planner position-no word yet on whether position was offered to any candidate.
  - f. Environmental Health:
    1. Summary from CALPHO regarding new state methane emissions law provided by Mr. Jeff Zayach, Director, Boulder County Public Health:

-The state Air Quality Control Commission voted to adopt new air quality rules for oil and gas production, and midstream operations (basically everything upstream from the natural gas processing plants). The rules are explicitly regulating both emissions of volatile organic compounds (VOCs) that are ozone precursors, and of methane as a GHG (greenhouse gas). The final rules were adopted by an 8-1

vote, but the methane rules were close - it was a 5-4 vote to regulate methane. I want to make sure folks understand just how significant the reductions will be.

-The state Air Pollution Control Division estimates annual methane reductions starting at about 63,000 tons; the Environmental Defense Fund projects larger reductions, in the 110,000 ton range...If you figure that the average vehicle emits about 5 tons of CO<sub>2</sub> per year, we can quantify the impacts of the new methane rule as equivalent to taking 400,000-700,000 cars off the road in terms of 100 year Global Warming Potential (GWP)...

-The AQCC asked staff to begin technical work and stakeholder engagement on two additional areas that were not addressed in this rule making - emissions from downstream compressor stations (the big transmission and storage compressors that are between the natural gas processing plants and the distribution system), and on emissions from intermittent-bleed pneumatic controllers. Both of these may offer potential additional emissions reduction opportunities.

2. SLV Land Use Officers met with Regional EH Specialist in Feb to review/plan OWTF regulations

3. PH received a copy of the approved water system plan from Town of Saguache on 03/03/2014, and correspondence regarding OWTS proposed for Orient Land Trust Site.

g. Administration and Governance:

1. Two MDs approached for Medical Officer Position: B Williams, A Gaimpaolo.

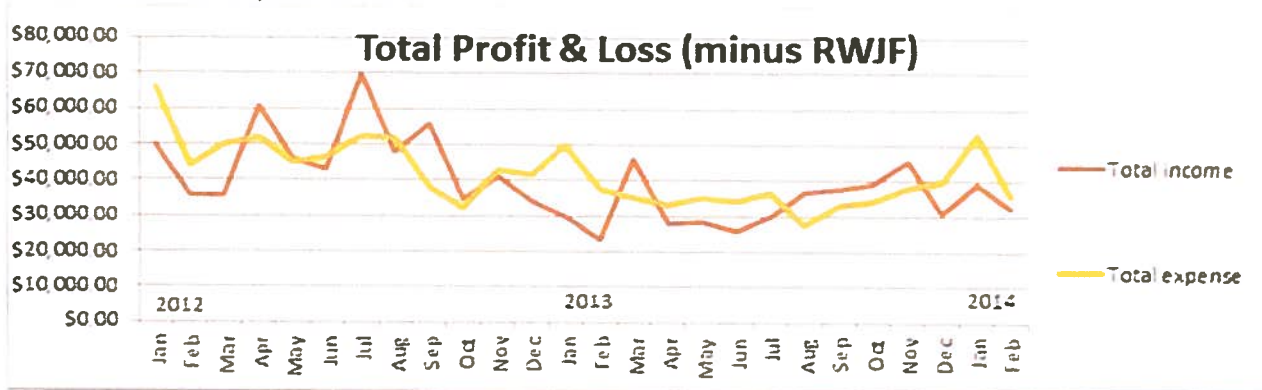
2. Medicaid expansion update-numbers from February (HCPF). Saguache County enrolled 352 people since Oct 1, 2013 (see attached).

2. PCP Program.

a. Total of 46 Medicaid clients and 0 Private Pay clients received services in February. 2 new clients pending placement later this month.

3. Financial activity: Profit & Loss for month of February (Public Health & PCP combined).

a. Even with February expenses down to normal levels, I still expect that we will need a transfer-in by month's end.



**MOTION BY COMMISSIONER KEN ANDERSON TO ADJOURN AS SAGUACHE COUNTY BOARD OF HEALTH AT 2:00 P.M.**

**SECOND BY COMMISSIONER JASON ANDERSON**

**VOTES IN FAVOR: 3**

**VOTES AGAINST: 0**

**MOTION CARRIED**

**XV. PUBLIC LAND DISCUSSION – USFS / BLM**

No one present

**XVI. OEM DIRECTOR – JIM FELMLEE**

Rescheduled due to conflicting meeting.

**XVII. PUBLIC HEARING – TOMICHI CREEK TRADING POST LIQUOR LICENSE**

1. Retail Liquor Store and Tavern Liquor Licenses for Tomichi Creek Trading Post due to new owner Christopher J Wright.

**MOTION BY COMMISSIONER JASON ANDERSON TO ENTER INTO PUBLIC HEARING FOR TOMICHI CREEK TRADING POST LIQUOR LICENSES AT 3:00 PM**

**SECOND BY COMMISSIONER KEN ANDERSON**

**VOTES IN FAVOR: 3**

**VOTES AGAINST: 0**

**MOTION CARRIED**

**MOTION BY COMMISSIONER JASON ANDERSON TO APPROVE THE RETAIL LIQUOR STORE LICENSE FOR TOMICHI CREEK TRADING POST FOR CHRISTOPHER J WRIGHT**

**SECOND BY COMMISSIONER KEN ANDERSON**

**VOTES IN FAVOR: 3**

**VOTES AGAINST: 0**

**MOTION CARRIED**

**MOTION BY COMMISSIONER JASON ANDERSON TO APPROVE THE TAVERN LIQUOR LICENSE FOR TOMICHI CREEK TRADING POST FOR CHRISTOPHER J WRIGHT**

**SECOND BY COMMISSIONER KEN ANDERSON**

**VOTES IN FAVOR: 3**

**VOTES AGAINST: 0**

**MOTION CARRIED**

**MOTION BY COMMISSIONER JASON ANDERSON TO ADJOURN PUBLIC HEARING AND RETURN TO REGULAR SESSION MEETING AT 3:04 PM**

**SECOND BY COMMISSIONER KEN ANDERSON**

**VOTES IN FAVOR: 3**

**VOTES AGAINST: 0**

**MOTION CARRIED**

**XVIII. TOWN OF BONANZA**

1. Lisa Cyriacks and Jim Shepard sent a letter to the Board expressing more concerns.
2. Extension from SOS is until March 14, 2014.
3. BoCC discussion on another extension, see Eye on the County article for details. (attached)

**MOTION BY COMMISSIONER JASON ANDERSON TO REQUEST ANOTHER EXTENSION ON THE PETITION TO DIS-INCORPORATE THE TOWN OF BONANZA UNTIL SEPTEMBER 1 2014 THROUGH THE SECRETARY OF STATES OFFICE**

**SECOND BY COMMISSIONER KEN ANDERSON**

**VOTES IN FAVOR: 3**

**VOTES AGAINST: 0**

**MOTION CARRIED**

**XIX. BILL PAYING**

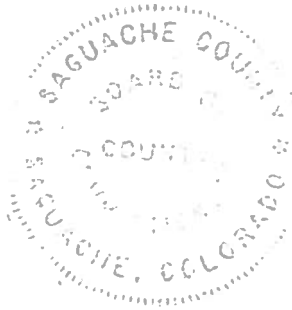
**XX. ADJOURN**

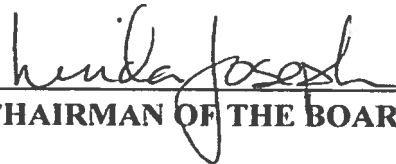
**MOTION BY COMMISSIONER JOSEPH TO ADJOURN AT 3:45 P. M.  
SECOND BY COMMISSIONER JASON ANDERSON  
VOTES IN FAVOR: 3 VOTES AGAINST: 0  
MOTION CARRIED**

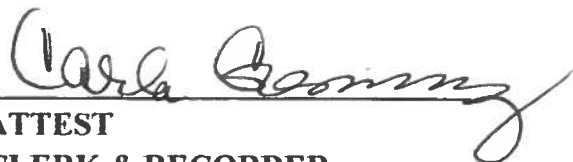
**RESPECTFULLY SUBMITTED,**

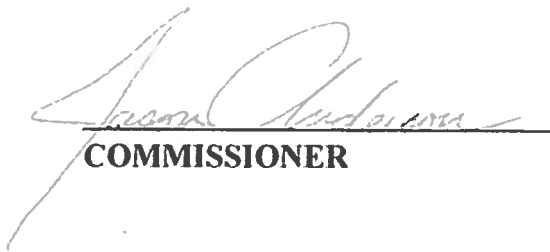
**STACI BURKHART ACTING SECRETARY TO THE BOARD OF COUNTY COMMISSIONERS**

**MINUTES APPROVED MARCH 25, 2014**



  
\_\_\_\_\_  
**CHAIRMAN OF THE BOARD**

  
\_\_\_\_\_  
**ATTEST  
CLERK & RECORDER  
CARLA GOMEZ**

  
\_\_\_\_\_  
**COMMISSIONER**

  
\_\_\_\_\_  
**COMMISSIONER**

## **IV.7. RETAIL/MEDICAL MARIJUANA**

### **Retail/Medical Marijuana**

In addition to all Conditional Use Permit requirements, the following will also be required for the three types of Medical Marijuana facilities and all dual operations allowed within the State of Colorado under Amendment 64:

Medical Marijuana Centers, Optional Premises Cultivation facilities, Infused Product Manufacturers, may also operate under dual licensing with correlated Retail Marijuana Centers. Retail Marijuana Cultivation facilities and Retail Infused Product Manufacturing and Testing Facilities.

#### **IV.7.1. Retail/Medical Marijuana Center Parking Requirements:**

IV.7.1.1. One space per 200 square feet of floor area used for office, sales, or personal service operations.

IV.7.1.2. One space per 1,000 square feet of floor area used for growing, warehousing, or storage operations.

#### **IV.7.2. Additional Provisions for Medical and Retail Marijuana Operations and Testing Facilities:**

IV.7.2.1. These uses must obtain and maintain all necessary state and local permits regardless of when they are established, businesses operating for the purpose of cultivation, manufacture, or sale of medical marijuana or medical marijuana-infused products, as defined in Colorado House Bill 10-1284 and any and all dual operations allowed within Amendment 64, are and will be subject to the provisions and limitations stated in 1 CCR 212-1 M304 and 1 CCR 212-2 R304 of the Colorado Retail Marijuana Code. These provisions and limitations include those in the legislation and any State and County requirements promulgated under the legislation. Such businesses or uses, even if allowed under this Section or prior provisions of this Code, are subject to termination if they cannot meet the requirements of, or legally operate under State Law and the Colorado Marijuana Code.

IV.7.2.2. One single-family dwelling to house the owner or manager and their family will be considered customary and incidental as part of this use, to the extent authorized by state law.

IV.7.2.3. These uses shall not be located within 1,000 feet of an alcohol or drug treatment facility, a licensed child care facility, or an educational facility with students below the college grade level, liquor stores and places of worship including facilities in the unincorporated County or substantially similar facilities in an adjacent municipality, as measured from the closest point of the subject parcel lines.



**IV. 7.2.4. Lighting – No artificial lighting for cultivation purposes shall be visible from outside, if located in an area that directly affect neighbors.**

**IV.7.2.5. All applications for this type of use must include the following:**

**IV.7.2.5.1. An approved copy of the State MED (Marijuana Enforcement Division) License must be supplied to the Land Use Office within 10 days of receipt from the State of Colorado Department of Revenue.**

**IV.7.2.6. Approved Water Supply – must provide a copy of approved State of Colorado Permit or contract for water.**

**IV.7.2.7. Approved Sewage Disposal Permit.**



EYE ON THE COUNTY - APR 2014 - by Saguache County Commissioners

**Seniors' Food Programs cut, Saguache County helping fill the gap**

Saguache County Department of Social Services (DSS) administers food programs for the citizens of Saguache County. "The Emergency Food Assistance Program (TEFAP) is a Federal program that helps supplement the diets of low-income Americans, including elderly people, by providing them with emergency food and nutrition assistance at no cost. It provides food and administrative funds to States to supplement the diets of these groups." (TEFAP website)

Commodities are distributed monthly to those who qualify and provide proof of income and residency. Commodity Supplemental Food Program (CSFP) food is distributed monthly to Saguache County senior citizens who qualify. CSFP commodities are administered through the United States Department of Agriculture, which recently notified the State of Colorado that the program has been drastically cut back. Saguache County had an enrollment in the CSFP program of 147 recipients, which has now been reduced to 70 households.

Saguache County is working to fill the gap in food resources for local seniors, as their State and Federal food support has shrunk. The Dept. of Social Services maintains the Emergency Food Bank in their offices in Saguache. **The Emergency Food Bank will now be staffed and open on Fridays during the hours of 11:00am - 2:00pm effective April 4, in order to make it convenient for those needing supplemental foods to visit. Exceptions will be those Fridays that are County holidays. The Emergency Food Bank will continue to be available as always, on a 24/7 basis for those in need, and after hours may be contacted through the Saguache County Sheriff's Office.**

The Food Bank is supported by private donors of money, food and time, as well as grants from Saguache County and S.V. Food Network. Donations and volunteers are always welcome, and DSS staff may be reached at 655-2537 if assistance is required.

**Town of Bonanza Update**

As reported in the March Eye on the County, the dis-incorporation of the legal status of the Town is being considered by the CO Secretary of State office (SOS). During an extension granted by the SOS, the County explored options and issues with DOLA, the Dept. of Local Affairs. DOLA works with municipalities and counties in fulfilling their local government roles and responsibilities. There is ample evidence corroborating an extensive history, beginning in the 1990's, of response by County and State agencies to Bonanza's lack of capacity to function as a municipality and provide basic services needed for the Bonanza community to grow.

The initial extension, and a 2<sup>nd</sup> one, were urged by a citizen of the nearby "Bonanza Road" community: a Crestone/Baca resident; and one owner of property inside the Town who raised questions about what dis-incorporation means to the Town of Bonanza's 200 landowners, and seeking additional time to reach out to them. The current extension by the SOS runs until September 1, 2014, and allows them time to connect with the dozen or so summer residents of Bonanza, and the bulk who have vacant land and do not live in the area, perhaps unaware of the status of town functions, and dis-incorporation proceedings.

The hitch in either Bonanza continuing as an incorporated town, or, identifying some other option to dis-incorporation - is that the Town has to be functioning to legally act on them. The seasonal residents number in the teens, and only 1 person lives in Bonanza year round. The number of registered voters in the Town is: 4 - an insufficient number to hold elections, and resume maintaining town finances and functions. This is the core issue to be resolved. Whether Bonanza citizens would like to retain their Town status, or consider annexing a larger area encompassing Bonanza Road turf, or enacting some other type of district - SUCH SOLUTIONS require a sufficient electorate, and a functioning Town government, in the first place.

It seems most community-minded to give Bonanza property owners additional time to muster internal communications and learn about the Town's status. It's true though, that both the County and State hesitate. As DOLA representative Jarrod Biggs noted - "... we do recognize that non-functioning municipalities are problematic in a number of ways and would prefer the direct responsibility by a county in an area rather than a non-functioning municipality". If Bonanza became an Unincorporated Town, services long unavailable there could be provided. Most critically, County provision of building and septic permitting, would resolve some alarming detrimental impacts of Bonanza still being incorporated, while not able to function. Unable to obtain these needed permits, property owners are blocked from installing proper sanitation on their land, building a home, and obtaining a mortgage if needed. The delay of the extension until Sept. 1, 2014 prolongs this untenable situation, for Bonanza property owners, for another building season.

### Assessment Appeals Settlement

The Saguache County Commissioners/Board of Equalization (BOE), Assessor and CO Division of Taxation have been engaged in settlement of an appeal of re-appraisal assessments by Crestone residents Steven P. McDowell, Elaine T. Johnson, MJ Investments, LLC, William Henry Folk, **II and Julie E. Folk**, Patricia Zinn, **the Estate of Robert E. Sisemore (Deceased)** and Eileen P. Sisemore, **Lisa Cyriaks** and Curtis English. Those assessments were made in a joint re-appraisal process required by the State, and completed by State and County workers. **Some** of the resulting figures were reduced **in rounds of review** by the Assessor **and CBOE**. Dis-satisfied with the process and resulting numbers, property owners have the options of seeking arbitration, appealing to the State Board of Assessment Appeals, or through the local courts. The appellants chose the latter.

All parties put time and a great deal of effort into preparing for the Appeal hearing, to provide the Judge with information and stipulated facts to expedite the trial, so that the taxpayers who appealed would know the amount owed for the 2013 tax year. The trial was scheduled in early March to resolve the appeal as soon as possible. One of the witnesses endorsed by the County, a representative of the State, submitted his report late. His report and testimony as an expert was excluded by the Court, not because of the lateness of the report, **but on the Court's determination that "the intended testimony would be an usurpation of the court function as regards the applicable legal standards"**. There were several representatives of the County, and State, endorsed by the County who were ready to share their knowledge and experience of the situation if called upon.

Just days before that hearing, Durango attorney Jeffrey Robbins, representing the appellants, proposed a settlement instead, presenting figures his clients felt to be acceptable. The State Division of Property Taxation has since indicated acceptance of same. The final adjustments result in total tax abatements of \$8,957.55, across the 17 parcels involved **in the appeal, of which the County portion is \$1,832.17**. Saguache County Board of Equalizations/County Commissioners and County Assessor are pleased with an ultimate solution agreeable to those parties, and completed the Settlement accordingly. How these adjustments relate to other parcels in the area will be reviewed. Property Values are assessed every 2 years, and will be assessed again in 2015.

Formatted: Highlight

Formatted: Highlight

Formatted: Highlight

Formatted: Highlight

Formatted: Highlight

Formatted: Highlight

Formatted: Highlight

Formatted: Highlight



349562  
Page 1 of 1  
State of Colorado  
Melinda Rivers, San Juan County Recorder  
04-07-2011 02:23 PM Recording Fee \$12.50

**WARRANTY DEED**

THIS DEED is dated June 1, 2011, and is made between MARK A. PERKOVICH (whether one, or more than one), the "Grantor", of the County of SAGUACHE and State of CO, and AARON J. COUETTE (whether one, or more than one), the "Grantee," whose legal address is Box 1339, Frisco, Co 80443 of the County of \_\_\_\_\_ and State of CO.

STATE OCCIDENTARY FEE  
DATE 6-7-11  
\$12.50

WITNESS, that the Grantor, for and in consideration of the sum of FIFTEEN THOUSAND AND 00/100 DOLLARS, (\$15,000.00), the receipt and sufficiency of which is hereby acknowledged, hereby grants, bargains, sells, conveys and confirms unto the Grantee and the Grantee's heirs and assigns forever, all the real property, together with any improvements thereon, located in the County of SAGUACHE and State of Colorado, described as follows:

Lots No. 1, 2, 3, 4, 5, and 6, in Block O, Bonanza City,  
in Saguache County, Colorado

also known by street address as: Vacant Land, Bonanza, CO 81155  
and assessor's schedule or parcel number:

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, the reversions, remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the Grantor, either in law or 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 Grantee's heirs and assigns forever.

The Grantor, for the Grantee and the Grantee's heirs and assigns, does covenant, grant, bargain, and agree to and with the Grantee, and the Grantee's heirs and assigns: that at the time of the executing and delivery of these presents, the Grantor is well seized of the premises above described; has good, sure, perfect, absolute and indefeasible estate of inheritance, in law and in fee simple; and has good right, full power and lawful authority to grant, bargain, sell and convey the same in manner and form as 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 and subject to:  none; or  the following matters: general taxes for the year 2011 and subsequent years, and patent reservations in Book 61 at Page 68.

And the Grantor shall and will WARRANT AND FOREVER DEFEND the above described premises, but not any adjoining vacant street or alley, if any, in the quiet and peaceable possession of the Grantee and the heirs and assigns of the Grantee, against all and every person or persons claiming the whole or any part thereof.

IN WITNESS WHEREOF, the Grantor has executed this deed on the date set forth above.

*Mark A. Perkovich*  
MARK A. PERKOVICH

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

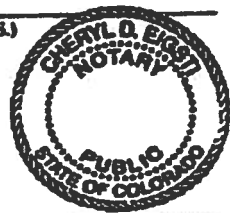
STATE OF COLORADO )  
County of CHAFFEE )

The foregoing instrument was acknowledged before me this 3rd day of June, 2011, by MARK A. PERKOVICH.

Witness my hand and official seal.  
My commission expires: 12/21/14

*Cheryl Q. Egan*  
Notary Public

Name and Address of Person Creating Newly Created Legal Description (338-35-106 S. C.R.S.)



My Commission Expires 12/21/14

Exhibit (5)

369989  
Page 1 of 8  
State of Colorado  
Melinda Myers, Saguahe County Recorder  
08-22-2011 08:04 AM Recording Fee \$46.00

WHEN RECORDED MAIL TO:  
Bank of the West  
4321 23rd Ave SW  
Fargo, ND 58103

FOR RECORDER USE ONLY

**CONSTRUCTION DEED OF TRUST**

**MAXIMUM PRINCIPAL AMOUNT SECURED.** The Lien of this Deed of Trust shall not exceed at any one time \$100,000.00 except as allowed under applicable Colorado law.

**THIS DEED OF TRUST** is dated July 29, 2011, among AARON J COUETTE, whose address is 975 LAKEPOINT DR #22, FRISCO, CO 80443 ("Grantor"); BANK OF THE WEST, whose address is Denver CLO 421155, 5775 Evergreen Parkway, PO Box 2888, Evergreen, CO 80430 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and the Public Trustee of SAGUACHE County, Colorado (referred to below as "Trustee").

**CONVEYANCE AND GRANT.** For valuable consideration, Grantor hereby lawfully grants, transfers and assigns to Trustee for the benefit of Lender as Beneficiary all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently created or added buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights and ditch rights (including stock in ditches with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in SAGUACHE County, State of Colorado:

Lots 1, 2, 3, 4, 5 and 6, in Block O, Bonanza City, in Saguahe County, Colorado.

The Real Property or its address is commonly known as Real Property located in SAGUACHE COUNTY, VILLA GROVE, CO 81188. The Real Property tax identification number is 467123477962.

Grantor presently assigns to Lender (also known as Beneficiary in this Deed of Trust) all of Grantor's right, title, and interest in and to of present and future issues of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

**THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE OBTENTANCES AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS DEED OF TRUST. THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS ALSO GIVEN TO SECURE ANY AND ALL OF GRANTOR'S OBLIGATIONS UNDER THAT CERTAIN CONSTRUCTION LOAN AGREEMENT BETWEEN GRANTOR AND LENDER OF EVEN DATE HERETO. ANY EVENT OF DEFAULT UNDER THE CONSTRUCTION LOAN AGREEMENT, OR ANY OF THE RELATED DOCUMENTS REFERRED TO THEREIN, SHALL ALSO BE AN EVENT OF DEFAULT UNDER THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:**

**PAYMENT AND PERFORMANCE.** Except as otherwise provided in this Deed of Trust, Grantor shall pay to Lender all amounts secured by this Deed of Trust as they become due, and shall strictly and in a timely manner perform all of Grantor's obligations under the Note, this Deed of Trust, and the Related Documents.

**CONSTRUCTION MORTGAGE.** This Deed of Trust is a "construction mortgage" for the purpose of Sections 5-334 and 2A-309 of the Uniform Commercial Code, as those sections have been adopted by the State of Colorado.

**POSSESSION AND MAINTENANCE OF THE PROPERTY.** Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

**Possession and Use.** Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) rent, operate or exchange the Property; and (3) collect the Rents from the Property.

**Duty to Maintain.** Grantor shall maintain the Property in good condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

**Compliance With Environmental Laws.** Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substances by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substances on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Deed of Trust. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Deed of Trust or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same use or should have been known to Grantor. The provisions of this section of the Deed of Trust, including the obligation to indemnify and defend, shall survive the payment of the indebtedness and the satisfaction and non-waiver of the lien of this Deed of Trust and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Exhibit (6)

Loan No: 1000254741

**DEED OF TRUST**  
(Continued)

Page 2

**Indiana, Wisconsin.** Grantor shall not cause, consent or permit any ordinance, permit, or order any stopping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any fence, structure (including oil and gas, coal, clay, stone, soil, gravel or rock products) without Lender's prior written consent.

**Removal of Improvements.** Grantor shall not demolish or remove any improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such improvements with improvements of at least equal value.

**Lender's Right to Enter.** Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Deed of Trust.

**Compliance with Governmental Requirements.** Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property. Grantor may conduct in good faith any such law, ordinance, or regulation and without compliance during any proceeding, including appellate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

**Duty to Protect.** Grantor agrees neither to abandon nor leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

**Construction Loan.** If some or all of the proceeds of the loan creating the indebtedness are to be used to construct or complete construction of any improvements on the Property, the improvements shall be completed no later than the maturity date of the Note (or such earlier date as Lender may reasonably determine) and Grantor shall pay in full all costs and expenses in connection with the work. Lender will disburse loan proceeds under such terms and conditions as Lender may deem reasonably necessary to insure that the interest created by this Deed of Trust shall have priority over all possible liens, including those of material suppliers and workmen. Lender may require, among other things, that disbursement requests be supported by receipts, bills, expense affidavits, waivers of liens, construction progress reports, and such other documentation as Lender may reasonably request.

**DUPLICATE - COMMENT BY LENDER.** Lender may, at Lender's option, declare immediately due and payable all sums secured by this Deed of Trust upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property, whether legal, beneficial or equitable, whether voluntary or involuntary; whether by outright sale, deed, assignment, lease, contract, lease contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land held holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. However, this option shall not be exercised by Lender if such exercise is prohibited by Federal law or by Colorado law.

**TAXES AND LIENS.** The following provisions relating to the taxes and liens on the Property are part of this Deed of Trust:

**Payment.** Grantor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and penalties levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Deed of Trust, except for the lien of taxes and assessments not due and except as otherwise provided in this Deed of Trust.

**Right to Collect.** Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient security bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and reasonable attorney's fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any event, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall cause Lender to be an additional claimant under any security bond furnished in the correct proceedings.

**Evidence of Payment.** Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes and assessments and shall maintain the appropriate governmental effect to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

**Notice of Construction.** Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, contractor's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of Lender furnish to Lender advance statements satisfactory to Lender that Grantor can and will pay the cost of such improvements.

**PROPERTY DAMAGE INSURANCE.** The following provisions relating to insuring the Property are a part of this Deed of Trust.

**Maintenance of Insurance.** Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any co-insurance clause, and with a standard mortgage clause in favor of Lender, together with such other hazard and liability insurance as Lender may reasonably require. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including endorsements that coverage will not be cancelled or discontinued without at least thirty (30) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Property is located in a special flood hazard area, for the full covered principal balance of the loan and any prior loans on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

**Application of Proceeds.** Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may cause payment of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditures, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Deed of Trust. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Deed of Trust, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the indebtedness. If Lender holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.



Loan No: 1080264741

**DEED OF TRUST  
(Continued)**

Page 3

**LENDER'S EXPENSES.** If Grantor fails (A) to keep the Property free of all taxes, fees, specialty interests, encumbrances, and other claims, (B) to provide any required insurance on the Property, or (C) to make repairs to the Property that Lender may do so. If any action or proceeding is commenced that would materially affect Lender's interests in the Property, then Lender on Grantor's behalf may, but is not required to, take any action that Lender believes to be appropriate to protect Lender's interests. All expenses incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand, (B) be added to the balance of the Note and be amortized among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Deed of Trust also will secure payment of these amounts. The rights provided for in this paragraph shall be in addition to any other rights or any remedies to which Lender may be entitled on account of any default. Any such action by Lender shall not be construed as curing the default as to bar Lender from any remedy that it otherwise would have had.

**WARRANTY; DEFENSE OF TITLE.** The following provisions relating to ownership of the Property are a part of this Deed of Trust:

**Title.** Grantor warrants that: (a) Grantor holds good and maintains title of record to the Property in fee simple, free and clear of all taxes and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Deed of Trust, and (b) Grantor has the full right, power, and authority to execute and deliver this Deed of Trust to Lender.

**Defense of Title.** Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Trustee or Lender under this Deed of Trust, Grantor shall defend the action at Grantor's expense. Grantor may be the contest party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments and documentation as Lender may request from time to time to permit such participation.

**Compliance With Laws.** Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

**Survival of Provisions.** All provisions, agreements, and statements Grantor has made in this Deed of Trust shall survive the execution and delivery of this Deed of Trust, shall be enforceable in nature and shall remain in full force and effect until such time as Grantor's indebtedness is paid in full.

**CONDEMNATION.** The following provisions relating to condemnation proceedings are a part of this Deed of Trust:

**Proceedings.** If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the named party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

**Application of the Proceeds.** If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or process in the nature of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness or the repair or reconstruction of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Trustee or Lender in connection with the condemnation.

**REPAYMENT OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES.** The following provisions relating to governmental taxes, fees and charges are a part of this Deed of Trust:

**Current Taxes, Fees and Charges.** Upon request by Lender, Grantor shall execute such documents in addition to this Deed of Trust and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as detailed below, together with all expenses incurred in recording, perfecting or continuing this Deed of Trust, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Deed of Trust.

**Taxes.** The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Deed of Trust or upon all or any part of the indebtedness secured by this Deed of Trust; (2) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the indebtedness secured by this type of Deed of Trust; (3) a tax on this type of Deed of Trust levied against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the indebtedness or on payments of principal and interest made by Grantor.

**Subsequent Taxes.** If any tax to which this section applies is enacted subsequent to the date of this Deed of Trust, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) continues the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

**SECURITY AGREEMENT; FINANCING STATEMENTS.** The following provisions relating to this Deed of Trust as a security agreement are a part of this Deed of Trust:

**Security Agreement.** This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as extended from time to time.

**Security Interest.** Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Personal Property. In addition to recording this Deed of Trust in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Deed of Trust as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, cover or detach the Personal Property from the Property. Upon default, Grantor shall encumber any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

**Addresses.** The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Deed of Trust may be obtained (such as required by the Uniform Commercial Code) are as listed on the first page of this Deed of Trust.

**FURTHER ASSURANCES; ATTORNEY-IN-FACT.** The following provisions relating to further assurances and attorney-in-fact are a part of this Deed of Trust:

**Further Assurances.** At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or re-recorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security checks, security agreements, financing statements, modification statements, instruments of further assurance, certificates, confirmations, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to enforce, complete, perfect, continue, or preserve (1) Grantor's obligations under the Note, this Deed of Trust, and the Related Documents, and (2) the fees and security interests created by this Deed of Trust as first

**DEED OF TRUST  
(Continued)**

Loan No: 1080284741

Page 4

and prior here as the Priority, whether now stated or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

**Attorney-in-Fact.** If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

**FULL PERFORMANCE.** Upon the full performance of all the obligations under this Note and this Deed of Trust, Trustee may, upon production of documents and fees as required under applicable law, release this Deed of Trust, and such release shall constitute a release of the lien for all such additional costs and expenditures made pursuant to this Deed of Trust. Lender agrees to cooperate with Grantor in obtaining such release and releasing the other collateral securing the indebtedness. Any release fees required by law shall be paid by Grantor, if permitted by applicable law.

**EVENTS OF DEFAULT.** At Lender's option, Grantor will be in default under this Deed of Trust if any of the following happen:

- Payment Default.** Grantor fails to make any payment when due under the indebtedness.
- Break Other Provisions.** Grantor breaks any promise made to Lender or fails to perform promptly at the time and strictly in the manner provided in this Deed of Trust or in any agreement related to this Deed of Trust.
- Compliance Default.** Failure to comply with any other term, obligation, covenant or condition contained in this Deed of Trust, the Note or in any of the Related Documents.
- Default on Other Payments.** Failure of Grantor within the time required by this Deed of Trust to make any payment for taxes or insurance, or any other payments necessary to prevent filing of or to effect discharge of any lien.
- Default in Favor of Third Parties.** Should Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or Grantor's ability to enjoy the indebtedness or Grantor's ability to perform Grantor's obligations under this Deed of Trust or any of the Related Documents.
- False Statements.** Any representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Deed of Trust or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished.
- Defective Collateralization.** This Deed of Trust or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.
- Death or Insolvency.** The death of Grantor, the bankruptcy of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.
- Taking of the Property.** Any creditor or governmental agency tries to take any of the Property or any other of Grantor's property in which Lender has a lien. This includes taking of, granting of or having on Grantor's accounts with Lender. However, if Grantor gives Lender written notice of the claim and notifies Lender with copies of a money bond satisfactory to Lender to satisfy the claim, then this default provision will not apply.
- Breach of Other Agreement.** Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later.
- Event Affecting Guarantor.** Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the indebtedness.
- Insolvency.** Lender has reasonable cause to believe Lender is insolvent or that Lender's solvency is impaired.

**RIGHTS AND REMEDIES ON DEFAULT.** Subject to any applicable notice and cure provisions under Colorado law, if an Event of Default occurs under this Deed of Trust, at any time thereafter, Trustee or Lender may exercise any one or more of the following rights and remedies:

- Exercise of Remedies.** All of Lender's rights and remedies will be cumulative and may be exercised alone or together. An election by Lender to exercise any one remedy will not bar Lender from using any other remedy. If Lender decides to spend money or to perform any of Grantor's obligations under this Deed of Trust, after Grantor's failure to do so, that decision by Lender will not affect Lender's right to declare Grantor in default and to exercise Lender's remedies.
- Accelerate Indebtedness.** Lender shall have the right at its option to declare the entire indebtedness immediately due and payable, including any payment penalty which Grantor would be required to pay.
- Foreclosure.** Lender shall have the right to cause all or any part of the Real Property, and Personal Property, if Lender decides to proceed against it as if it were real property, to be sold by the Trustee according to the laws of the State of Colorado as respects foreclosures against real property. The Trustee shall give notice in accordance with the laws of Colorado. The Trustee shall apply the proceeds of the sale in the following order: (a) to all costs and expenses of the sale, including but not limited to Trustee's fees, attorney's fees, and the cost of title evidence; (b) to all sums secured by this Deed of Trust; and (c) the excess, if any, to the person or persons legally entitled to the excess.
- UCC Remedies.** With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.
- Collect Rents.** Lender shall have the right to take possession of and manage the Property and collect the Rents, including amounts paid due and unpaid, and apply the net proceeds, over and above Lender's costs, against the indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.
- Appoint Receiver.** Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property pending foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver. Receiver may be appointed by a court of competent jurisdiction upon ex parte application and without notice, notice being expressly waived.
- Tenancy at Sufferance.** If Grantor remains in possession of the Property after the Property is sold as provided above or Lender

**DEED OF TRUST  
(Continued)**

Loan No: 1660254741

Page 5

otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

**Other Remedies.** Trustee or Lender shall have any other right or remedy provided in this Deed of Trust or the Note or available at law or in equity.

**Sale of the Property.** In exercising its rights and remedies, Lender shall be free to designate an or broken if this a section of election and deemed with the Trustee, that the Trustee and all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property. Upon any sale of the Property, whether made under a power of sale granted in this Deed of Trust or pursuant to judicial proceedings, if the holder of the Note is a purchaser at such sale, it shall be entitled to use and apply all, or any portion of, the funds from for or in settlement or payment of all, or any portion of, the purchase price of the Property purchased, and, in such case, this Deed of Trust, the Note, and any documents extending expenditures incurred by this Deed of Trust shall be presented to the person conducting the sale in order that the amount of indebtedness so used or applied may be credited thereon as having been paid.

**Attorneys' Fees; Expenses.** If Lender forecloses or initiates any suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sum as the court may judge reasonable as attorney's fees of trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the indebtedness payable on demand and shall bear interest at the Note rate from the date of its incurrence until paid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's reasonable attorney's fees not in excess of fifteen percent (15%) of the unpaid debt after default and referred to an attorney not Lender's retained employee whether or not there is a default, including reasonable attorney's fees and expenses for bankruptcy proceedings (including efforts to modify or waive any automatic stay or injunction), appeals, and any out-of-state non-judicial collection services, the cost of searching records, obtaining file reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other costs provided by law.

**Rights of Trustee.** To the extent permitted by applicable law, Trustee shall have all of the rights and duties of Lender as set forth in this section.

**NOTICE.** Any notice required to be given under this Deed of Trust, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally accepted overnight courier, or, if mailed, when deposited in the United States mail, on first class, certified or registered mail postage prepaid, directed to the addressee shown near the beginning of this Deed of Trust. All copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust shall be sent to Lender's address, as shown near the beginning of this Deed of Trust. Any person may change his or her address for notices under this Deed of Trust by giving written notice to the other person or persons, specifying that the purpose of the notice is to change the person's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors. It will be Grantor's responsibility to tell the others of the notice from Lender.

**LIENS AND LIABILITIES. Discharge of Liens.** Grantor will pay, bear or otherwise discharge, from time to time when the same shall become due, all claims and demands of mortgage, mechanic's, laborer and others which, if unpaid, might result in, or permit the creation of, a lien on the Property, or on the personal, firm, income, interest or profits arising therefrom and, in general, Grantor shall do, or cause to be done, at Grantor's sole cost and expense, everything necessary to fully preserve the lien and priority of this Deed of Trust. Grantor shall have the right to contest or object to the amount or validity of any such claim and demand by appropriate administrative or judicial proceedings, in which event the following provisions shall apply: (a) Grantor shall give Lender written notice of Grantor's intent to so contest or object to such claim or demand; (b) Grantor shall immediately proceed to cause such claim or demand to be removed and discharged; and (c) Grantor, if requested by Lender, shall deposit with Lender a bond or other security reasonably satisfactory to Lender in such amount as Lender shall reasonably require, but not more than 100% of the amount of the claim(s) or demand(s) then made, expenses, including reasonable attorney's fees and interest.

**Grantor's Liabilities.** Except as otherwise set forth herein, Grantor will not, without Lender's consent, create, place or permit to be created or placed, or through any act or failure to act, acquiesce in the placing of, or allow to remain, any deed of trust, mortgage, voluntary or involuntary lien, whether statutory, contractual or contractual (except for power of attorney and property taxes which are not yet due and payable), security interest, encumbrance or charge, or conditional sale or other title retention document, against or covering the Property, prior to, or as a party with or subordinate to the lien of this Deed of Trust. If any of the foregoing becomes attached to the Property without such consent, Grantor will promptly cause the same to be discharged and released.

**No Comment.** Nothing in the Related Documents shall be deemed or construed in any way as constituting the consent or agreement by Trustee or Lender, express or implied, to pay any contractor, subcontractor, laborer, mechanic or artisan for the performance of any labor or the furnishing of any material for any improvement, construction, alteration or repair of the Property, or to constitute any such person as a beneficiary of any obligation Lender may incur to Grantor concerning such contract, or to create a trust fund for any such person. Grantor further agrees that neither Trustee nor Lender stands in any fiduciary relationship to Grantor.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Deed of Trust:

**Amendments.** What is written in this Deed of Trust and in the Related Documents is Grantor's entire agreement with Lender concerning the matters covered by this Deed of Trust. To be effective, any change or amendment to this Deed of Trust must be in writing and must be signed by whomever will be bound or obligated by the change or amendment.

**Caption Headings.** Caption headings in this Deed of Trust are for convenience purposes only and are not to be used to interpret or define the provisions of this Deed of Trust.

**Mergers.** There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

**Governing Law.** This Deed of Trust will be governed by federal law applicable to Lender and, to the extent not precluded by federal law, the laws of the State of Colorado without regard to its conflicts of law provisions. This Deed of Trust has been accepted by Lender in the State of Colorado.

**Choice of Venue.** If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Jefferson County, State of Colorado.

**No Waiver by Lender.** Grantor understands Lender will not give up any of Lender's rights under this Deed of Trust unless Lender does so in writing. The fact that Lender delays or omits to exercise any right will not mean that Lender has given up that right. If Lender does agree in writing to give up one of Lender's rights, that does not mean Grantor will not have to comply with the other provisions of this Deed of Trust. Grantor also understands that if Lender does consent to a request, that does not mean that Grantor will not have to get Lender's consent again if the situation happens again. Grantor further understands that just because Lender consents to one or more of Grantor's requests, that does not mean Lender will be required to consent to any of Grantor's future requests. Grantor waives presentment, demand for payment, protest, and notice of dishonor. In the event Lender initiates legal process to obtain possession of the Property and to the extent permitted by law, Grantor hereby knowingly and voluntarily waives any right to a hearing prior to a court order granting Lender the right to take possession of the Property. Grantor waives all rights of exemption from execution or similar law in the Property, and Grantor agrees that the rights of Lender



**DEED OF TRUST  
(Continued)**

Loan No: 1000254741

Page 6

In the Property under this Deed of Trust are prior to Grantor's signs while this Deed of Trust remains in effect.

**Severability.** If a court finds that any provision of this Deed of Trust is not valid or should not be enforced, that fact by itself will not mean that the rest of this Deed of Trust will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Deed of Trust even if a provision of this Deed of Trust may be found to be invalid or unenforceable.

**Successors and Assigns.** Subject to any limitations stated in this Deed of Trust on transfer of Grantor's interest, this Deed of Trust shall be binding upon and have the benefit to the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, any deed with Grantor's successors with reference to this Deed of Trust and the indebtedness by way of inheritance or otherwise without releasing Grantor from the obligations of this Deed of Trust or liability under the indebtedness.

**Time is of the Essence.** Time is of the essence in the performance of this Deed of Trust.

**Waive Jury.** All parties to this Deed of Trust hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

**Waiver of Homestead Exemption.** Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Colorado as to all indebtedness secured by this Deed of Trust.

**DEFINITIONS.** The following words shall have the following meanings when used in this Deed of Trust:

**Beneficiary.** The word "Beneficiary" means BANK OF THE WEST, and its successors and assigns.

**Borrower.** The word "Borrower" means AARON J COLETTE and includes all co-signers and co-makers signing the Note and all their successors and assigns.

**Deed of Trust.** The words "Deed of Trust" mean this Deed of Trust among Grantor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property and Funds.

**Environmental Laws.** The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, P.L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1501, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

**Event of Default.** The words "Event of Default" mean any of the events of default set forth in this Deed of Trust in the events of default section of this Deed of Trust.

**Grantor.** The word "Grantor" means AARON J COLETTE.

**Guaranty.** The word "Guaranty" means the guaranty from guarantor, endorser, surety, or accommodation party to Lender, including without limitation a guaranty of all or part of the Note.

**Hazardous Substances.** The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, stored, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

**Improvements.** The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, fixtures, additions, replacements and other construction on the Real Property.

**Indebtedness.** The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all amounts of, extensions of, modifications of, cancellations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Trustee or Lender to enforce Grantor's obligations under this Deed of Trust, together with interest on such amounts as provided in this Deed of Trust.

**Lender.** The word "Lender" means BANK OF THE WEST, its successors and assigns. The words "successors or assigns" mean any person or company that acquires any interest in the Note.

**Note.** The word "Note" means the promissory note dated July 29, 2011, in the original principal amount of \$100,000.00 from Grantor to Lender, together with all amendments, extensions of, modifications of, cancellations of, substitutions for, and substitutions for the promissory note or agreement. NOTICE TO GRANITOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.

**Personal Property.** The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter acquired or obtained in the Real Property together with all accessories, parts, and additions to, its improvements of, and all substitutions for, any of such property and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

**Property.** The word "Property" means collectively the Real Property and the Personal Property.

**Real Property.** The words "Real Property" mean the real property, interests and rights, as further described in this Deed of Trust.

**Related Documents.** The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guarantees, security agreements, mortgages, deeds of trust, security deeds, conditional mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

**Rents.** The word "Rents" means all present and future rents, revenues, income, loans, royalties, profits, and other benefits derived from the Property.

**Trustee.** The word "Trustee" means the Public Trustee of SAGUACHE County, Colorado.

**GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND GRANTOR AGREES TO ITS TERMS.**

GRANTOR:

*Aaron Colette*  
AARON J COLETTE

Loan No: 1880254741 DEED OF TRUST (Continued) Page 7

INDIVIDUAL ACKNOWLEDGMENT

HEIDI P. HAHN  
NOTARY PUBLIC  
STATE OF COLORADO  
MY COMMISSION EXPIRES 12/04/2012

STATE OF Colorado )  
COUNTY OF Juanuson ) ss

On this day before me, the undersigned Notary Public, personally appeared AARON J COUETTE, to me known to be the individual described in and who executed the Deed of Trust, and acknowledged that he or she signed the Deed of Trust as his or her free and voluntary act and deed, for the uses and purposes therein recited.

Given under my hand and official seal this 1st day of August 2011.  
By Heidi P. Hahn Notary Public in and for the State of Colorado  
My commission expires 12/4/12

**WHEN RECORDED MAIL TO:**

Bank of the West  
4321 28th Ave SW  
Fargo, ND 58103

---

**DISBURSER'S NOTICE**

The information contained on this Disburser's Notice is filed under Colo. Rev. Stat. Section 38-22-126(2).

**THIS DISBURSER'S NOTICE IS DATED JULY 29, 2011.**

**BORROWER:** The "Borrower" is AARON J COUETTE, whose address is 875 LAKEPOINT DR #E2, FRISCO, CO 80443.

**LENDER:** The "Lender" is BANK OF THE WEST, whose address is Denver CLO #21185, 3779 Evergreen Parkway, PO Box 2650, Evergreen, CO 80439, whose telephone number is (888) 457-2892.

**OWNER (IF DIFFERENT FROM BORROWER):**

**PRINCIPAL (GENERAL) CONTRACTOR(S):**

Principal Contractor: #1: Lynn Construction, Inc.

Address: 691 S 13th St. SA

Gunnison, CO 81230

Telephone Number: \_\_\_\_\_

**LEGAL DESCRIPTION OF PROPERTY:**


Lots 1, 2, 3, 4, 5 and 6, in Block O, Bonanza City, in Saguache County, Colorado.

**PROPERTY ADDRESS:**

Real Property located at Real Property located in SAGUACHE COUNTY, VILLA GROVE, CO 81155

**LENDER:**

**BANK OF THE WEST**

x Heidi Hahn by  VP  
Heidi Hahn, Relationship Manager

**WHEN RECORDED MAIL TO:**

Bank of the West  
4321 28th Ave SW  
Fargo, ND 58103

---

**DISBURSER'S NOTICE**

The information contained on this Disburser's Notice is filed under Colo. Rev. Stat. Section 38-22-128(2).  
THIS DISBURSER'S NOTICE IS DATED JULY 29, 2011.

**BORROWER:** The "Borrower" is AARON J COUETTE, whose address is 975 LAKEPOINT DR #E2, FRISCO, CO 80443.

**LENDER:** The "Lender" is BANK OF THE WEST, whose address is Denver CLO #21185, 3779 Evergreen Parkway, PO Box 2658, Evergreen, CO 80439, whose telephone number is (888) 457-2892.

**OWNER (IF DIFFERENT FROM BORROWER):**

**PRINCIPAL (GENERAL) CONTRACTOR(S):**

Principal Contractor: #1: Lucas Construction, Inc. \_\_\_\_\_

Address: 691 S 13th St. SA \_\_\_\_\_

Summit, CO 81220 \_\_\_\_\_

Telephone Number: \_\_\_\_\_

**LEGAL DESCRIPTION OF PROPERTY:**

Lots 1, 2, 3, 4, 5 and 6, in Block O, Bonanza City, in Saguache County, Colorado.

**PROPERTY ADDRESS:**

Real Property located at Real Property located in SAGUACHE COUNTY, VILLA GROVE, CO 81155

**LENDER:**

**BANK OF THE WEST**

x Heidi Hahn by Melody Jones, VP  
Heidi Hahn, Relationship Manager

---

LABER PRO Lending, Ver. 5.68.00.005 Copr. Harford Financial Solutions, Inc. 1997, 2011. All Rights Reserved. - CO  
CACFPLUG03CPC TR-02020 PR-391

Exhibit  
(7) 1/1

371382  
Page 1 of 17  
State of Colorado  
Carla Gomez, Sagusche County Recorder  
03-30-2012 11:57 AM Recording Fee \$91.00

Return To:

Bank of the West Post Closing  
13506 California St.  
NE-BBP-LL-P  
Omaha, NE 68154

Prepared By:  
Cristina Jensen  
13505 California St  
Omaha, NE 68154

[Space Above This Line For Recording Date]

**DEED OF TRUST**

MIN 100104088010370276

**DEFINITIONS**

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated March 29, 2012 together with all Riders to this document.

(B) "Borrower" is AARON J COUETTE, AN UNMARRIED PERSON

Borrower is the trustor under this Security Instrument.

(C) "Lender" is Bank of the West, a California state banking corp.

Lender is a corporation

8801037027

COLORADO-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT WITH MERS

8801037027  
Form 3898 1/01

6A(CO) 2-1-12

Page 1 of 10

Initials

BBP Mortgage Services, Inc.

Exhibit (8)

organized and existing under the laws of The State of California  
Lender's address is 13505 California St. NE-BBP-LL-P. Omaha, NE 68154

(D) "Trustee" is the Public Trustee of Saguache County, Colorado.  
(E) "MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. MERS is the beneficiary under this Security Instrument. MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS.  
(F) "Note" means the promissory note signed by Borrower and dated March 29, 2012  
The Note states that Borrower owes Lender One Hundred Nine Thousand And Zero/100 Dollars

(U.S. \$109,000.00 ) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than April 01, 2042

(G) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(H) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(I) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower (check box as applicable):

- Adjustable Rate Rider
- Balloon Rider
- VA Rider
- Condominium Rider
- Planned Unit Development Rider
- Biweekly Payment Rider
- Second Home Rider
- 1-4 Family Rider
- Other(s) [specify]

(J) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(K) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(L) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(M) "Escrow Items" means those items that are described in Section 3.

(N) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 3) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(O) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(P) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

8801037027

COLORADO-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT WITH MERS

SA[CO] (8/10)

Page 2 of 13

Include

8801037027

Form 3006 1/01

(Q) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(R) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

**TRANSFER OF RIGHTS IN THE PROPERTY**

The beneficiary of this Security Instrument is MERS (solely as nominee for Lender and Lender's successors and assigns) and the successors and assigns of MERS. This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower, in consideration of the debt and the trust herein created, irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the

County of Saguache :

(Type of Recording Jurisdiction)

(Name of Recording Jurisdiction)

LOTS 1, 2, 3, 4, 5, AND 6, IN BLOCK O, BONANZA CITY, IN SAGUACHE COUNTY, COLORADO.

Parcel ID Number: 407125477002  
332 SOUTH 2ND STREET  
BONANZA  
("Property Address"):

which currently has the address of  
[Street]  
[City], Colorado 81155 [Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property." Borrower understands and agrees that MERS holds only legal title to the interests granted by Borrower in this Security Instrument, but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender's successors and assigns) has the right: to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing and canceling this Security Instrument.

8801037027

8801037027

COLORADO-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT WITH MERS

8A(CO) 0810

Page 3 of 15

10/11/14

Form 2006 1/01

**BORROWER COVENANTS** that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record and liens for taxes for the current year not yet due and payable.

**THIS SECURITY INSTRUMENT** combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

**UNIFORM COVENANTS.** Borrower and Lender covenant and agree as follows:

**1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges.** Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

**2. Application of Payments or Proceeds.** Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

**3. Funds for Escrow Items.** Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can obtain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow

8801037027

COLORADO-Single Family-Fannie Mae Freddie Mae UNIFORM INSTRUMENT WITH MERS

SA(CG) 10101

Page 4 of 15

10/11/14

8801037027

Form 3006 1/01



Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the escrow items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, household payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless

8801037027

COLORADO-Single Family-Fausto Masi/Fredrick M de UNIFORM INSTRUMENT WITH MERS

4A(CO) 06/10/11

PAGE 5 OF 11

INDEX

8801037027

Form 3086 1/01

Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

**5. Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower. Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the

8801037027

COLORADO-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT WITH EMBERS

8-A(CO) 10111

Page 6 of 18

Wash. *AK*

8801037027

Form 3086 1/01

work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. **Occupancy.** Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. **Preservation, Maintenance and Protection of the Property; Inspections.** Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. **Borrower's Loan Application.** Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

8801037027

COLORADO-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT WITH MERS

FORM 1004-5A(CO) (8/10)

Page 7 of 15

Ltraces

8801037027

Form 1004 1/01

**9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument.** If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

**10. Mortgage Insurance.** If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source

8801037027

COLORADO-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT WITH MERS

8A(CO) 03/11

Page 5 of 15

DATE

8801037027

Form 3006 1/01

of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payment for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

**11. Assignment of Miscellaneous Proceeds; Forfeiture.** All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

8801037027

COLORADO-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT WITH VARS

8801037027

8801037027

Page 9 of 11

Text:

8801037027

Form 3006 1/01

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

**12. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

**13. Joint and Several Liability; Co-signers; Successors and Assigns Bound.** Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"); (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

**14. Loan Charges.** Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

**15. Notices.** All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's

8801037027

COLORADO-Single Family-Fanalo Maa/Freddie Mac UNIFORM INSTRUMENT WITH TIERS

6A(CO) 6-5-12

Page 10 of 15

7-2006

8801037027

Form 2006 1/01

notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

**16. Governing Law; Severability; Rules of Construction.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

**17. Borrower's Copy.** Borrower shall be given one copy of the Note and of this Security Instrument.

**18. Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

**19. Borrower's Right to Reinstate After Acceleration.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c)

8801037027

COLORADO-Suzie Family-Franco Mac/Fredrick Mac UNIFORM INSTRUMENT WITH MERS  
 6A(CO) (0810) Page 11 of 11

8801037027

Form 3806 1/01



certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party herein a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any

8801037027

COLORADO-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT WITH *ALERS*

8-A(CO) (4/1/10)

Page 12 of 18

Initials *AL*

8801037027

Form 3006 1/01

Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

**NON-UNIFORM COVENANTS.** Borrower and Lender further covenant and agree as follows:

**22. Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall give written notice to Trustee of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Lender shall mail a copy of the notice to Borrower as provided in Section 15. Trustee shall record a copy of the notice in the county in which the Property is located. Trustee shall publish a notice of sale for the time and in the manner provided by Applicable Law and shall mail copies of the notice of sale in the manner prescribed by Applicable Law to Borrower and to the other persons prescribed by Applicable Law. After the time required by Applicable Law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder for cash at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's certificate describing the Property and the time the purchaser will be entitled to Trustee's deed. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

**23. Release.** Upon payment of all sums secured by this Security Instrument, Lender shall request that Trustee release this Security Instrument and shall produce for Trustee, duly canceled, all notes evidencing debts secured by this Security Instrument. Trustee shall release this Security Instrument without further inquiry or liability. Borrower shall pay any recordation costs and the statutory Trustee's fees.

**24. Waiver of Homestead.** Borrower waives all right of homestead exemption in the Property.

8801037027

COLORADO-Single Family-Fairfax Mac/Fredrick Mac UNIFORM INSTRUMENT WITH FEES

4A(CO) 2011-11

Page 13 of 19

10/11/14

8801037027

Form 3000 1/01

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Witnesses:

\_\_\_\_\_

*Aaron J. Couette* (Seal)  
AARON J. COUETTE -Borrower

\_\_\_\_\_

\_\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_\_ (Seal)  
-Borrower

8801037027

COLORADO Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT WITH MERS  
-SA(CO) (1210) Page 14 of 18

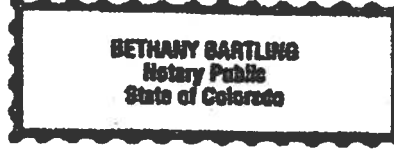
8801037027

Form 3088 1/01

STATE OF COLORADO

County as: Sedgewick

The foregoing instrument was acknowledged before me this 29th day of March, 2012  
by: AARON J COUETTE



Witness my hand and official seal.

My Commission Expires: 9/2/15

Bethany Bartling  
Notary Public

8801037027

COLORADO Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT WITH ARS  
-6A(CO) 4/2/12 Page 15 of 15 Initial: AC

8801037027

Form 3086 1/01

## SECOND HOME RIDER

THIS SECOND HOME RIDER is made this 29th day of March, 2012, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower" whether there are one or more persons undersigned) to secure Borrower's Note to Bank of the West, a California state banking corp.

(the "Lender") of the same date and covering the Property described in the Security Instrument (the "Property"), which is located at:

332 SOUTH 2ND STREET  
BONANZA, CO 81155  
[Property Address]

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree that Sections 6 and 8 of the Security Instrument are deleted and are replaced by the following:

6. **Occupancy.** Borrower shall occupy, and shall only use, the Property as Borrower's second home. Borrower shall keep the Property available for Borrower's exclusive use and enjoyment at all times, and shall not subject the Property to any timesharing or other shared ownership arrangement or to any rental pool or agreement that requires Borrower either to rent the Property or give a management firm or any other person any control over the occupancy or use of the Property.

8. **Borrower's Loan Application.** Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's second home.

8801037027

MULTISTATE SECOND HOME RIDER - Single Family - Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Form 3690 1/01

365R (0811)

Page 1 of 2

Initials: *HL*

VMP Mortgage Solutions, Inc. (800)521-7291

370531  
Page 1 of 1  
State of Colorado  
Melinda Myers, Saguache County Recorder  
11-16-2011 09:45 AM Recording Fee \$11.00

**WHEN RECORDED MAIL TO:**  
Bank of the West  
4321 26th Ave SW  
Fargo, ND 58103

**DISBURSER'S NOTICE**

The information contained on this Disburser's Notice is filed under Colo. Rev. Stat. Section 38-22-126(2).  
**THIS DISBURSER'S NOTICE IS DATED JULY 28, 2011.**

**BORROWER:** The "Borrower" is AARON J COUETTE, whose address is 975 LAKEPOINT DR #E2, FRISCO, CO 80443.

**LENDER:** The "Lender" is BANK OF THE WEST, whose address is Denver CLO #21185, 3779 Evergreen Parkway, PO Box 2650, Evergreen, CO 80439, whose telephone number is (866) 457-2692.

**OWNER (IF DIFFERENT FROM BORROWER):**

**PRINCIPAL (GENERAL) CONTRACTOR(S):**

Principal Contractor: #1: Luna Construction, Inc.

Address: 801 S 12th St. SA

Gunnison, CO 81230

Telephone Number: \_\_\_\_\_

**LEGAL DESCRIPTION OF PROPERTY:**

Lots 1, 2, 3, 4, 5 and 6, in Block O, Bonanza City, in Saguache County, Colorado.

**PROPERTY ADDRESS:**

Real Property located at Real Property located in SAGUACHE COUNTY, VILLA GROVE, CO 81155

**LENDER:**

**BANK OF THE WEST**

x Heidi Hahn by Melody J. [Signature], VP  
Heidi Hahn, Relationship Manager

371503  
Page 1 of 1  
State of Colorado  
Carla Sosa, San Juan County Recorder  
04-26-2012 02:47 PM Recording Fee \$11.00

Original Note and Deed of Trust Returned to:  
WHEN RECORDED RETURN TO:

Aaron J Cousto 975 Lakeside Dr #E2 Frisco, CO 80443  
US Recordings, 2925 Country Drive, St. Paul, MN 55117

Prepared/Received by:

REQUEST FOR FULL  / PARTIAL  77646829

RELEASE OF DEED OF TRUST AND RELEASE BY OWNER OF INTERESTS WITHOUT PRODUCTION OF EVIDENCE OF DEBT PURSUANT TO § 38-39-102 (1) (a) AND (b), COLORADO REVISED STATUTES §§ 38-39-101-04

04/02/12 Date  
Aaron J Cousto Original Grantor (Borrower)  
Current Address of Original Grantor,  
Assuming Party, or Current Owner

Check here if current address is unknown

Bank of the West Original Beneficiary (Lender)  
07/29/2011 Date of Deed of Trust  
08/22/2011 Date of Recording and/or Re-Recording of Deed of Trust  
Recording Information  
San Juan 149999  
County Reg. No. and/or File No. and/or Book/Page No. and/or Trust Reg. No.

TO THE PUBLIC TRUSTEE OF San Juan COUNTY (The County of the Public Trustee who is the appropriate grantee to whom the above Deed of Trust should grant an interest in the property described in the Deed of Trust.)

PLEASE EXECUTE AND RECORD A RELEASE OF THE DEED OF TRUST DESCRIBED ABOVE. The indebtedness secured by the Deed of Trust has been fully or partially paid and/or the purpose of the Deed of Trust has been fully or partially satisfied in regard to the property encumbered by the Deed of Trust as described therein as to a full release or, in the event of a partial release, only that portion of the real property described as: (IF NO LEGAL DESCRIPTION IS LISTED THIS WILL BE DEEMED A FULL RELEASE.)

Pursuant to § 38-39-102 (3), Colorado Revised Statutes, in support of this Request for Release of Deed of Trust, the undersigned, as the owner of the evidence of debt secured by the Deed of Trust described above, or a Title Insurance Company authorized to request the release of a Deed of Trust pursuant to § 38-39-102 (3) (c), Colorado Revised Statutes, in lieu of the production or exhibition of the original evidence of debt with this Request for Release, certifies as follows:

- The purpose of the Deed of Trust has been fully or partially satisfied.
- The original evidence of debt is not being exhibited or produced herewith.
- It is one of the following entities (check applicable box):
  - The holder of the original evidence of debt that is a qualified holder, as specified in § 38-39-102 (3) (a), Colorado Revised Statutes, that agrees that it is obligated to indemnify the Public Trustee for any and all damages, costs, liabilities, and reasonable attorney fees incurred as a result of the action of the Public Trustee taken in accordance with this Request for Release;
  - The holder of the evidence of debt requesting the release of a Deed of Trust without producing or exhibiting the original evidence of debt that delivers to the Public Trustee a Corporate Survey Bond as specified in § 38-39-102 (3) (b), Colorado Revised Statutes; or
  - A Title Insurance Company licensed and qualified in Colorado, as specified in § 38-39-102 (3) (c), Colorado Revised Statutes, that agrees that it is obligated to indemnify the Public Trustee for any and all damages, costs, liabilities, and reasonable attorney fees incurred as a result of the action of the Public Trustee taken in accordance with this Request for Release.

Bank of the West  
Name and Address of the Holder of the Evidence of Debt Secured by Deed of Trust (Lender)  
or name and address of the Title Insurance Company Authorized to Request the Release of a Deed of Trust  
Kary Worthinger, Officer of Collateral Operations 4321 20th Ave SW Fargo ND, 58103  
Name, Title and Address of Officer, Agent, or Attorney of the Holder of the Evidence of Debt Secured by Deed of Trust (Lender)

Signature: [Signature] State of North Dakota, County of Cass  
The foregoing Request for Release was acknowledged before me on 04/02/12 (date) by Kary Worthinger Officer of Collateral Operations  
5-15-14 Date Commission Expires  
Notary Public: [Signature] Witness my hand and official seal



RELEASE OF DEED OF TRUST

WHEREAS, the Grantor(s) named above, by Deed of Trust, granted certain real property described in the Deed of Trust to the Public Trustee of the County referenced above, in the State of Colorado, to be held in trust to secure the payment of the indebtedness referred to therein; and

WHEREAS, the indebtedness secured by the Deed of Trust has been fully or partially paid and/or the purpose of the Deed of Trust has been fully or partially satisfied according to the written request of the holder of the evidence of debt or Title Insurance Company authorized to request the release of the Deed of Trust;

NOW THEREFORE, in consideration of the premises and the payment of the statutory sum, receipt of which is hereby acknowledged, I, as the Public Trustee in the County named above, do hereby fully and absolutely release, cancel and sever (discharge the Deed of Trust or that portion of the real property described above in the Deed of Trust, together with all interests and appurtenances thereto including

STATE OF COLORADO  
COUNTY OF SAGUACHE  
SIGNED BY GEORGE A. TRULLO  
PUBLIC TRUSTEE ON 4/2/12  
(REGISTRATION NO LONGER REQUIRED IN COLORADO PER STATUTE 18-25-106 C.R.S.)



[Signature]  
Public Trustee  
Deputy Public Trustee  
George A. Trullo (Colorado Revised Statutes)

Exhibit (9)