

Town of New Castle

450 W. Main Street

PO Box 90 Fax:

**Administration Department** 

**Phone:** (970) 984-2311

(970) 984-2716

New Castle, CO 81647 www.newcastlecolorado.org

## Agenda

New Castle Planning & Zoning Commission Regular Meeting Wednesday, February 22, 2017, 6:00 p.m., Town Hall

Call to Order, Roll Call, Meeting Notice

Conflicts of Interest (Disclosures are on file with Town Clerk & Secretary of State)

Citizen Comments on Items NOT on Agenda

#### Public Hearing

A. Brief description of application: Application for Multiple Lot Line Adjustment

Legal description: Block 1, Lots 6 &7, and Block 2, Lots 1-6, Coryell's Addition to the

Town of New Castle, together with any and all interest in the vacated streets and alleys appurtenant to said Lots as shown on the recorded plat of Coryell's Addition and described in Town of New Castle Ordinance No. 500, Series 1997, recorded in the Garfield

County real property records at Book 1032, Page 730.

Common address: TBD, New Castle

Applicant: Grady & Suzanne Hazelton

<u>Landowner</u>: Grady & Suzanne Hazelton

B. Resolution PZ-2017-02 Recommending Approving Application for Multiple Lot Line Adjustment

#### I tems for Consideration

- C. Consider Appointing Commission Vice-Chair
- D. Consider Appointing Commissioner to Historic Preservation Commission (HPC)

#### Comments/Reports

- E. Items for Next Planning and Zoning Agenda
- F. Commission Comments/Reports
- G. Staff Reports

Review Minutes of Previous Meetings

H. January 25, 2017 Minutes

Adjournment

#### **Glenwood Springs Office**

901 Grand Avenue, Suite 201 Glenwood Springs, Colorado 81601 Telephone (970) 947-1936 Facsimile (970) 947-1937

### GARFIELD & HECHT, P.C.

ATTORNEYS AT LAW Since 1975

www.garfieldhecht.com

February 13, 2016

TO: New Castle Planning Commission

FROM: David McConaughy, Town Attorney

RE: Hazelton Lot Line Adjustment

This application would convert nine existing non-conforming lots into 5 reconfigured lots. The Multiple Lot Line Adjustment or Amended Plat process is a generally a good vehicle to reconfigure lots platted in the 1800s into developable parcels today. The challenge with this particular application is to ensure that the new lots are accessible and served by adequate utilities.

The proposal is to have the 5 lots served by an existing private roadway. The lots presently do not have active water or sewer connections. I offer the following comments and recommendations.

#### 1. Access

If this were a new subdivision of vacant land, the Town Code would require that each lot have a minimum of 25 feet of frontage on a dedicated public street. The Town Code includes an exception where other arrangements are approved as part of a Planned Unit Development. NCMC § 16.28.030.

The current application is submitted as a multiple lot line adjustment per Section 16.40.080 of the Town Code, which does not create new lots. Therefore, Section 16.28.030 and the public road requirement may not strictly apply.

Nevertheless, the Planning Commission should consider the policy implications of allowing 5 newly-marketable lots to be served by a private roadway on land that is presently undeveloped. The lot owners will need an arrangement for road maintenance, either via a homeowners' association or a private maintenance agreement. No proposed documentation has been submitted on this subject. Even then, history has shown that lot owners often neglect to put aside sufficient capital reserves for road maintenance, and private roads often fall into disrepair. When that happens, the developer is typically no longer involved, and the lot owners will come to Town Hall and ask for the Town to help or take on ownership of a roadway that was never

dedicated or constructed to Town standards. They will point out that they pay taxes like their neighbors who live on public streets. The Town will then face political pressure to solve the problem by incurring expense later that was avoided by the original developer.

Code Section 16.28.030 was adopted to avoid this situation and to ensure that all new homes will be served by public streets built in accordance with Town standards. The Commission should consider whether to require a public roadway built according to Town standards.

#### 2. Water Service.

The Town Engineer has recommended that a new fire hydrant be installed with a 6" new main line. Individual service lines would tap into the new main line. Lots 4 and 5 would be served via private service lines through a utility easement over Lot 2, which would be dedicated on the plat. If Lot 2 is sold and developed before the private lines are installed, then excavation and construction will be required through Lot 2, which may impact improvements, landscaping, or at least yard area. If the service lines are not installed before lot sales, then specific disclosures should be required to ensure that the Lot 2 owner is on notice of this future disturbance. Notice might include plat notes, a disclosure in deeds or real estate contracts, or perhaps even posting signs to identify the easement area. A better practice to avoid future dispute among lot owners would be to require installation of the service lines prior to lot sales, but obviously that would be an expense. Private service lines are not the Town's responsibility.

#### 3. Sewer Service.

According to the Town Engineer, the lots will require private pressurized sewer service lines to connect to the Town main line. The pressurized service lines will be within the private roadway/utility easement, and at least two other service lines either are or will be in the same area to serve adjacent property. Lots should not be allowed to share pressurized service lines, and for practical reasons they should all be installed in the same trench at the same time. The road maintenance agreement or HOA documents should include provisions regarding these utilities within the private roadway, including how the road will be repaired when excavation is needed.

#### 4. <u>Security for Public Improvements</u>.

Public improvements will be required as a condition of the development and occupancy of the proposed lots. These include extension of the water main line, the fire hydrant, and any work necessary to facilitate the connections of the private water and sewer service lines to the main line. I have no information concerning any other public utilities such as gas, electric, or cable, which typically would be installed as part of the public improvements as well.

It is the Town's policy to require a contract obligating the Developer to install all public improvements in accordance with engineered plans approved by the Town Engineer. To date, no such plans have been submitted. If this is not done before recording the plat, then the obligation must be secured by a letter of credit or other collateral to ensure that the work is completed for the benefit of lot owners. The amount of security represents the cost that the Town would incur if the developer sells the lots and then fails to complete the improvements necessary to serve them,

including a contingency amount. While cash or a letter of credit is preferred, the Town Council has the discretion to approve other forms of security such as an arrangement with a construction lender, a contractor's bond, or a lien on the property. A lien may not be advisable here because of an existing loan, unless the bank agreed to subordinate to the town.

It is illegal under Colorado statutes to sell, contract to sell, or negotiate to sell an unplatted <u>lot</u>. This is why developers typically post security for the public improvements rather than waiting to record the plat until after the improvements are done – they want the revenue from lot sales to help fund their costs.

If the lots cannot be accessed or served with utilities, then building permits and/or certificates of occupancy may be withheld.

I recommend that the developer be required to provide engineered plans including cost estimates for all public improvements, to enter into a development agreement with the Town, and to post adequate security prior to recording the plat. Alternatively, this work could occur after approval and prior to recording, but no lots may be sold in the meantime.

Requiring engineered plans and security is of course an expense for the developer. If the Planning Commission is inclined to waive this requirement despite our recommendation, I recommend that any such waiver be subject to review and confirmation by the Town Council.

Alternative mechanisms to ensure completion of public improvements would be to refuse to issue building permits until the improvements are complete or adequate security is provided. In that event, we should ensure that adequate disclosures and warnings are provided to all potential lot purchasers that their lots may not be useable until these significant expenses are incurred, which could fall on the first lot to develop and would then raise other issues about contribution from subsequent lot purchasers. Such issues could be addressed via covenants or other agreements as mentioned above, but no such proposals have been received.

#### Recommendation:

First, the Commission should decide whether to require access via a public street or not. If so, the street design and costs should be included as part of the public improvements.

I recommend that this application be <u>continued</u> until such time as the applicant provides engineered plans for all public utility connections, the applicant provides proposed documentation either for an HOA or a shared utility/driveway maintenance agreement, and a development agreement with the Town has been prepared including requirements for adequate security for public improvements.

If the Commission is inclined to approve the application at the February 22 meeting despite this recommendation, then I recommend the following:

Alternative #1: All of the following conditions shall be satisfied prior to recording the plat and prior to the marketing or sale of any lots:

- A. The applicant shall submit engineered plans for all public improvements for review and approval by the Town Engineer, including access, water and sewer, other utilities, and drainage improvements. The plans shall include as-built locations of any existing utilities and improvements in the construction area. Additional conditions may be imposed by the Town Engineer relating to construction details in connection with the review and approval of the engineered plans.
- B. The applicant shall submit documentation for review and approval by the Town Attorney regarding either a homeowner's association or a shared access and utility maintenance agreement. Either way, the documentation shall be approved and recorded simultaneously with the final plat and be referenced in a plat note.
- C. The applicant and the Town shall enter into a development agreement to provide for the construction of all public improvements and security therefore, generally consistent with Chapter 16.32 of the Town Code.
- D. The private water service lines to serve Lots 4 and 5 shall be extended through the easement on Lot 2 prior to sale of Lot 2 or, alternatively, the easement area on Lot 2 shall be visibly staked and signed as a utility easement with additional notation on the final plat.
- E. Unless the Commission requires a public roadway, the plat shall include notations concerning the private nature of the access road including a prohibition on accessing any of the subject lots via any other public street.
- F. A plat note shall be included to identify the need for private lift stations maintained by individual homeowners for sewer service on each lot.
- G. All representations of the applicant during the public hearing before the Planning Commission shall be considered additional conditions of approval.
- H. The applicant shall reimburse the Town for all consulting fees and other expenses incurred in connection with the application.
- Alternative #2: In lieu of providing security for public improvements, the completion and acceptance of all public improvements could be required prior to issuance of building permits for any homes on the individual lots, unless adequate security is provided at a later date. As mentioned above, this approach may create a risk of shifting the obligation to construct improvements to the first lot purchaser, who may be in less of a position to recapture a share of costs from the other lots than the original developer. Therefore, if this is the Planning Commission's decision, then I recommend that this approach be subject to review and approval by the Town Council at a public meeting.

**Administration Department** 

(970) 984-2311 Fax: (970) 984-2716 www.newcastlecolorado.org



Town of New Castle PO Box 90 450 W. Main Street New Castle, Co 81647

## **DEVELOPMENT APPLICATION**

Applicant: Grady & Sizand	Haze How	pos86 Neurcaste co
Applicant: Grady Sozand Address: Lots 6&7 Block ONE Lots 1-6 Block two-portions of 2nd St, Park Ave, Alleys Vacated Ord 500	Phone:	
Property Owner: Grady & Suza	11	<u>~</u>
Address: 343 milland Ave New Costle Co 8/647	Phone: 984-02/ FAX:	
POS86 New Castle Co	E-mail: 94ccelto	wahokaci/com
Contact Person: Same		
Address:	Phone: FAX: E-mail:	TOWN OF NEW CASTLE, CO
Property Location/Address:	E-IIIdii;	LONG DEPARTMENT
Legal Description:		Acres:
Existing Zone (Not sure? Click here for help)	•	
Existing Land Use:		
TYPE(S) OF LAND	USE(S) REQUESTED	
☐ Pre-Annexation Agreement ☐ Annexation ☐ Subdivision (including Minor and Major Subdivisions, Lot Splits, Sketch Plans, Subdivision Preliminary Plans, Subdivision Final Plans, & Condominiumizations) ☑ Amended Plat ☐ Planned Unit Development (including PUD Sketch Plans, Preliminary PUD Development Plans, PUD Master Plans and Final PUD Development Plans) ☐ Floodplain Development Permit	Lot Line Adjustmen Site Specific Develor Rights Variance Zoning Zoning Amendment Re-zoning R-1-HC Identification Conditional Use Per Permit Other	ppment Plan/Vested
☐ Annexation ☐ Subdivision (including Minor and Major Subdivisions, Lot Splits, Sketch Plans, Subdivision Preliminary Plans, Subdivision Final Plans, & Condominiumizations) ☑ Amended Plat ☐ Planned Unit Development (including PUD Sketch Plans, Preliminary PUD Development Plans, PUD Master Plans and Final PUD Development Plans)	Site Specific Develor Rights Variance Zoning Coning Amendment Re-zoning R-1-HC Identification Conditional Use Per Permit Other	ppment Plan/Vested : on
<ul> <li>☐ Annexation</li> <li>☐ Subdivision (including Minor and Major Subdivisions, Lot Splits, Sketch Plans, Subdivision Preliminary Plans, Subdivision Final Plans, &amp; Condominiumizations)</li> <li>☑ Amended Plat</li> <li>☐ Planned Unit Development (including PUD Sketch Plans, Preliminary PUD Development Plans, PUD Master Plans and Final PUD Development Plans)</li> <li>☐ Floodplain Development Permit</li> </ul>	Site Specific Develor Rights Variance Zoning Zoning Amendment Re-zoning R-1-HC Identification Conditional Use Per Permit Other  and square	ppment Plan/Vested  on mit or Special Review Use feet of commercial space. for the type of land use

#### AGREEMENT TO PAY CONSULTING FEES AND EXPENSES

It is the policy of the Town of New Castle that all land use applications must be filed in the Office of the Town Clerk to receive formal consideration. Please refer to the Town Clerk's Office for all applicable procedures.

However, the Town encourages land use applicants to consult informally with members of the Town Staff, including outside consultants, prior to filing applications if the applicant has questions regarding areas within Staff members' particular expertise; PROVIDED THAT THE POTENTIAL APPLICANT AGREES TO REIMBURSE THE TOWN FOR ALL FEES AND EXPENSES RELATING TO SUCH INFORMAL MEETINGS.

The Town employs outside consultants for engineering, surveying, planning, and legal advice. These consultants bill the Town on an hourly basis as well as for expenses including but not limited to copies, facsimile transmissions, and long distance telephone calls.

It is the Town's policy that all persons wishing to hold informal meetings with members of the Town Staff acknowledge responsibility for all fees and expenses charged by outside consultants by signing this Agreement below.

I acknowledge and agree to pay the Town of New Castle all actual costs incurred by the Town in relation to legal, engineering, surveying, planning, or other services performed by consultants to the Town as a result of such consultants' review and comment upon, or other services related to, land use proposals and/or applications proposed by me or on my behalf, regardless of whether or not such application is formally filed with the Town. Interest shall be paid at the rate of 1.5% per month on all balances not paid within thirty (30) days of the date of the statement. In the event the Town is forced to pursue collection of any amounts due and unpaid, the Town shall be entitled to collect all costs of collection in addition to the amount due and unpaid, including but not limited to reasonable attorney's fees and costs.

SO AGREED this 9 day of Jan	-, 2017. My H
Applicant (Print Name)	Signature Shaffy Haz S
	20 586 New Costic CO 8/647 ng Address
Sane	sane
Property Owner	Mailing Address If Different From Above
Relationship to Applicant or Potential	
Type of application: $\underline{MultiplE}$	of line AD JUSTMENT
Property description:	

Grady Hazelton and Suzanne Shaffer Hazelton are requesting, from the town of New Castle, an amended plat with multiple lot line adjustments. The property in question has the legal description of Lots 6-7 of Block 1 and Lots 1, 2, 3, 4, 5 and 6 of Block 2 of the Coryell subdivision. Additional property included in this is property vacated by ordinance No. 500, series 1997. The purpose of these adjustments is to "clean up" the description of these lots and said vacated streets and alleys.

This will create five building sites described as follows:

- $\sim$ Lot 1 = 5,250.0 sq ft
- $\sim$ Lot 2 = 5,062.5 sq ft
- $\sim$ Lot 3 = 10,412.5 sq ft
- $\sim$ Lot 4 = 8,082.5 sq ft
- $\sim$ Lot 5 = 5,062.5 sq ft

We appreciate your time and consideration on this matter.

Respectfully,

Grady F. Hazelton

Suzanne Shaffer Hazelton

RECEIVED

JAN 10 ZUT

TOWN OF NEW CASTLE, CO BUILDING DEPARTMENT

## **NOTICE OF PUBLIC HEARING**

## **TOWN OF NEW CASTLE**

Date: February 22, 2017

Time: 7:00 P.M.

Place of hearing: New Castle Town Hall, 450 West main St., New Castle, CO

Public body

Conducting hearing: Planning & Zoning Commission

Brief description

Of application: Application for Multiple Lot Line Adjustment

Legal description: Block 1, Lots 6 &7, and Block 2, Lots 1-6, Coryell's Addition to the

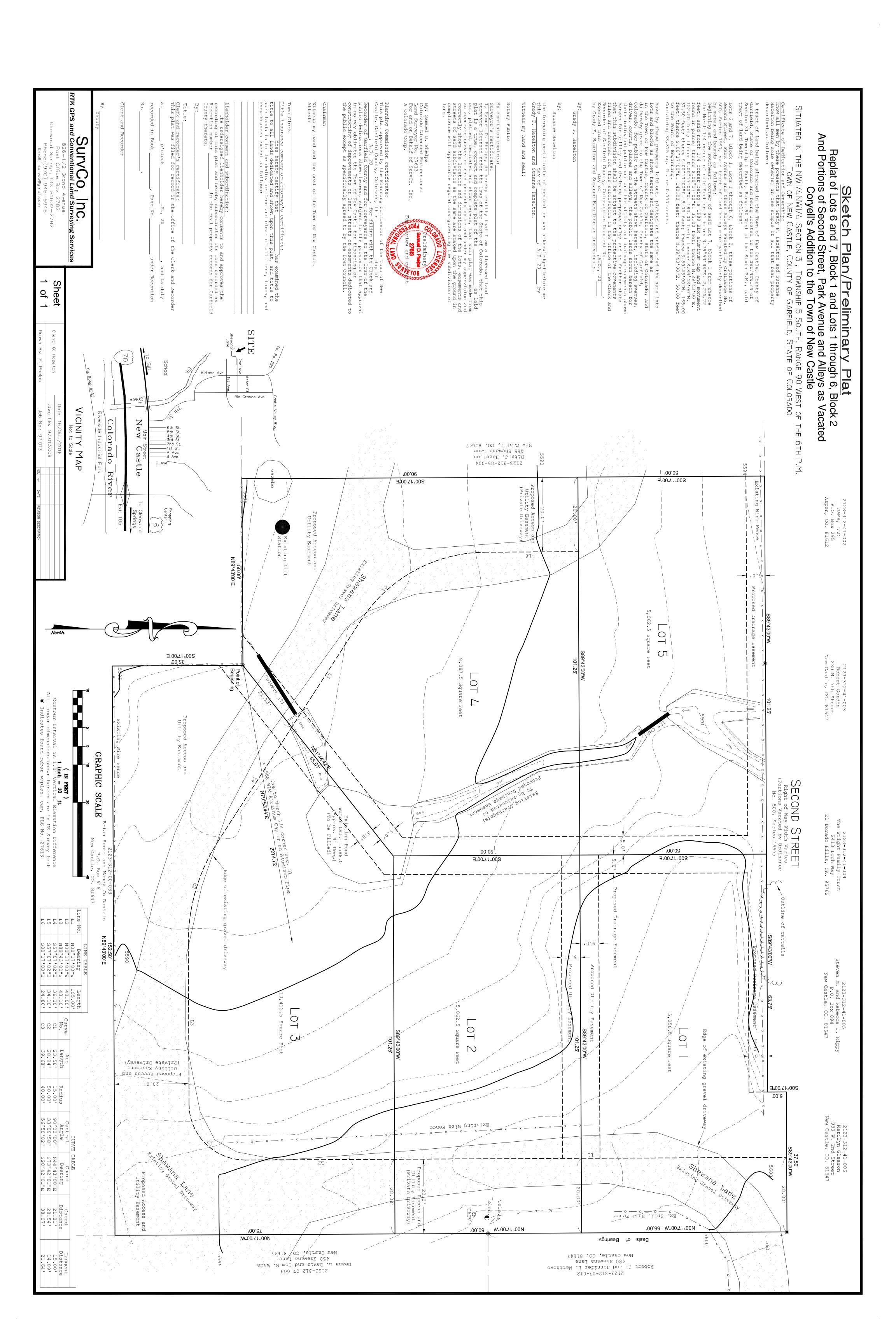
Town of New Castle, together with any and all interest in the vacated streets and alleys appurtenant to said Lots as shown on the recorded plat of Coryell's Addition and described in Town of New Castle Ordinance No. 500, Series 1997, recorded in the Garfield County real property records at Book 1032, Page 730.

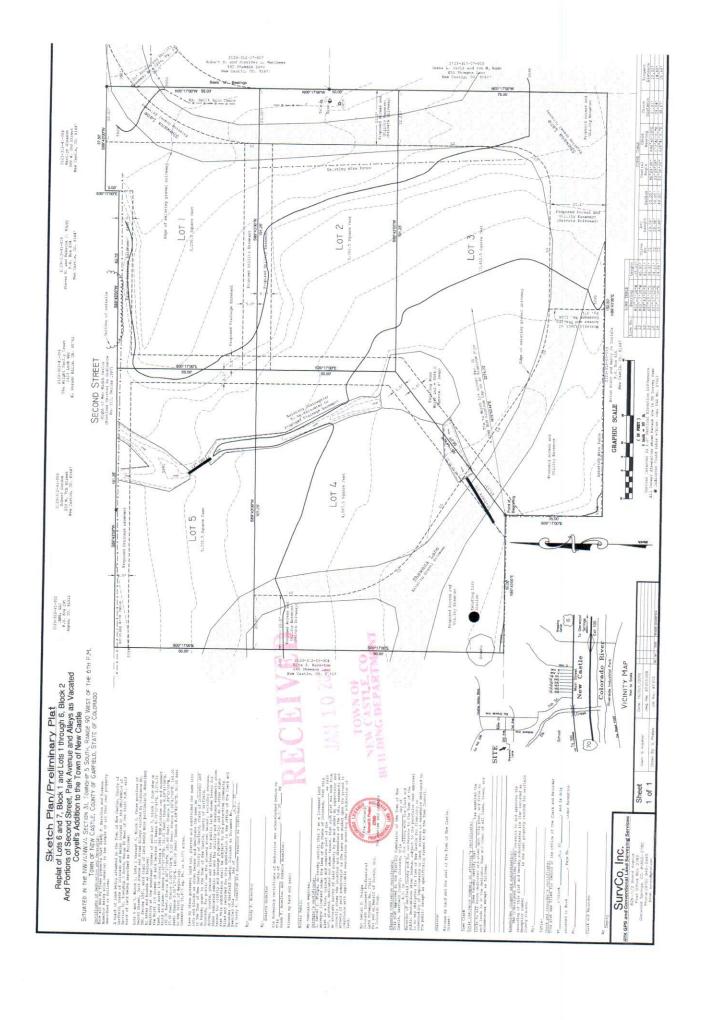
Common address: TBD, New Castle

Applicant: Grady & Suzanne Hazelton

Landowner: Grady & Suzanne Hazelton

The complete application is available at the Town Clerk's office at 450 West Main St., P.O. Box 90, New Castle, CO 81647. All interested persons are invited to appear and state their views, protests or objections. If you cannot appear personally at such hearing, then you are urged to state your views by letter.





## **Garfield County Land Explorer**

Parcel	Physical Address	Owner	Account Num	Malling Address
212330300111	531 N MIDLAND AVE NEW CASTLE	WILLIAMS FAMILY INVESTMENTS COMPANY, RLLP	R380407	981 COUNTY ROAD 245 NEW CASTLE, CO 81647-9795
212331200003	Not available NEW CASTLE	FORBES, GREGORY A	R380361	17411 HIGHWAY 82 CARBONDALE, CO 81623-2365
212331200004	Not available NEW CASTLE	NEW CASTLE, TOWN OF	R380012	PO BOX 90 NEW CASTLE, CO 81647-0166
212331200005	Not available NEW CASTLE	THARP, RALPH R & LAVETA E & TERRY L & CRAIG A & TRENTON J	R380219	431 PARK AVENUE NEW CASTLE, CO 81647
212331200006	Not available NEW CASTLE	WILLIAMS, ERIC C	R013200	981 COUNTY ROAD 245 NEW CASTLE, CO 81647-9795
212331200032	Not available NEW CASTLE	HAZELTON, GRADY F & SUZANNE	R006533	PO BOX 586 NEW CASTLE, CO 81647
212331200033	445 SHEWANA LN NEW CASTLE	DANIELS, BRIAN SCOTT & NANCY JO	R006532	PO BOX 616 NEW CASTLE, CO 81647
212331203003	Not available NEW CASTLE	WILLIAMS, ERIC C	R380234	981 COUNTY ROAD 245 NEW CASTLE, CO 81647-9795
212331203006	Not available NEW CASTLE	WILLIAMS, ERIC C & SHIRLEY M	R380341	981 COUNTY ROAD 245 NEW CASTLE, CO 81647-9795
212331203011	Not available NEW CASTLE	WILLIAMS, ERIC C	R380466	981 COUNTY ROAD 245 NEW CASTLE, CO 81647-9795
212331203012	Not available NEW CASTLE	NEW CASTLE, TOWN OF	R043265	PO BOX 90 NEW CASTLE, CO 81647
212331204002	Not available NEW CASTLE	WILLIAMS, ERIC C	R082528	981 COUNTY ROAD 245 NEW CASTLE, CO 81647-9795
212331204003	Not available NEW CASTLE	NEW CASTLE, TOWN OF	R082527	PO BOX 90 NEW CASTLE, CO 81647-0166
212331205002	Not available NEW CASTLE	NEW CASTLE, TOWN OF	R380831	PO BOX 90 NEW CASTLE, CO 81647-0166
212331205004	465 SHEWANA LN NEW CASTLE	HAZELTON, RITA J	R083687	465 SHEWANA LANE NEW CASTLE, CO 81647
212331205005	Not available NEW CASTLE	HAZELTON, GRADY F & SUZANNE	R083688	PO BOX 586 NEW CASTLE, CO 81647
212331207001	481 N MIDLAND AVE NEW CASTLE	GARCIA, JUAN & BENITEZ, MARTA & GARCIA BENITEZ, MARIA	R380125	481 NORTH MIDLND AVENUE NEW CASTLE, CO 81647
212331207003	461 N MIDLAND AVE NEW CASTLE	NIELSEN, DANIEL R	R380105	461 MIDLAND AVE NEW CASTLE, CO 81647
212331207005	461 PARK AVE NEW CASTLE	ALBRIGHT, JOSHUA B	R380186	461 PARK AVENUE NEW CASTLE, CO 81647

about:blank 11/23/2016

# Reception#: 875640 04/07/2016 02:37:05 PM Jean Alberico 1 of 1 Rec Fee:\$11.00 Doc Fee:0.00 GARFIELD COUNTY CO

QUITCLAIM DEED	
THIS DEED, made this 24 day of March, 2016 between	
Rita J Hazelton	
of the County of Garfield, State of Colorado, Grantor, and	
Grady F Hazelton and Suzanne Hazelton, as joint tenants	
whose legal address is: P.O. Box 586, New Castle, CO 81647	
of the County of Garfield and State of Colorado, grantee:	
WITNESS, that the grantor, for and in consideration of the sum of	
(\$10.00) Ten Dollars, the receipt and sufficiency of which is hereby acknowledged, he CLAIMED, and by these presents does remise, release, sell, convey and Quit Claim, unto assigns, forever, all the right title, interest, claim and demand which the grantor has in and if any, situate, lying and being in the County of Garfield and State of Colorado described as	to the real property together with improvements
Lots 6 and 7, Block 1 Coryell's Addition to the Town of New Castle	
Together with any and all interest in vacated streets and alleys appurtenant to the above de Coryell's Addition to the town of New Castle and as described in the town of New Castle in Book 1032, at Page 730.	scribed property as shown on the recorded plat of Ordinance No. 500, recorded September 5, 1997,
TO HAVE AND TO HOLD the same, together with all and singular the appurtenances at thereunto appertaining, and all the estate, right, title, interest and claim whatsoever, of the guse, benefit and behoof of the grantees, their heirs and assigns forever. The singular nu singular, and the use of any gender shall be applicable to all genders.	grantor either in law or equity to the only proper
IN WITNESS WHEREOF, the grantor has executed this deed on the date set forth above	
Gita J. Has ston	
	RECEIVED
STATE OF (blorad)	JAN 10 ZUV
COUNTY OF Garfuld ) SS.	TOWN OF NEW CASTLE, CO
The foregoing instrument was acknowledged before me this 24h day of 10ch	BUILDING DEPARTMENT
2016 by Rita J- Hangelton	
My commission expires 22, 2020 Witness my hand and	official seal.
Chather P	Khink_
My Company Public  My Company Pu	Notary Public
My Comodary to of Chapter	
Sion Explorado	
My Commission Expires Jan 22, 2020	
020	

R006533 212331200032 038

REAL PROPERTY TAX NOTICE 2014 TAXES DUE IN 2015

KARLA J. BAGLEY TREASURER P.O. Box 1069 Glenwood Springs, CO 81602-1069 www.garfield-county.com/treasurer

Garfield County

(970) 945-6382

MILL LEVY	MILL LEVY CREDIT	TAX AMOUNT	VALUATION	ACTUAL	ASSESSED
8.90500 3.50000 1.25000 9.50600 6.10200 0.25300 15.84200 3.99700 1.00000	0.00000 0.00000 0.00000 0.00000 0.00000 0.00000 0.00000	116.21 45.68 16.31 124.05 79.63 3.30 206.76 13.05	NET TOTAL	45000	13050
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	1		A property tax exemp	(CRS 39-3-203)	or citizens, surviving
50.35500	017	657.12	Senior Exemption For Assessor's Office at 970 Disabled Veterans Exe	r an application, please conta 0-945-9134 or <u>iyellico@garfiel</u>	act the Garfield County Id-county.com. are available from the
iding,		\$657.12	by calling 303-284-6077 PROP  Seniors and Active M	7.  ERTY TAX DEFERI  (CRS 39-3.5-102)  Military For an application	RALS
CRIPTION (MAY BE	ABBREVIATED)		DO YO	U OWE DELINQUENT TA	AXES?
GE: 90 TRACT	A. A. TR			NO	
LOTS 1-2. B	LK 2 LOTS		PAYMENT	DUE DATE	AMOUNT
THE CORYELL OF 2ND ST A	ADD THE		FIRST HALF SECOND HALF FULL PAYMENT	FEB 28, 2015 JUN 15, 2015 APR 30, 2015	\$328.56 \$328.56 \$657.12
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HAZELTON, GRADY F & SHAFFER, SUZANNE PO BOX 586 NEW CASTLE CO 81647-0586

GARFIELD COUNTY TREASURER

IF YOUR TAXES ARE PAID BY A MORTGAGE COMPANY, DO NOT PAY THIS BILL.

RETAIN TOP PORTION FOR YOUR RECORDS

TAX PAYMENT	MUST	BE	POSTMARKED	BY	DUE	DATE
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Garfield County

DO YOU OWE DELINQUENT TAXES?

NO

RETURN THIS COUPON FOR SECOND HALF PAYMENTS Return this coupon with payment to: GARFIELD COUNTY TREASURER

2014 TAXES DUE IN 2015

IS	YOUR	<b>ADDRESS</b>	CORRECT?	(MAKE	CHANGES	BELOW)
New	Addres	SS				
City				State	Zip	

ACCOUNT NUMBER R006533

R006533

PROPERTY OWNER

RECORD

P.O. BOX 1069

GLENWOOD SPRINGS, CO 81602-1069

HAZELTON, GRADY F & SHAFFER, SUZANNE

PO BOX 586

NEW CASTLE CO 81647-0586

SECOND HALF DUE BY JUNE 15, 2015

\$328.56

RECEIVED

JAN 10 2011

TOWN OF NEW CASTLE, CO BUILDING DEPARTMENT

RECORDATION REQUESTED BY: Alpine Bank, A Colorado Banking Corporation Alpine Bank Rifle 400 7th Street South Rifle, CO 81650

WHEN RECORDED MAIL TO: Alpine Bank, A Colorado Banking Corporation 400 7th Street South Rifle, CO 81650

SEND TAX NOTICES TO: GRADY F. HAZELTON SUZANNE HAZELTON PO BOX 586 NEW CASTLE, CO 81647-0586

FOR RECORDER'S USE ONLY

#### **DEED OF TRUST**

MAXIMUM PRINCIPAL AMOUNT SECURED. The Lien of this Deed of Trust shall not exceed at any one time \$190,000.00 except as allowed under applicable Colorado law.

THIS DEED OF TRUST is dated May 10, 2016, among GRADY F. HAZELTON and SUZANNE HAZELTON AS JOINT TENANTS ("Grantor"); Alpine Bank, A Colorado Banking Corporation, whose address is Alpine Bank Rifle, 400 7th Street South, Rifle, CO 81650 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and the Public Trustee of GARFIELD County, Colorado (referred to below as "Trustee").

CONVEYANCE AND GRANT. For valuable consideration, Grantor hereby irrevocably 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 erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenences; all water, water rights and ditch rights (including stock in utilities 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 GARFIELD County, State of Colorado:

LOTS 1, 2, 3, 4, 5 AND 6

**BLOCK 2** 

CORYELL'S ADDITION TO THE TOWN OF NEW CASTLE

TOGETHER WITH ALL INTEREST IN PARK AVENUE AND THE VACATED ALLEY LOCATED SOUTH OF SECOND STREET AND ADJACENT TO SAID LOTS 1, 2, 3, 4, 5 AND 6 AND THE SOUTH 30 FEET OF SECOND STREET 137.5 FEET IN LENGTH AND THE SOUTH 25 FEET OF SECOND STREET 15 FEET IN LENGTH AS DESCRIBED IN TOWN OF NEW CASTLE ORDINANCE NO. 500 SERIES OF 1997 RECORDED SEPTEMBER 5, 1997 IN BOOK 1032 AT PAGE 730.

The Real Property or its address is commonly known as TBD SHEWANA LANE, NEW CASTLE, CO 81647-9514.

CROSS-COLLATERALIZATION. In addition to the Note, this Deed of Trust secures all obligations, debts and liabilities, plus interest thereon, of either Grantor or Borrower to Lender, or any one or more of them, as well as all claims by Lender against Borrower and Grantor or Borrower to Lender, or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or Indirect, determined or undetermined, absolute or contingent, ilquidated or uniquidated, whether Borrower or Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise

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 all present and future leases 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 INDESTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that: (a) this Deed of Trust is executed at Borrower's request and not at the request of Lender; (b) Grantor has the full power, right, and authority to enter into this Deed of Trust and to hypothecate the Property; (c) the provisions of this Deed of Trust do not conflict with, or result in a default under any agreement or other instrument binding upon Grantor and do not result in a violation of any law, regulation, court decree or order applicable to Grantor; (d) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; and (e) Lender has made no representation to Grantor about Borrower (including without limitation the creditworthiness of Borrower).

GRANTOR'S WAIVERS. Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing any action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Deed of Trust, Borrower and Grantor shall pay to Lender all indebtedness secured by this Deed of Trust as it becomes due, and Borrower and Grantor shall strictly perform all their respective obligations under the Note, this Deed of Trust, and the Related Documents.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Borrower and Grantor agree that Borrower's and 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) use, operate or manage the Property; and (3) collect the Rents from the Property.

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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 Substance 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 Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened Rilgation or claims of any kind by any person releting 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 warrantles contained herein are based on Grantor's due difference in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and walves any future claims against Lender for indemnity or contribution in t

Nulsance, Wasta. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping 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 timber, minerals (including oil and gas), coal, clay, scoria, 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 contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate 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 or 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.

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 impositions 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.

Eight to Centest. 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 fitting, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official 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 machanid's lien, materialmen'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 assurances 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 fair value basis for the fult insurable value covering all Improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender, logether 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 stipulations that coverages will not be cancelled or diminished 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, ornisation or default of Grantor or any other person. Should the Real Property be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, for the full unpaid principal balance of the loan and any prior lens 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 make proof of loss if Grantor falls 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 tien 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 expenditure, pay or relimburse 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.

LENDER'S EXPENDITURES. If Grantor falls (A) to keep the Property free of all taxes, liens, security interests, encumbrances, and other claims, (8) to provide any required insurance on the Property, or (C) to make repairs to the Property then 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 apportioned 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 emounts. 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 so 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 marketable title of record to the Property in fee simple, free and clear of all liens 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 nominal 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 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 Promises. All promises, agreements, and statements Grantor has made in this Deed of Trust shall survive the execution and delivery of this Deed of Trust, shall be continuing in nature and shall remain in full force and effect until such time as Borrower'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 nominal party in such proceeding, but Lender shall be antitled 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 Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in tieu 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 restoration 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.

IMPOSITION 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 tien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recarding, 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 Borrower which Borrower 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 chargeable 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 Borrower.

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 Lander 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) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surely 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 amended 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, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble 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 (each as required by the Uniform Commercial Code) are as stated 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 rerecorded, 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 deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Borrower's and Grantor's obligations under the Note, this Deed of Trust, and the Related Documents, and (2) the liens and security interests created by this Deed of Trust as first and prior liens on the Property, whether now owned 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 meking, 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 praceding paragraph.

FULL PERFORMANCE. Upon the full performance of all the obligations under the 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 sums 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. Borrower falls to make any payment when due under the Indebtedness.

Break Other Promises. Borrower or Grantor breaks any promise made to Lender or falls 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 Granlor within the time required by this Deed of Trust to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to affect discharge of any lien.

Faise Statements. Any representation or statement made or furnished to Lender by Borrower or Grantor or on Borrower's or 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 (nimbhed.

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 item) at any time and for any reason.

Death or Insolvency. The death of Borrower or Grantor, the insolvency of Borrower or Grantor, the appointment of a receiver for any part of Borrower's or 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 Borrower or Grantor.

Taking of the Property. Any creditor or governmental agency tries to take any of the Property or any other of Borrower's or Grantor's property in which Lender has a lien. This includes taking of, garnishing of or levying on Borrower's or Grantor's accounts with Lender. However, if Borrower or Grantor disputes in good faith whether the claim on which the taking of the Property is based is valid or reasonable, and if Borrower or Grantor gives Lender written notice of the claim and furnishes Lender with monies or a surety bond satisfactory to Lender to satisfy the claim, then this default provision will not apply.

Breach of Other Agreement. Any breach by Borrower or Grantor under the terms of any other agreement between Borrower or Grantor and Lender that is not remedied within any grace period provided therein, including without fimitation any agreement concerning any indebtedness or other obligation of Borrower or Grantor to Lender, whether existing now or later.

Events 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.

Insecurity. Lender in good faith believes itself insecure.

RIGHTS AND REMEDIES ON DEFAULT. 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:

Election of Remedies. All of Lender's rights and remedies will be cumulative and may be exercised alone or together. An election by Lender to choose any one remedy will not bar Lender from using any other remedy. If Lender decides to spend money or to perform any of Grantion's obligations under this Deed of Trust, after Grantior'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 without notice to Borrower or Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty which Borrower 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, attorneys' 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, without notice to Borrower or Grantor to take possession of and manage the Property and collect the Rents, including amounts past 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 altorney-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 preceding 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 otherwise becomes entitled to possession of the Property upon default of Borrower or 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 on or before it files a notice of election and demand with the Trustee, that the Trustee sell 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 Indebtedness 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 evidencing expenditures secured 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 Lander forecloses or institutes 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 adjudge reasonable as attorneys' fees at 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 the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including afforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title 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 sums 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.

NOTICES. 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 recognized overnight courier, or, if malfed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses 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 thall be sent to Lander'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 formal 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.

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 concarning 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 whoever 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.

Merger. 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 preempted 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 Garfield County, State of Colorado.

Joint and Several Liability. All obligations of Borrower and Grantor under this Deed of Trust shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Grantor signing below is responsible for all obligations in this Deed of Trust.

No Walver 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 walves presentment, demand for payment, protest, and notice of dishonor. In the event Lender institutes legal process to obtain possession of the Property and to the extent permitted by law, Grantor hereby knowingly and voluntarily walves any right to a hearing prior to a court order granting Lender the right to take possession of the Property. Grantor walves all rights of exemption from execution or similar law in the Property, and Grantor agrees that the rights of Lender in the Property under this Deed of Trust are prior to Grantor's rights 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.

Euccessors 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 inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Deed of Trust and the Indebtedness by way of forbearance or extension 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 Alpine Bank, A Colorado Banking Corporation, and its successors and assigns.

Borrower. The word "Borrower" means GRADY HAZELTON and SUZANNE HAZELTON 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 Rents.

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 1980, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, 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 GRADY F. HAZELTON and SUZANNE HAZELTON.

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, 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, facilities, 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 renewals of, extensions of, modifications of, consolidations 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. Specifically, without limitation, indebtedness includes all amounts that may be indirectly secured by the Cross-Collateralization provision of this Deed of Trust.

Lander. The word "Lender" means Alpine Bank, A Colorado Banking Corporation, 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 May 10, 2016, in the original principal amount of \$190,000.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. The maturity date of the Note is May 10, 2021. NOTICE TO GRANTOR: 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 attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements 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, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral 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, issues, royalties, profits, and other benefits derived from the Property.

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

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

GRANTOR:

SUZANNE HAZEKTON

DEED	<b>OF</b>	TRL	JST
(Co	ntin	ued	)

Loan No: 4160529801 Page 7 INDIVIDUAL ACKNOWLEDGMENT PATTI DENISE REICH **NOTARY PUBLIC** STATE OF COLORADO NOTARY ID #20054000490 ) SS COUNTY OF My Commission Expires August 19, 2019 Notary Public in and for the State of My commission expires INDIVIDUAL ACKNOWLEDGMENT PATTI DENISE REICH **NOTARY PUBLIC** ) STATE OF COLORADO ) SS NOTARY ID #20054000490 COUNTY OF COUNTY OF My Commission Expires August 19, 2019 my hand and official seal this

My commission expires

LaserPro, Ver. 15.5.20.036 Copr. D+H USA Corporation 1997, 2016. All Rights Reserved. - CO M:\CF3LPL\G01.FC TR-64539 PR-218

Notary Public in and for the State of

Title Policy

## Commonwealth Title Company of Garfield County, Inc.

127 E. 5th Street Rifle, CO 81650 5/11/16

Date	: June 7, 2016
To:	Alpine Bank 400 7th Street South Rifle, CO 81650
Attn	
Phor	ne:
Fax:	
RE:	Grady F. Hazelton / 4160529801
	Thank you for your order. Enclosed please find the following in connection with our File No. 1604058 ANTIC:
	Commitment
$\square$	Title Policy
	Endorsement
	Tax Certificate
	Other

#### POLICY OF TITLE INSURANCE

#### SCHEDULE A

Amount of Insurance: \$190,000.00

Policy No. 1145143

Premium \$640.00

File No. 1604058 ANTIC

Loan No. 4160529801

Date of Policy: May 11, 2016 at 5:00 PM

1. Name of Insured:

Alpine Bank, Its Successors and/or Assigns As Their Interest May Appear

2. The Estate or interest in the land described in this Schedule and which is encumbered by the insured Mortgage is Fee Simple and is at the date of Policy vested in:

## Grady F. Hazelton and Suzanne Hazelton

3. The Mortgage, herein referred to as the Insured Mortgage, and the assignments thereof, if any, are described as follows:

Deed of Trust from Grady F. Hazelton and Suzanne Hazelton to the Public Trustee of Garfield County for the use of Alpine Bank, showing an original amount of \$190,000.00, dated May 10, 2016 and recorded May 11, 2016 as Reception No. 877087.

4. The land referred to in this policy is described as set forth in the insured mortgage, is situated in the County of Garfield, State of Colorado, and is identified as follows:

Lots 1, 2, 3, 4, 5 and 6

Block 2

Coryell's Addition to the Town of New Castle

Together with all interest in Park Avenue and the vacated alley located south of Second Street and adjacent to said Lots 1, 2, 3, 4, 5 and 6 and the south 30 feet of Second Street 137.5 feet in length and the south 25 feet of Second Street 15 feet in length as described in Town of New Castle Ordinance No. 500 series of 1997 recorded September 5, 1997 in Book 1032 at Page 730.

Patrick P. Burwell

Countersigned:

Authorized Officer or Agent

NM 2 PA 20 ALTA Loan Policy (6/17/06) Form 1191-2 Schedule A

#### SCHEDULE B - PART I

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

1. Rights or claims of parties in possession not shown by the public records.

Easements, or claims of easements, not shown by the public records.

 Discrepancies, conflicts in boundary lines, shortage in area, encroachments, and any facts, which a correct survey and inspection of the premises would disclose, and which are not shown by the public records.

4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

## Exceptions Number 1,2,3 and 4 are hereby omitted

- 5. General taxes and assessments for the year 2016, not yet due or payable.
- 6. Any and all water rights, claims, or title to water, whether or not the matters excepted are shown by the public record.
- 7. Right of the proprietor of a vein or lode to extract and remove his ore therefrom, should the same be found to penetrate or intersect the premises hereby granted and a right of way for ditches or canals as constructed by the authority of the United States, as reserved in United States Patent recorded October 14, 1892 in Book 12 at Page 186.
- Any portion of the subject property that lies within Second Street, Park Avenue or any alleys and streets shown on the recorded plat of Coryell's Addition to the Town of New Castle which have not been vacated by virtue of Ordinance No. 500 recorded September 5, 1957 in Book 1032 at Page 730.

NOTE: Unless Schedule B Part II is attached there are not subordinate matters that affect the title to the estate or interest referred to in Schedule A

American Land Title Association
Loan Policy Schedule B - Part I Form 1006-56



## Issued by: Alliant National Title Insurance Company

File No.: 1604058

Attached to and made a part of Policy No.: 1145143

The Company hereby insures against loss which said Insured shall sustain by reason of any of the following matters:

- 1. Any incorrectness in the assurance which the Company hereby gives:
  - (a) That there are no covenants, conditions or restrictions under which the lien of the mortgage referred to in Schedule A can be cut off, subordinated, or otherwise impaired;
  - (b) That, except as shown in Schedule B, there are no present violations on said land or any enforceable covenants, conditions or restrictions;
  - (c) That, except as shown in Schedule B, there are no encroachments of buildings, structures, or improvements located on said land onto adjoining lands, nor any encroachments onto said land or buildings, structures, or improvements located on adjoining lands.
- Any future violations on said land of any covenants, conditions or restrictions occurring prior to acquisition of
  title to said land by the Insured, provided such violations result in loss or impairment of the lien of the
  mortgage referred to in Schedule A, or result in loss or impairment of the title to said land if the Insured shall
  acquire such title in satisfaction of the indebtedness secured by such mortgage.
- 3. Damage to existing improvements which are located or encroach upon that portion of the land subject to any easement shown in Schedule B, which damage results from the exercise of the right to use or maintain such easement for the purposes for which the same was granted or reserved.
- 4. Any final court order or judgment requiring removal from any land adjoining said land or any encroachment shown in Schedule B.

Wherever in this endorsement any or all the words "covenants, conditions or restrictions" appear, they shall not be deemed to refer to or include the terms, conditions and conditions contained in any lease referred to in Schedule A.

The total liability of the Company under said policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the stipulations thereof to pay.

This endorsement, when countersigned below by a validating signatory, is made a part of said policy as of the date thereof and is subject to the schedules and stipulations therein, except as modified by the provisions hereof.

IN WITNESS WHEREOF, ALLIANT NATIONAL TITLE INSURANCE COMPANY has caused its corporate name to be hereto affixed by its duly authorized officers, the Endorsement to become valid when countersigned by an authorized officer or agent of the Company.

Dated this 11th day of May, 2016.

ALLIANT NATIONAL TITLE INSURANCE COMPANY

By: President
Authorized Signatory Counter-Signor

CO Endorsement 100



## Issued by: Alliant National Title Insurance Company

Attached to and made a part of Policy No.: 1145143

The insurance afforded by this endorsement is only effective if the land is used or is to be used primarily for residential purposes.

The Company insures the insured against loss or damage sustained by reason of lack of priority of the lien of the insured mortgage over:

- (a) any environmental protection lien which, at Date of Policy, is recorded in those records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge, or filed in the records of the clerk of the United States district court for the district in which the land is located, except as set forth in Schedule B; or
- (b) any environmental protection lien provided for by any state statute in effect at Date of Policy, except environmental protection liens provided for by the following state statutes:

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

IN WITNESS WHEREOF, ALLIANT NATIONAL TITLE INSURANCE COMPANY has caused its corporate name and seal to be hereunto affixed by its duly authorized officers, the Endorsement to become valid when countersigned by an authorized officer or agent of the Company.

Dated this 11th day of May 2016

**ALLIANT NATIONAL TITLE INSURANCE COMPANY** 

By:

Authorized Signatory

President

Counter-Signor

Patrick P. Burwell



#### LOAN POLICY OF TITLE INSURANCE

## ISSUED BY: ALLIANT NATIONAL TITLE INSURANCE COMPANY

POLICY NUMBER:

1145143

Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at the address shown in Section 17 of the Conditions.

#### **COVERED RISKS**

SUBJECT TO THE EXCLUSIONS FROM COVERAGE. THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, ALLIANT NATIONAL TITLE INSURANCE COMPANY, a Colorado corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 11,13 and 14, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of

Title being vested other than as stated in Schedule A.

Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from

A defect in the Title caused by

- forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation:
- (ii) failure of any person or Entity to have authorized a transfer or conveyance:
- a document affecting Title not properly created, executed, (111) witnessed, sealed, acknowledged, notarized, or delivered;
- failure to perform those acts necessary to create a document by electronic means authorized by law,
- a document executed under a falsified, expired, or otherwise invalid power of attorney,
- a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or

(vii) a defective judicial or administrative proceeding.

- The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
- Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
- Unmarketable Title.
- No right of access to and from the Land.
- The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to

the occupancy, use, or enjoyment of the Land:

- (b) the character, dimensions, or location of any improvement erected on the Land;
- the subdivision of land; or (c)

environmental protection (d)

if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.

An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action. describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.

The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.

Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.

The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title. This Covered Risk includes but is not limited to insurance against loss from any of the following impairing the lien of the Insured Mortgage

(a) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;

(b) failure of any person or Entity to have authorized a transfer or conveyance;

- the Insured Mortgage not being properly created, executed, witnessed, sealed, acknowledged, notarized or delivered;
- failure to perform those acts necessary to create a document by electronic means authorized by law,
- a document executed under a falsified, expired, or otherwise invalid power of attorney.
- (f) a document not properly filed , recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law, or (g) a defective judicial or administrative proceeding.

The lack of priority of the lien of the Insured Mortgage upon the Title over any other lien or encumbrance.

The lack of priority of the lien of the Insured Mortgage upon the Title. (a) as security for each and every advance of proceeds of the loan secured by the insured mortgage over any statutory lien for services, labor, or material arising from construction of an improvement or work related to the Land when the improvement or work is either

(i) contracted for or commenced on or before Date of Policy; or

(ii) contracted for, commenced, or continued after Date of Policy if the construction is financed, in whole or in part, by proceeds of the loan secured by the Insured Mortgage that the Insured has advanced or is obligated on Date of Policy to advance; and

(b) over the lien of any assessments for street improvements under construction or completed at Date of Policy.

12. The invalidity or unenforceability of any assignment of the Insured Mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the Insured Mortgage in the named Insured assignee free and clear of all liens.

The invalidity, unenforceability, lack of priority, or avoidance of the lien of the insured Mortgage upon the Title

(a) resulting from the avoidance in whole or in part, from a court order providing an alternative remedy, of any transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction creating the lien of the Insured Mortgage because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or

(b) because the Insured Mortgage constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records

(i) to be timely, or

- (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
- 14. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 13 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of policy and prior to the recording of the Insured Mortgage in the Public Records.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

IN WITNESS WHEREOF, ALLIANT NATIONAL TITLE INSURANCE COMPANY, has caused this policy to be signed and sealed as of the Date of Policy shown in Schedule A, the policy to become valid when countersigned by an authorized signatory of the company.

Countersigned: Commonwealth Title Company of Garfield County, Inc. 127 East 5th St. Rifle, CO 81650 Patrick P. Burwell

ALLIANT NATIONAL TITLE INSURANCE COMPANY

President Secretary

ALTA Loan Policy of Title Insurance (6-17-06) with Colorado Modification **ANTIC # 1042** File/GF # 1604058

Authorized Agent or Officer

Page 1

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#### **EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to

(i) the occupancy, use, or enjoyment of the Land;

(ii) the character, dimensions, or location of any improvement erected on the Land;

(iii) the subdivision of land; or

(iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3. Defects, liens, encumbrances, adverse claims, or other matters

(a) created, suffered, assumed, or agreed to by the Insured Claimant;

(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

(c) resulting in no loss or damage to the Insured Claimant;

(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11,13 or 14);

(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.

5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.

6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is

(a) a fraudulent conveyance or fraudulent transfer; or

(b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under the Covered Risk 11(b).

#### CONDITIONS

#### 1. DEFINITION OF TERMS

The following terms when used in this policy mean:

- (a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Section 10 of these Conditions.
- (b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.

(c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.

(d) "Indebtedness": The obligation secured by the Insured Mortgage including one evidenced by electronic means authorized by law, and if that obligation is the payment of a debt, the indebtedness is the sum of

(i) the amount of the principal disbursed as of Date of Policy;

- (ii) the amount of the principal disbursed subsequent to Date of
- (iii) the construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the land or related to the Land that the Insured was and continued to be obligated to advance at Date of Policy and at the date of the advance;

(iv) interest on the loan;

- (v) the Prepayment premiums, exit fees, and other similar fees or penalties allowed by law;
- (vi) the expenses of foreclosure and any other costs of enforcement;
- (vii) the amounts advanced to assure compliance with laws or to protect the lien or the priority of the lien of the Insured Mortgage before the acquisition of the estate or interest in the Title;

(viii) the amounts to pay taxes and insurance; and

(ix) the reasonable amounts expended to prevent deterioration of improvements;

but the Indebtedness is reduced by the total of all payments and by any amount forgiven by an Insured.

(e) "Insured": The Insured named in Schedule A.

(i) The term "Insured" also includes

- (A) the owner of the indebtedness and each successor in ownership of the Indebtedness, whether the owner or successor owns the Indebtedness for its own account or as a trustee or other fiduciary, except a successor who is an obligor under the provisions of Section 12(c) of these Conditions:
- (B) the person or Entity who has "control" of the "transferrable record," if the indebtedness is evidenced by a "transferable

- record" as these terms are defined by applicable electronic transactions law;
- (C) successors to an Insured by dissolution, merger, consolidation, distribution or reorganization;

successors to an Insured by its conversion to another kind of Entity:

a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title

- (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured.
- (2) if the grantee wholly owns the named Insured.
- (3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity:
- (F) any government agency or instrumentality that is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the indebtedness secured by the Insured Mortgage, or any part of it, whether named as an insured or not:
- (ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured, unless the successor acquired the Indebtedness as a purchaser for value without Knowledge of the asserted defect, lien, encumbrance, or other matter insured against by this policy.

(f) "Insured Claimant": An Insured claiming loss or damage.

- (g) "Insured Mortgage": The Mortgage described in paragraph 4 of Schedule A
- "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.
- "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.

ALTA Loan Policy of Title Insurance (6-17-06) with Colorado Modification ANTIC # 1042 File/GF # 1604058

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#### **CONDITIONS** (continued)

- (j) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by
- (k) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located

(I) "Title": The estate or interest described in Schedule A.

(m) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

#### 2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured after acquisition of the Title by an Insured or after conveyance by an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

#### 3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title or the lien of the Insured Mortgage, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title or the lien of the Insured Mortgage, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

#### 4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

#### 5. DEFENSE AND PROSECUTION OF ACTIONS

(a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title or the lien of the Insured Mortgage, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

#### **DUTY OF INSURED CLAIMANT TO COOPERATE**

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title, the lien of the Insured Mortgage, or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

#### 7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS;

#### TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

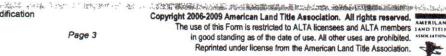
- (a) To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness.
- (i) To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay:
- (ii) To purchase the Indebtedness for the amount of the Indebtedness on the date of purchase, together with any costs. attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of purchase and that the Company is obligated to pay.

When the Company purchases the Indebtedness the Insured shall transfer, assign, and convey to the Company the Indebtedness and the Insured Mortgage, together with any collateral security.

Upon the exercise by the Company of either of the options provided for in subsections (a)(i) or (ii), all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in those subsections, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or (ii) to pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs,



### **CONDITIONS** (continued)

attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay. Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the least of

(i) the Amount of Insurance; or

(ii) the Indebtedness,

(iii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.

(iv) if a government agency or instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Insured Mortgage in satisfaction of its insurance contract or guaranty.

(b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title or the lien of the Insured Mortgage, as insured,

(i) the Amount of Insurance shall be increased by 10%, and

(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

(c) In the event the Insured has acquired the Title in the manner described in Section 2 of these Conditions or has conveyed the Title, then the extent of the liability of the Company shall continue as set forth in Section 8(a) of these Conditions.

(d) In addition to the extent of liability under (a), (b), and (c), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY

(a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title or establishes the lien of the Insured Mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title or to the lien of the Insured Mortgage, as insured.

(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

(a) All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment. However, any payments made prior to the acquisition of Title as provided in Section 2 of these Conditions shall not reduce the Amount of Insurance afforded under this policy except to the extent that the payments reduce the Indebtedness.

(b) The voluntary satisfaction or release of the Insured Mortgage shall terminate all liability of the Company except as provided in Section 2 of these Conditions.

#### 11. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within

12. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

(a) The Company's Right to Recover

Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title or Insured Mortgage and all other rights and remedies in respect to the claim that the Insured Claimant has against

any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant in any transaction or litigation involving these rights and remedies. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss. (b) The Insured's Rights and Limitations

(i) The owner of the Indebtedness may release or substitute the personal liability of any debtor or guarantor, extend or otherwise modify the terms of payment, release a portion of the Title from the lien of the Insured Mortgage, or release any collateral security for the Indebtedness, if it does not affect the enforceability or priority of the lien of the Insured Mortgage.

(ii) If the Insured exercises a right provided in (b)(i), but has Knowledge of any claim adverse to the Title or the lien of the Insured Mortgage insured against by this policy, the Company shall be required to pay only that part of any losses insured against by this policy that shall exceed the amount, if any, lost to the Company by reason of the impairment by the Insured Claimant of the Company's right of subrogation.

(c) The Company's Right Against Noninsured Obligors

The Company's right of subrogation includes the Insured's rights against non-insured obligors including the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

The Company's right of subrogation shall not be avoided by acquisition of the Insured Mortgage by an obligor (except an obligor described in Section 1(e)(i)(F) of these Conditions) who acquires the Insured Mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond and the obligor will not be an Insured under this policy

#### 13. ARBITRATION

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons.

Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

#### 14. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage that arises out of the status of the Title or the lien of the Insured or by any action asserting such claim shall be restricted to this policy.

(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

15. SEVERABILITY

Page 4

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to





#### **CONDITIONS** (continued)

include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

16. CHOICE OF LAW; FORUM

(a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located. Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title or the lien of the Insured Mortgage that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

(b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

#### 17. NOTICES, WHERE SENT

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at Alliant National Title Insurance Company, P.O. Box 359, Longmont, CO 80502, Attention: Legal Department.



Town of New Castle Planning & Code Administration

450 W. Main Street **Department** 

PO Box 90 **Phone:** (970) 984-2311

New Castle, CO 81647 Fax: (970) 984-2716

# Staff Report Grady & Suzanne Hazelton – Multiple Lot Line Adjustment New Castle Planning and Zoning – Hearing – February 22, 2017

Report Date: 2/15/2017

**Project Information** 

Name of Applicant: Grady & Suzanne Hazelton

**Applicant's Mailing Address:** P.O. Box 586, New Castle, CO

Phone/Email Telephone: (970) 984-0213 E-mail: ghazelton@hotmail.com

**Property Address:** TBD, New Castle, CO 81647

**Property Owner:** Grady & Suzanne Hazelton

Owner Mailing Address P.O. Box 586, New Castle, CO 81602

**Proposed Use:** Create five building sites

**Municipal Code Reference:** Chapter 16.40 – Lot line adjustments; 16-40.080 – Multiple Lot

Line Adjustments; Chapter 16.40.090 – Failure to record

Street Frontage: No street frontage - Coryell Ln.is a utility and access easement

**Existing Zoning:** Residential (R-1)

**Surrounding Zoning:** Residential (R-1)

## <u>I Description of Application and Planning Perspective Referencing the Town's Comprehensive Plan:</u>

**A. Description:** This application is a request for a Multiple Lot Line Adjustment whose purpose is the creation of five (5) building sites on vacant land adjacent to Shewana Ln., a utility/access road. All new lots created must have a least five-thousand square feet (5,000). Following are the

square footages of each lot:

- Lot one (1) = 5,250
- Lot two (2) = 5,062.5
- Lot three (3) = 10,412.5
- Lot four (4) = 8,087.5
- Lot five (5) = 5,062.5

With Planning and Zoning Commission (P&Z), Town Engineer and other appropriate consultant approvals, Mr. Hazelton will amend the Original Coryell Addition Plat recorded in 1888 which has legal, non-conforming lot lines. By amending the original plat, the Town can "clean-up" one of the last unplatted parcels in New Castle. The amended plat must be recorded within one-hundred-fifty days or the application approval is voided (see **Applicable Regulations** below)

Access will be from Shewana Ln. and newly created easements. Water, sewer and other utilities must be installed to serve the five (5) newly created lots. The timing and process of installing theses public improvements is optional (See David McConaughy' memo).

By Ordinance 500 series of 1997, many of the platted streets and alleys have been vacated to make room for developing lots (Ordinance is attached to this report).

- **B. Planning Perspective**: Applicable to this application are several policies in our Town Comprehensive Plan. They are:
  - There are three (3) Guiding Principles, Goal & Policies under Community Growth using the ten (10) principals of Smart Growth. They are:
    - 1) Policy CG-5A (D): The Town will create (and support) walkable communities.
    - 2) Policy CG-5A (G): The Town will strengthen and direct development towards existing communities.
    - 3) Policy CG-5A (I) The Town will make development decisions that are predictable, fair and cost effective.

<u>Comment:</u> This Multiple Lot Line Adjustment application will create no new lots, but will condense nine (9) non-conforming lots to five (5). These lots are within walkable distance to the Downtown, schools and public transportation.

Policy CG-5A (G) is a guiding principle that the Town ought to support development infill to support our local economy and allow future homeowners the ability to walk downtown to access RFTA and increase total revenue for the Town's coffers by visiting our restaurants, retail outlets and other services that generate an increase in sales tax.

Staff supports Mr. McConaughy's option know as Alternative 2 which meets the policy goal of CG 5A (I). I concur with Mr. McConaughy that the burden of public improvements could fall upon the first lot owner. It is very important that the first buyer be well-informed that s/he cannot gain building permit approval until construction documents are approved, security is posted and an agreement with the Town is in place prior to obtaining a building permit.

There must be several vehicles employed to use to make sure people understand if they buy a lot, they cannot build until all public improvements have been inspected and accepted. We would require there be a plat note stating you cannot apply for building permit until installation of public improvements are constructed. In addition, all real estate transfer documents include such notice as well as Homeowner's Association covenants.

Staff recommends before the lots are marketed for sale, the applicant place a highly visible sign between lots two (2) and three (3) stating there is a ten (10) wide proposed utility easement. This is how conceptually service lines will connect to lots four (4) and five (5).

In conclusion, the Comprehensive Plan section, "Population & Demographics" (page 19) states:

The need for housing units in New Castle will increase as the population grows. Assuming an average growth of 4% from 2007 to 2030, population is expected to grow to 9,086 a net increase of 5,417 (people). Housing demand generated by population increase of 5,417 will require 2,037 new residential units based upon an average household of 2.66.

<u>Comment:</u> Thus far, the Town has permitted 294 new dwelling units (DU) since 2007. There were 225 in 2007 and then the economic meltdown occurred and we had no new DU's from 2008 to 2011. From 2012 to present there has been a slight recovery and 68 new DU were approved for building permits

My point is that New Castle is extremely attractive to up-valley residents and others as there is little land left to build in Glenwood Springs and the average price for a home in Glenwood is \$495,000 compared to \$395.000 in New Castle. Other communities such as Carbondale and Basalt are suffering due to high building costs and increased vacant land purchase costs. It seems to me that we need to be prepared for a number of new people wanting to live in New Castle and infill development will be a good way to house new residents.

#### II Development Application Contents:

- 1. Development Application
- 2. Cover letter
- 3. Deed of Trust dated May 10, 2016
- 4. Ouit Claim Deed dated March 24, 2016
- 5. Proof of Ownership Real Property Tax Notice
- 6. List of property owners within 250 feet
- 7. Second Street Vacated rights-of way in lieu of original Coryell Addition plat
- 8. Sketch & Preliminary Plat
- 9. Title policy dated June 7, 2016

#### III Applicable Regulations

16.40.080 - Multiple lot line adjustment or vacation.

Any request for an adjustment or vacation of multiple lot lines shall be referred directly to the planning commission and shall be treated as a request to amend the plat by which any property involved in the request was originally created. The plat amendment process does not create additional lots or interests in property but is merely a mechanism that adjusts, relocates, or vacates multiple lot lines or combines more than one lot for building purposes. The amended plat process is limited to amendments that affect less than twenty (20) lots within a subdivision. Amendments affecting more than twenty (20) lots, or amendments within a subdivision with an expired subdivision improvements agreement or which affect existing subdivision improvements agreements, shall be subject to the subdivision requirements set forth in Section 16.16.010 et seq. Amended plats shall be subject to review by the planning commission, planning staff, the town engineer, and all appropriate review agencies and subject to final approval by the town engineer.

#### 6.40.090 - Failure to record.

Failure of an applicant to record evidence of a lot line adjustment or vacation within one hundred fifty (150) days following approval shall result in an automatic revocation of such approval.

#### IV Application Required Submittals:

(1) Detailed description of requested lot line adjustment and of how proposed adjustment complies with laws of the Town, including subdivision regulations.

<u>Staff Comment</u> – The applicant provided a brief narrative without stating comments related to the laws of New Castle. I find this to be much too burdensome for Mr. Hazelton since this **not** going through the subdivision process. The main concern seems to be providing for adequate access easements, water, sewer and other utilities for each newly created lots.

(2) Legal description of all property involved in the application and any other property that will be affected by the proposed multiple lot line adjustment.

<u>Staff Comment</u> – The legal description can be found on the Notice of Hearing, however other adjacent property legal description have not been included and, again, I find this to be unnecessary at this time. There may be a need to describe legal description at some point in time for adjacent properties.

(3) Proof of legal ownership of all property involved in the application and/or a letter of consent to the application signed by all owners of all property involved in the application.

<u>Staff Comment</u> – The applicant has submitted a Deed of Trust, Real Property Tax Notice and a Quit Claim Deed confirming ownership of all property involved in the application.

- (4) Names and addresses of the following:
  - A) owners of all property involved in the application

#### **Staff comment** – See #3 above

B) owners of mineral estates with respect to all property involved in the application.

<u>Staff comment</u> – Mr. Hazelton contacted the Assessor's Office Mineral Clerk, Casey Lawrence by phone and was informed there were not any owners of mineral estates.

C) lienholders on all property involved in the application

**Staff comment** – The applicant has submitted a Title Policy dated June 7, 2016 identifying lienholder that includes names and addresses.

D) utility companies and other beneficiaries of easements located on all property involve in the application

<u>Staff comment</u> – The Coryell Addition to New Castle has prescriptive easements. Shewana Ln. is an access and utility easement serving the current adjacent properties and will serve the proposed lots to be platted. The names and addresses appear to be irrelevant to the application contents at this time.

E) owners of all property within two-hundred-fifty (250) feet of the property involved in the application

**<u>Staff comment</u>** – The applicant has included the submittal in the application

(5) Copy of the original final plat drawings associated with the property in question indicating the configuration of the lots and existing easements and/or setbacks associated with such lots.

<u>Staff comment</u> – Mr. Hazelton has submitted a partial Coryell Addition plat identifying the properties at issue. In 1888 there were no easements or setbacks recorded on the original plat therefore easements and setbacks are prescriptive. Upon P&Z approval and upon new home construction, individual lot owners will have to comply with R-1 setbacks, floor area ratio, lot coverage, maximum building height, minimum floor area, minimum off-street parking and architectural standards.

(6) Copy of title commitment(s) related to all property involved in the application indicating all easements and/or other interests associated with such property

<u>Staff Comment</u> – As stated in #4D and #5, there are prescriptive easements only.

(7) In regard to any and all proposed adjustments of a lot line on property where drainage easements are located, written confirmation by a certified engineer that historic drainage patterns will not be altered or otherwise affected by such proposed adjustment

**<u>Staff Comment</u>** – See Town Engineer report

(8) Copy of the proposed deed(s) intended to effectuate the adjustment should the application be approved

**<u>Staff Comment</u>** – The applicant has included a Quit Claim Deed dated March 24, 2016.

(9) Names, addresses, and telephone numbers of project engineer/surveyor (must be registered in the State of Colorado) and other technical consultants

**Staff Comment** – Mr. Hazelton is currently not using a consultant engineer. The surveyor is Sam Phelps, a licensed and registered surveyor in the State of Colorado.

#### V Staff Recommendation:

The staff recommendation of approval or continuance with conditions is dependent upon Planning & Zoning Commission discussion on February 22, 2017 and their decision as to whether it concurs with one (1) of the two (2) Resolutions (PZ-2017-2) as proposed by Town Attorney, David McConaughy. The conditions of approval or continuance will be determined at that time.



February 9, 2017

Mr. Tim Cain, Planner Town of New Castle P.O. Box 90 New Castle, CO 81647

RE: Hazelton Lot Line Adjustment
Lots 6 & 7, Block 1, Lots 1-6, Block 2 and Portions of 2<sup>nd</sup> Street and Park Avenue

Dear Tim,

Per your request, I am providing this letter following our review of the Development Application submitted by Grady and Suzanne Hazelton as our meeting and correspondence with Grady as well. The proposal in the application reflects the proposed reconfiguration of the existing non-conforming lots from the prior Coryell's Addition to the Town of New Castle into five larger lots configured to provide a single family residence on each lot.

The proposed preliminary plat identifies that the access to these lots would be a shared driveway that exists and is privately owned and maintained. The presumption with this access is that it will continue to be privately owned and maintained through either a home owner's association comprised of the five new lots and the adjacent two properties that currently share the use of the driveway or some other means that assures adequate resources are available to provide such. From the Town's perspective, it is understood that the driveway will not be maintained by the Town. Prior to recording any plat for this subdivision, we recommend that the applicant clarifies with staff as to the obligations assigned to each lot relative to this issue. This may be identified in the covenants, deed or as a plat note.

The submittal is silent on how each lot is to be served by all relevant utilities. Although we have discussed the applicant's proposal for service, it will be necessary to provide construction drawings that are designed by a registered engineer assuring that the utilities are designed and ultimately installed per the requirements of the Municipal Code and the Public Works Manual. We have attached a couple of schematic exhibits which have been prepared by staff outlining our understanding of the proposed methods of service for water and sewer to the properties of question. We believe the plan is viable as long as the construction drawings can assure that the installations of the utilities do not conflict with other existing utilities and that adequate offsite easements exist to install the utilities. The applicant will need to also coordinate with the electric, gas, telephone and cable utility providers to coordinate design and layout of such utilities to assure no conflicts exist with the proposed installations. It is our recommendation that no recordation of the plat be provided until construction drawings are provided to the Town for review and approval to assure the design meets the code requirements, adequate easements are provided to allow access, repair and maintenance of the utilities. It is further



recommended that no building permits are allowed until the installation of the utilities are provided and/or secured.

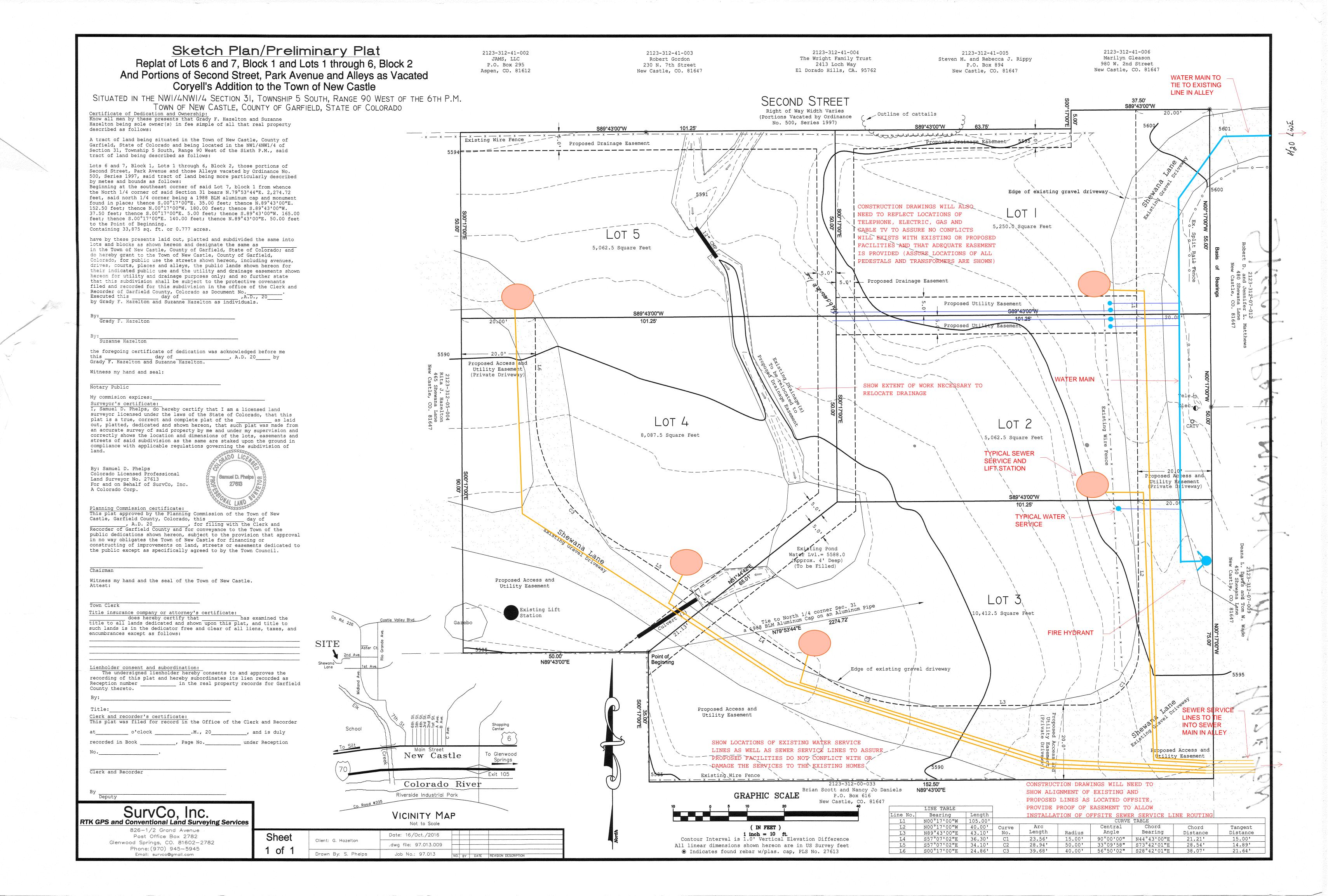
From a drainage perspective, a central ditch exists that drains through the site that is proposed to be relocated. It will be important identify the timing and provide details for construction of that relocation prior to recording the plat to assure the defined plan can be implemented when on lot development ensues as this feature also conveys offsite drainage through the site. In order to avoid drainage trespass occurring, we would recommend that the proposed access and utility easement be renamed to be a proposed access, utility and drainage easement. In this manner, assurance can be provided that allows improvements to be constructed in the future (if necessary) to assure drainage from the site as a whole continues to exit the site in the south west corner of lot 3 and the southeast corner of lot 4.

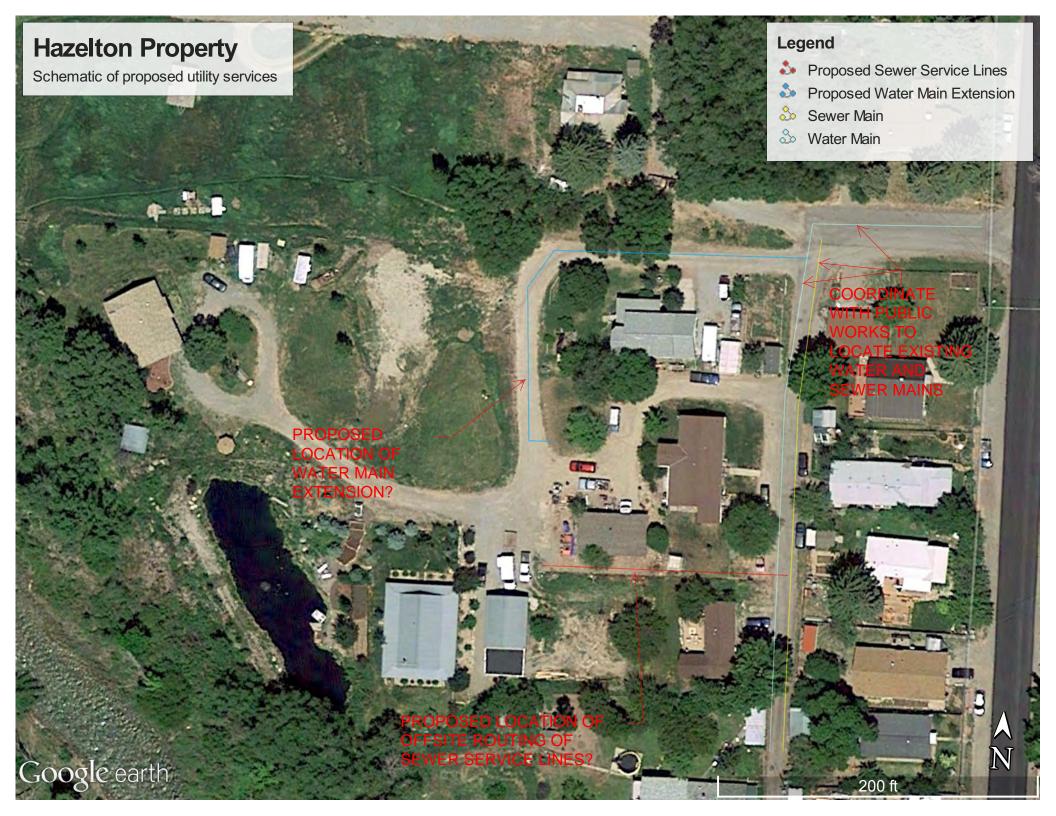
Upon your receipt and review, if you have any questions, please don't hesitate to contact me.

Respectfully,

Jefferey S. Simonson, PE, CFM

Town Engineer





### TOWN OF NEW CASTLE, COLORADO RESOLUTION NO. PZ-2017-2

A RESOLUTION OF THE NEW CASTLE PLANNING AND ZONING COMMISSION APPROVING A MULTIPLE LOT LINE ADJUSTMENT FOR CERTAIN LOTS AND BLOCKS OF THE CORYELL ADDITION TO THE TOWN OF NEW CASTLE AND AN AMENDED PLAT FOR THE SAME.

WHEREAS, Grady and Suzanne Hazelton ("Applicants") are the owners of certain real property within the Town of New Castle ("Town") described as Block 1, Lots 6 &7, and Block 2, Lots 1-6, Coryell's Addition to the Town, together with any and all interest in the vacated streets and alleys appurtenant to said Lots as shown on the recorded plat of Coryell's Addition and described in Town of New Castle Ordinance No. 500, Series 1997, recorded in the Garfield County real property records at Book 1032, Page 730 ("Property"); and

WHEREAS, the Applicant has submitted an amended plat/multiple lot line adjustment application ("Application") pursuant to Municipal Code § 16.40.080; and

WHEREAS, through the Application, Applicants seek to adjust the Property lot lines by reconfiguring the existing, non-conforming lots into five reconfigured lots as depicted on the draft amended plat attached hereto as **Exhibit "A;"** and

WHEREAS, because the Application involves more than two lot lines and affects less than twenty lots, the Application must be reviewed by the Planning and Zoning Commission ("Commission"); and

WHEREAS, the Application does not propose a change in zoning from the current classification of R-1; and

WHEREAS, the Commission considered the application at a duly-noticed public meeting on February 22, 2017; and

WHEREAS, upon reviewing the Application, recommendations from Town staff and consultants, and comments Applicant and others made at the meeting, the Commission finds as follows:

- A. The Application does not result in the creation of additional lots;
- B. The Application does not result in the creation of lots that do not comply with Town zoning requirements, including floor area ratio requirements, setback requirements, and minimum lot size requirements;
- C. The Application does not result in the creation of a lot or lots that will have an infeasible building envelope pursuant to any Town setback, floor area ratio, or other building/zoning requirement;

- D. All utility companies and/or any other beneficiaries having an interest in existing easements on the Property have granted approval in regard to the disposition of existing easements as a result of the Application, if any;
- E. All easements associated with Property are properly addressed and/or granted;
- F. The Application does not alter or affect the location or arrangement of any other lot line within the subdivision;
- G. No lot line adjustment or vacation has been granted by the Town with respect to or in connection with the Property or any adjoining property under common ownership or control of same person within the past one year; and
- H. The Application does not in any way adversely affect any lot surrounding the Property.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN OF NEW CASTLE, COLORADO, PLANNING AND ZONING COMMISSION AS FOLLOWS:

- 1. <u>Recitals</u>. The foregoing recitals are incorporated by reference as findings and determinations of the Commission.
- 2. <u>Approval</u>. The Commission hereby approves the Application and amended plat, subject to the following conditions:
- A. No building permits shall be issued for any dwelling units on the Property until and unless the Town Engineer has approved engineered plans for all necessary improvements, including access, water and sewer, other utilities, and drainage improvements and until all such improvements have been constructed, inspected, and accepted by the Town in accordance with the procedures and requirements of Section 16.32.020(B) of the Town Code, including a written warranty. Alternatively, building permits may be issued if the Applicant and the Town first enter into a development agreement with adequate security in general conformity with Chapter 16.32 of the Town Code. The construction plans shall include as-built locations of any existing utilities and improvements on the Property. Additional conditions may be imposed by the Town Engineer relating to construction details in connection with the review and approval of the engineered plans.
- B. The Applicants shall submit documentation for review and approval by the Town Attorney regarding either a homeowners' association or a shared access and utility maintenance agreement. Either way, the documentation shall be approved and recorded simultaneously with the final plat and be referenced in a plat note.
- C. The approvals in this Resolution shall be subject to, and contingent upon, review and approval of the conditions set forth herein by the New Castle Town Council by motion at a regular meeting.

- D. The private water service lines to serve Lots 4 and 5 shown on Exhibit A shall be extended through the easement on Lot 2 prior to sale of Lot 2 or, alternatively, the easement area on Lot 2 shall be visibly staked and signed as a utility easement with additional notation on the final plat.
- E. The roadway shown on Exhibit A shall be dedicated to the Town as a public road and open for public use, and a plat note to that effect shall be included on the final plat [OR] The final plat shall include notations concerning the private nature of the access road, including a prohibition on accessing any of the subject lots via any other public street.
- F. A plat note shall be included on the final plat to identify the need for private lift stations maintained by individual homeowners for sewer service on each lot.
- G. The plat shall include a subordination and consent certificate to be signed by any lender holding a lien on the subject property.
- H. All representations of the Applicants made during the public hearing before the Commission and reflected in the minutes thereof shall be considered additional conditions of approval.
- I. The Applicants shall reimburse the Town for all consulting fees and other expenses incurred in connection with the Application.
- J. The final plat shall be reviewed and subject to approval by the Town Engineer and Town Attorney prior to recordation thereof.

SO RESULVED this 22nd day o	if February, 2017, by a vote of to
	TOWN OF NEW CASTLE PLANNING & ZONING COMMISSION
	Chairman
ATTEST:	
Town Clerk/Deputy Town Clerk	

### TOWN OF NEW CASTLE, COLORADO RESOLUTION NO. PZ-2017-2

A RESOLUTION OF THE NEW CASTLE PLANNING AND ZONING COMMISSION APPROVING A MULTIPLE LOT LINE ADJUSTMENT FOR CERTAIN LOTS AND BLOCKS OF THE CORYELL ADDITION TO THE TOWN OF NEW CASTLE AND AN AMENDED PLAT FOR THE SAME.

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WHEREAS, the Applicant has submitted an amended plat/multiple lot line adjustment application ("Application") pursuant to Municipal Code § 16.40.080; and

WHEREAS, through the Application, Applicants seek to adjust the Property lot lines by reconfiguring the existing, non-conforming lots into five reconfigured lots as depicted on the draft amended plat attached hereto as **Exhibit "A;"** and

WHEREAS, because the Application involves more than two lot lines and affects less than twenty lots, the Application must be reviewed by the Planning and Zoning Commission ("Commission"); and

WHEREAS, the Application does not propose a change in zoning from the current classification of R-1; and

WHEREAS, the Commission considered the application at a duly-noticed public meeting on February 22, 2017; and

WHEREAS, upon reviewing the Application, recommendations from Town staff and consultants, and comments Applicant and others made at the meeting, the Commission finds as follows:

- A. The Application does not result in the creation of additional lots;
- B. The Application does not result in the creation of lots that do not comply with Town zoning requirements, including floor area ratio requirements, setback requirements, and minimum lot size requirements;
- C. The Application does not result in the creation of a lot or lots that will have an infeasible building envelope pursuant to any Town setback, floor area ratio, or other building/zoning requirement;

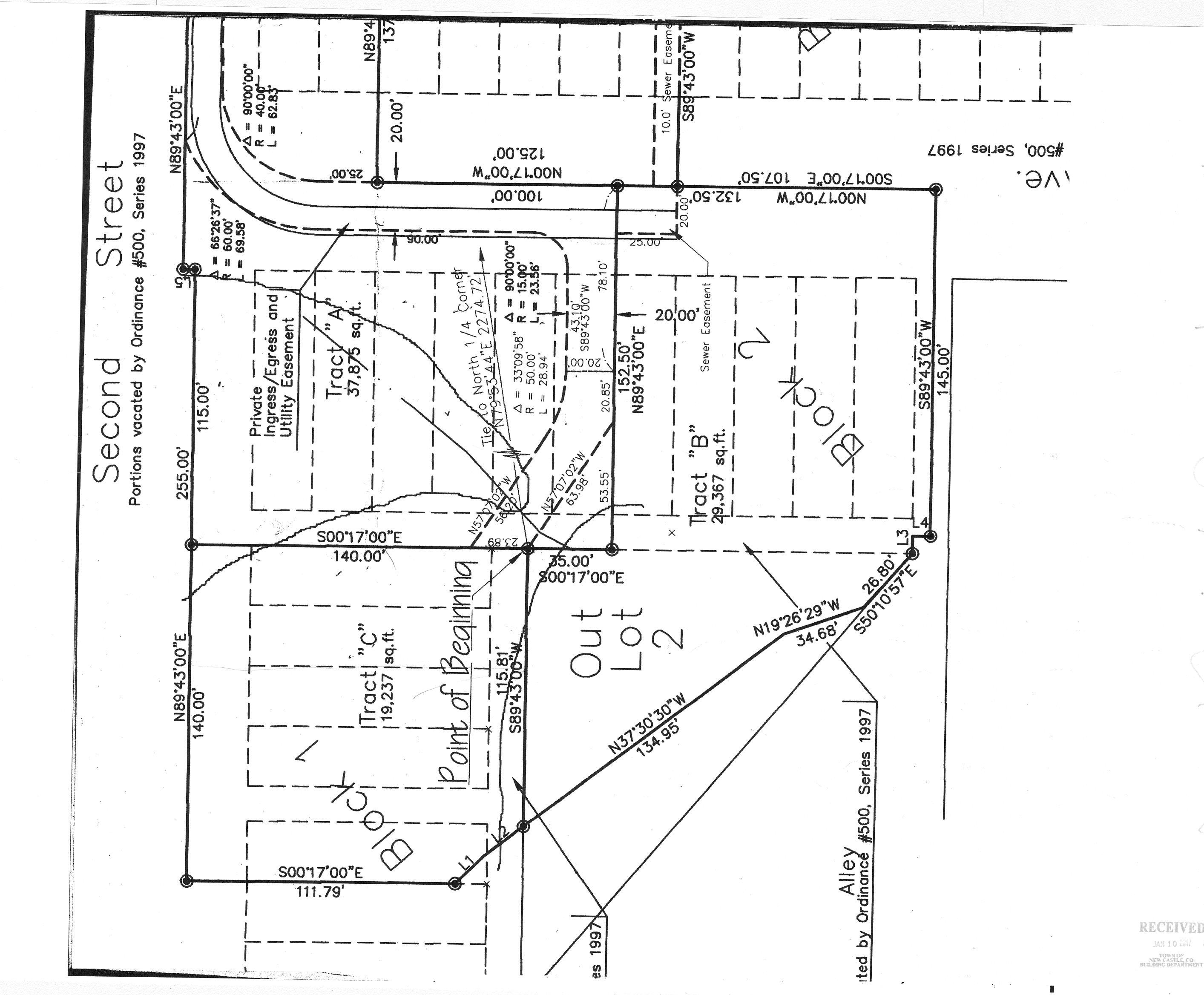
- D. All utility companies and/or any other beneficiaries having an interest in existing easements on the Property have granted approval in regard to the disposition of existing easements as a result of the Application, if any;
- E. All easements associated with Property are properly addressed and/or granted;
- F. The Application does not alter or affect the location or arrangement of any other lot line within the subdivision;
- G. No lot line adjustment or vacation has been granted by the Town with respect to or in connection with the Property or any adjoining property under common ownership or control of same person within the past one year; and
- H. The Application does not in any way adversely affect any lot surrounding the Property.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN OF NEW CASTLE, COLORADO, PLANNING AND ZONING COMMISSION AS FOLLOWS:

- 1. <u>Recitals</u>. The foregoing recitals are incorporated by reference as findings and determinations of the Commission.
- 2. <u>Approval</u>. The Commission hereby approves the Application and amended plat, subject to the following conditions, all of which shall be fulfilled prior to recording the amended plat:
- A. The Applicants shall submit engineered plans for all public improvements for review and approval by the Town Engineer, including access, water and sewer, other utilities, and drainage improvements. The plans shall include as-built locations of any existing utilities and improvements on the Property. Additional conditions may be imposed by the Town Engineer relating to construction details in connection with the review and approval of the engineered plans.
- B. The Applicants shall submit documentation for review and approval by the Town Attorney regarding either a homeowners' association or a shared access and utility maintenance agreement. Either way, the documentation shall be approved and recorded simultaneously with the final plat and be referenced in a plat note.
- C. Applicants and the Town shall enter into a development agreement to provide for the construction of all public improvements and security therefore, generally consistent with Chapter 16.32 of the Town Code.
- D. The private water service lines to serve Lots 4 and 5 shown on Exhibit A shall be extended through the easement on Lot 2 prior to sale of Lot 2 or, alternatively, the easement area on Lot 2 shall be visibly staked and signed as a utility easement with additional notation on the final plat.

- E. The roadway shown on Exhibit A shall be dedicated to the Town as a public road and open for public use and a plat note to that effect shall be included on the final plat [OR] The final plat shall include notations concerning the private nature of the access road, including a prohibition on accessing any of the subject lots via any other public street.
- F. A plat note shall be included on the final plat to identify the need for private lift stations maintained by individual homeowners for sewer service on each lot.
- G. The plat shall include a subordination and consent certificate to be signed by any lender holding a lien on the subject property.
- H. All representations of the Applicants made during the public hearing before the Commission and reflected in the minutes thereof shall be considered additional conditions of approval.
- I. The Applicants shall reimburse the Town for all consulting fees and other expenses incurred in connection with the Application.
- J. The final plat shall be reviewed and subject to approval by the Town Engineer and Town Attorney prior to recordation thereof.

SO RESOLVED this 22nd day	of February, 2017, by a vote of to
	TOWN OF NEW CASTLE PLANNING & ZONING COMMISSION
	Chairman
ATTEST:	
Town Clerk/Deputy Town Clerk	



1 2 3	New Castle Planning and Zoning Commission Meeting Wednesday, January 25, 2017, 6:00p.m., Town Hall			
4 5 6 7	Call to Order Commission Vice-Chair Graham Riddile called the meeting to order at 6:00p.m.			
8 9 10 11 12 13 14 15	Roll Call  Present Chair Chuck Apostolik Arrived 6:05pm Commissioner Copeland Commissioner Gates Commissioner Riddile Commissioner Ruggles Commissioner Urnise - Arrived 6:02pm			
16	Absent Commissioner Borgard			
17 18 19	Also present at the meeting were Town Planner Tim Cain, Deputy Town Clerk Mindy Andis and members of the public.			
20 21 22	Deputy Town Clerk Mindy Andis verified that her office gave notice of the meet in accordance with Resolution TC-2017-1.			
<ul><li>23</li><li>24</li><li>25</li><li>26</li></ul>	Conflicts of Interest None reported			
<ul><li>26</li><li>27</li><li>28</li></ul>	Citizen Comments on I tems NOT on the Agenda There were no citizen comments.			
29 30 31 32 33	MOTION: Commissioner Ruggles made a motion to appoint Commissioner Gates as Commission Vice-Chair. Commissioner Riddile seconded the motion and passed unanimously.			
34 35	Public Hearing Conditional use Permit			
36 37	Purpose: Application for Conditional Use Permit for Car Detail Shop			
38 39 40	Legal description: Block 14, West ½ Lot 10 and Lots 11-15, Original Townsite New Castle			
41 42	Common Address: 731 W. Main Street, New Castle			
43 44	Applicant: Hector Ramos			
45 46	<u>Landowner</u> : Jon & Leslie Krick			
47 48	Resolution PZ 2017-1 Recommending Approving Conditional Use Permit For			

Property Located in the Commercial Zone District.

Vice -Chair Gates opened the Public Hearing at 6:04p.m.

Town Planner Tim Cain reported the application was a request for a conditional use permit (CUP) to allow for a car detail shop located at 731 W. Main St. The applicant, Hector E. Ramos, intended to operate the business part time until there was increased daytime traffic. Based upon need, Mr. Ramos may train another individual to perform the necessary work. Mr. Ramos had previous experience operating a car detail shop and performed car detail sporadically for his employer, Bighorn Motors where he is a salesman. Mr. Ramos had secured permission for the car detail shop from his landlord, Jon Krick, in the form of a letter, which was included in the application. Mr. Ramos will be using one of 3 bays to perform work where the only drain is located. He will be offering hand & mechanical car wash, carpet shampoo, polish and wax. Mr. Ramos will be selling car detail and other retail products once he is established. There will be no toxic material dumped into the sewer system or dangerous chemicals released in the air. However, work involving the need to wash vehicles will be limited to the bay that has a drain. There will be no need for onstreet parking or an increase in a proportional water/sewer tap EQR due to limited water use.

The service area will always be located inside the building as there will be no need to detail cars outside. There will be a limited amount of trash generated.

No approved conditional use may be altered, structurally enlarged, expanded in parking area or expanded in ground area unless the site plan is amended and approved in accordance with the procedures applicable to approval of a conditional use as set out in chapter 17.84 – Conditional Uses.

The staff recommended approval of the Conditional Use Permit for a car detail shop operated by Hector E. Ramos located at 731 W. Main St. with the following conditions:

1. All representations of the applicant in written and verbal presentations submitted to the Town or made at public hearings before the planning commission or Town Council shall be considered part of the application and binding on the applicant.

 2. In the event the Town receives any complaints about the use of the site or observes or becomes aware of any violations of the conditional use approval, the Applicant and/or owner may be summoned before the Town Council in a public meeting to show cause why the permit should not be revoked, suspended, or additional conditions imposed. Such show-cause hearing shall be open to the public and the Applicant or owner may present testimony or offer other evidence on its behalf.

3. The applicant shall reimburse the Town for any and all expenses incurred by the Town regarding this approval, including without limitation all costs incurred by the Town's outside consultants such as legal and engineering costs.

- 4. Applicant shall obtain all permits or licenses from all applicable federal, state,
   and local authorities that may be necessary for the lawful operation of the proposed
   business on the Property.
- 5. Applicant will comply with all federal, state, and local laws applicable to the operation of the proposed business and use of the property including, but not limited to environmental laws and workplace safety laws.
  - 6. Applicant shall pay all necessary fees, if any, as directed by Town Council.
  - 7. Applicant shall not materially alter, structurally enlarge, or expand in parking area or in ground area the conditional use beyond what is set forth in the Application unless the site plan is amended and approved in accordance with Chapter 17.84 of the Town Code.
  - 8. Applicant shall comply with the Town's sign and other applicable code requirements; and
  - 9. The use approved in the Application shall not be conducted until the Town Planner has issued a conditional use certificate. That certificate shall be issued only after Applicant has entered into an agreement with the Town specifying that all conditions imposed by the Town Council will be completed and that the use and improvements will be in accordance with the approved Application site plan and development schedule. The conditional use certificate must be issued within one year of the date of final approval by Town Council, or the Application is deemed withdrawn by the Applicant and is of no further force and effect.
  - Planner Cain introduced Charles Englebert who has been in the car detail business for more than 30 years.
  - Commissioner Urnise asked what type of chemicals would be used. Mr. Charles Englebert said the chemicals were the same that you would use in your home to clean such as soaps, degreasers and wax.
  - Commissioner Ruggles asked Mr. Ramos if he would be hiring locally. Mr. Ramos said that he would be.
  - Vice-Chair Gates asked Mr. Ramos if the business hours would be part time. Mr. Ramos said that initially it would be part time by appointments only. All the work would be done inside the shop, with no work to be performed outside.
- Vice-Chair Gates closed the Public Hearing at 6:19 p.m.
- 44 Motion: Vice-Chair Gates made a motion recommending approval of PZ-
- 45 2017-1, Recommending Approving Conditional Use Permit Property
- Located in the Commercial Zone District. Commissioner Riddile seconded the motion and it passed unanimously.
- 4849 I tems for next Planning and Zoning Agenda
- 50 There were no items.

1	
2	Commission Comments and Reports
3	There were no comments or reports.
4 5	Staff Reports
6	There were no reports.
7	
8	Review Minutes from Previous Meeting
9	Motion: Vice-Chair Gates made a motion to approve the October 26, 2016,
10	meeting minutes as corrected. Commissioner Urnise seconded the motion
11	and it passed unanimously.
12 13	Motion: Chair Apostolik made a motion to adjourn the meeting. Vice-Chair
14	Gates seconded the motion and it passed unanimously.
15	cates seconded the metion and it passed analimodally.
16	The meeting adjourned at 6: 40p.m.
17	
18	
19	Respectfully Submitted,
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21 22	
23	
24	
25	Planning and Zoning Commission Vice-Chair
26	Brad Gates
27	Deputy Town Clerk Mindy Andis
28	

## TOWN OF NEW CASTLE ORDINANCE NO. 500

# AN ORDINANCE VACATING CERTAIN STREETS AND ALLEYS WITHIN THE CORYELL ADDITION TO THE TOWN OF NEW CASTLE.

WHEREAS, the Board of Trustees of the Town of New Castle has determined that there is not a public purpose for retaining certain streets and alleys within the Coryell Addition to the Town of New Castle described in Exhibit A hereto, and therefore, it is appropriate for the Town of New Castle to vacate such public streets and alleys.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF NEW CASTLE, COLORADO:

<u>Section 1.</u> The streets and alleys within the Coryell Addition to the Town of New Castle described in Exhibit A hereto are hereby vacated to the lots adjoining said streets and alleys, pursuant to this ordinance and the statutes of the State of Colorado.

Section 2. In consideration for vacation of the above streets and alleys, Michael Cox and Larey Hazelton shall convey to the Town of New Castle Lots 1 and 2 of Block 1 of the Coryell Addition to the Town of New Castle, and shall construct at no cost to the Town of New Castle a pedestrian trail from the alley in Block 3 of the Coryell Addition to the northeast line of Lot 2 of Block 1 of the Coryell Addition and a pedestrian bridge across the wetland area.

INTRODUCED, READ AND ADOPTED BY THE BOARD OF TRUSTEES OF THE TOWN OF NEW CASTLE, COLORADO, AND APPROVED BY THE MAYOR OF THE TOWN OF NEW CASTLE, COLORADO THIS 5TH DAY OF AUGUST, 1997.

Town of New Castle

Steve Rippy, Ma

Lisa H. Cain, Town Clerk

EXHIBIT A



All streets and alleys described herein all located within the Coryell's Addition to the Town of New Castle

The south thirty (30) feet of Second Street described as beginning at the northwest corner of Lot 1, Block 3, thence north thirty (30) feet, thence west one hundred seventy-five (175) feet, thence south thirty (30) feet, thence east one hundred seventy-five (175) feet to point of beginning.

The south twenty-five (25) feet of Second Street described as beginning at the northwest corner of Lot 1, Block 2, thence north twenty-five (25) feet, thence west two hundred fifty-five (255) feet, thence south twenty-five (25) feet, thence east two hundred fifty-five (255) feet to point of beginning.

All of Park Avenue located south of Second Street and adjacent to Lots 1 through 7 of Block 3 and Lots 1 through 7 of Block 2.

The east half of Park Avenue described as beginning at the northeast corner of Lot 8, Block 2, thence south one hundred seven & one-half (107.5) feet, thence east thirty-seven & one-half (37.5) feet, thence north one hundred seven & one-half (107.5) feet, thence west thirty-seven & one-half (37.5) feet to point of beginning.

All of the Alley located South of Second Street and adjacent to lots 1 through 11 of Block 2.

All of the Alley located south of Second Street and adjacent to Lots 3 & 4 of Block 1.

All of the Alley located south of Lots 3 through 7 of Block 1 and north of Outlot 2 described as beginning at the southeast corner of Lot 7, Block 1, thence west one hundred forty (140) feet thence south fifteen (15) feet, thence east one hundred forty (140) feet, thence north fifteen (15) feet to point of beginning.

The north half of the Alley located west of Park Avenue and south of Lot 11, Block 2 described as beginning at the southeast corner of Lot 11, thence west one hundred fifteen (115) feet, thence south seven & one-half (7.5) feet, thence east one hundred (115) feet, thence north seven & one-half (7.5) feet to point of beginning.)

fifteen