AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: Third Modification to Real Estate Mortgage; Verzuh

Action Requested: Board of County Commissioners' Signature

Parties to the Agreement: BOCC and Verzuh Ranch, Inc.

Term Begins: **Term Ends:** **Grant Contract #:**

Summary:

Currently Gunnison County is the Mortgagee for two lots in the Verzuh Ranch Annexation as security for the Shady Island Development Improvements Agreement. Verzuh Ranch, Inc. would like to substitute one of the lots for another of equal value. Attached please find the Third

Fiscal Impact: 0

Submitted by: Office of the County Attorney **Submitter's Email Address:** rmagruder@gunnisoncounty.org

Finance Review: (●) Required ( ) Not Required

Comments:
No concerns. ln

Reviewed by: GUNCOUNTY1\lNienhueser Discharge Date: 6/15/2017

County Attorney Review: (●) Required ( ) Not Required

Comments:
ok db 6/16/17

Reveiwed by: GUNCOUNTY1\dBaumgarten Discharge Date: 6/16/2017 Certificate of Insurance Required Yes ( ) No (●)

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\jost Discharge Date: 6/16/2017

(●) Consent Agenda ( ) Regular Agenda ( ) Worksession Time Allotted: 0

Agenda Date: 6/20/2017

Revised April 2015

THIRD MODIFICATION TO REAL ESTATE MORTGAGE

This Third Modification to Real Estate Mortgage is made and entered this _____ day of June, 2017, between Verzuh Ranch, Inc., a Colorado corporation ("Mortgagor"), P.O. Box 836, Crested Butte, CO 81224, and the Board of County Commissioners of the County of Gunnison, Colorado ("Mortgagee"), 200 E. Virginia Avenue, Gunnison, CO 81230.

To secure Mortgagor's performance under that certain Development Improvements Agreement dated May 3rd, 2011, by and between Mortgagor and Mortgagee, as modified by that certain Addendum To The Development Improvement Agreement for Shady Island Subdivision, dated May 2nd, 2017 (the "DIA"), Mortgagor executed that certain Real Estate Mortgage as recorded in the real property records of Gunnison County, Colorado at Reception No. 605474 (the "Real Estate Mortgage").

Paragraph 2. a. ii of that Settlement Agreement between Mortgagor and Mortgagee dated May 3rd, 2011 (the "Settlement Agreement"), provides in pertinent part that, "Verzuh shall have the right to substitute any other lot Verzuh owns within the Verzuh Ranch Annexation within the Town of Crested Butte, Colorado in place of Lot 3 and/or Lot 2, should the prospective purchaser contract for the purchase of either or both of those two lots specifically. The substituted lot or lots shall either (a) be of equal or greater value to the collateral being replaced and said replacement lots shall be held as collateral by a first priority real estate mortgage…."

Mortgagor and Mortgagee subsequently agreed to substitute certain lots for those set forth in the Settlement Agreement and Real Estate Mortgage pursuant to that certain Modification to Real Estate Mortgage dated February 26th, 2015, and recorded in the Office of the Gunnison County Clerk and Recorder at reception number 631615 (the "First Modification").

Mortgagor and Mortgagee then agreed to substitute Tracts 1 and 2, Block 70, Verzuh Ranch Annexation as the security for the completion of the development improvements pursuant to that certain Second Modification To Real Estate Mortgage, dated June 21st, 2016, and recorded in the Office of the Gunnison County Clerk and Recorder at reception number 640065 (the "Second Modification").

Accordingly, Tracts 1 and 2, Block 70, Verzuh Ranch Annexation are currently securing Mortgagor's performance under the DIA. However, Tract 1, Block 70, Verzuh Ranch Annexation is under contract for sale, and therefore, Mortgagor desires to substitute Tract 3, Block 70, Verzuh Ranch Annexation for

Tract 1, Block 70, Verzuh Ranch Annexation. Mortgagor and Mortgagee agree that these lots are of equivalent value.

NOW THEREFORE, Mortgagor and Mortgagee agree to modify the Real Estate Mortgage as follows:

1. Tract 3, Block 70, VERZUH RANCH ANNEXATION, according to the Final Plat recorded August 18, 2000 bearing Reception No. 504288 and in Affidavit of Correction to the Plat of The Verzuh Ranch Annexation recorded September 3, 2002 bearing Reception No. 523391, Town of Crested Butte, County of Gunnison, State of Colorado ("Tract 3, Block 70") is hereby substituted and replaces Tract 1, Block 70, VERZUH RANCH ANNEXATION, according to the Final Plat recorded August 18, 2000 bearing Reception No. 504288 and in Affidavit of Correction to the Plat of The Verzuh Ranch Annexation recorded September 3, 2002 bearing Reception No. 523391, Town of Crested Butte, County of Gunnison, State of Colorado ("Tract 1, Block 70") under the Real Estate Mortgage.

2. Tract 2, Block 70, VERZUH RANCH ANNEXATION, according to the Final Plat recorded August 18, 2000 bearing Reception No. 504288 and in Affidavit of Correction to the Plat of The Verzuh Ranch Annexation recorded September 3, 2002 bearing Reception No. 523391, Town of Crested Butte, County of Gunnison, State of Colorado ("Tract 2, Block 70") shall continue to be encumbered by the Real Estate Mortgage pursuant to the Second Modification.

3. Accordingly, the Real Estate Mortgage shall now encumber Tract 2, Block 70 and Tract 3, Block 70, and accordingly Tract 1, Block 70 is hereby released from the Real Estate Mortgage.

4. The exceptions from title set forth on page 2 of the Real Estate Mortgage shall be amended to reflect an exception for the lien of general taxes for the year 2017.

Except as expressly modified by this Third Modification to Real Estate Mortgage, the terms of the Real Estate Mortgage shall remain unchanged and in full force and effect. Consent by Mortgagee to this Third Modification to Real Estate Mortgage does not waive Mortgagee's right to require strict performance of the Real Estate Mortgage as modified herein. Nothing in this Third Modification to Real Estate Mortgage shall constitute a satisfaction of the underlying Development Improvements Agreement.

IN WITNESS WHEREOF, the Mortgagor and the Mortgagee have hereunto set their hand and seal this _____ day of June, 2017.

VERZUH RANCH, INC.,
a Colorado corporation

By: _____
Billy Joe Lacy, President

STATE OF COLORADO)
) ss.
COUNTY OF GUNNISON)

The foregoing Third Modification to Real Estate Mortgage was acknowledged before me this 2 day of June, 2017 by Billy Joe Lacy as President of Verzuh Ranch, Inc., a Colorado corporation.

Witness my hand and official seal.

My commission expires: July 16, 2019

Nicole J. Brockman
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20154027830
MY COMMISSION EXPIRES July 16, 2019

_____
Notary Public

APPROVED THIS ___ day of June, 2017.

BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF GUNNISON, COLORADO

_____
Phil Chamberland, Chairperson

ATTEST

_____

Deputy County Clerk

ONE REPORT

Land Title GUARANTEE COMPANY
WWW.LTGC.COM

To: LAW OF THE ROCKIES
Attn: MARCUS LOCK
Fax:

Date Ordered: 06-02-2017
Order Number 711129
Phone: 970-641-1903

Address: VACANT LAND CRESTED BUTTE, CO 81224

LEGAL DESCRIPTION

Lot/Unit: **Block/Bldg:**

Subdivision: **County:** GUNNISON

Qtr Sec: **Section:** **Township:** **Range:**

OWNERSHIP & ENCUMBRANCES

Certification Date: 05-23-2017

OWNERSHIP: VERZUH RANCH, INC

Doc Type	Doc Fee	Date	Reference#
PERSONAL REP DEED	$227.00	08-03-1999	495083
LTTRS	NA	08-03-1999	495082

ENCUMBRANCES AND OTHER DOCUMENTS

Item	Payable To	Amount	Date	Reference#

Cust Ref#

By: SHAWN RILEY
Land Title
Property Resource Specialist
Email: sriley@ltgc.com
Phone: 970-870-2822
Fax: 970-870-2952

Form OE

This ONE REPORT is based on a limited search of the county real property records and is intended for informational purposes only. The ONE REPORT does not constitute any form of warranty or guarantee of title or title insurance, and should not be used by the recipient of the ONE REPORT as the basis for making any legal, investment or business decisions. The recipient of the ONE REPORT should consult legal, tax and other advisors before making any such decisions. The liability of Land Title Guarantee Company is strictly limited to (1) the recipient of the ONE REPORT, and no other person, and (2) the amount paid for the ONE REPORT.

Prepared For:
LAW OF THE ROCKIES
MARCUS LOCK

Reference: VACANT LAND CRESTED BUTTE, CO 81224

Attached are the additional documents you requested:

Doc Type	Recorded	Reception#/BookPage
3		

SHAWN RILEY
Land Title
Property Resource Specialist
Email: sriley@ltgc.com
Phone: 970-870-2822
Fax: 970-870-2952
ADD.DOCS 711129

2017 REAL PROPERTY NOTICE OF VALUATION

Gunnison County
COLORADO

Kristy McFarland
Gunnison County Assessor
221 N. Wisconsin St., Suite A
Gunnison, CO 81230

Date of Notice: May 1, 2017
Phone: (970) 641-1085
Fax: (970) 641-7920
Email: assessor@gunnisoncounty.org
Website: http://www.gunnisoncounty.org/assessor.html

ACCOUNT NUMBER	TAX YEAR	TAX AREA	PARCEL NUMBER
R041059	2017	200	3255-022-76-001

PROPERTY OWNER	LEGAL DESCRIPTION
1608 2 AV 0.373 **<6>**2/6**G50*****AUTO**5-DIGIT 81201 VERZUH RANCH INC PO BOX 836 CRESTED BUTTE CO 81224-0836	TRACT 1 BLK 70 VERZUH RANCH ANNEXATION #504288

PROPERTY CLASSIFICATION	PRIOR YEAR ACTUAL VALUE as of June 30, 2014	CURRENT YEAR ACTUAL VALUE as of June 30, 2016	+ OR - CHANGE
Vacant	639,670	625,450	-14,220
TOTALS	$639,670	$625,450	-$14,220

The tax bill you receive next January will be based on the current year actual value shown above. If the Senior Citizen or Disabled Veteran Property Tax Exemption has been applied to your residential property, it is not reflected in the current year actual value.

The following property characteristics are for the primary structure or land type. For a complete inventory listing, please visit the Gunnison County Assessor website. Please verify your inventory and contact us if any corrections are needed.

LAND

LAND DESCRIPTION	LAND TYPE	ACRES
Vacant Res Lots	Vacant	0.25

ELECTRICITY:	To Site
SEWER:	Central To Site Not Yet Installed
WATER:	Domestic To Site Not Yet Installed
SITE ACCESS:	Paved Access
	Year Around Govt Maintained

OTHER ATTRIBUTES:

- Panoramic Or Outstanding Views
- Adjacent To Open Space
- Over Sized Lot

SUBDIVISION:

Verzuh Ranch Annexation

PRIMARY IMPROVEMENT

OCCUPANCY TYPE:	
BUILDING DESCRIPTION:	
CONSTRUCTION QUALITY:	
EXTERIOR CONDITION:	
EFFECTIVE YEAR BUILT:	
PERCENT COMPLETE:	
ABOVE GRADE LIVING AREA:	
BASEMENT:	
GARAGE:	
TOTAL IMPROVEMENTS ON ACCOUNT:	
CONDOMINIUM:	

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GNN-8OJWU7EP

YOU HAVE THE RIGHT TO PROTEST THE CLASSIFICATION AND/OR VALUATION OF YOUR PROPERTY.

VALUATION INFORMATION

Your property was valued as it existed on January 1 of the current year. The value of residential property is based on the market approach to value. Generally, the value of all other property is based on consideration of the market, cost, and income approaches to value. The appraisal data used to establish value is from the 18-month period ending June 30, 2016, § 39-1-104(10.2)(a), C.R.S. If insufficient data existed during the 18-month data gathering period, data from each preceding six-month period (up to a period of five years preceding June 30, 2016) may be utilized, § 39-1-104(10.2)(d), C.R.S.

Most property in Colorado is revalued every odd-numbered year § 39-1-104(10.2)(a), C.R.S. The assessment rate for residential property is currently 7.96%, § 39-1-104.2(3), C.R.S. A change in the projected residential assessment percentage is not grounds for protest or abatement of taxes, § 39-5-121(1), C.R.S. Generally, all other property, including vacant land, is assessed at 29%, § 39-1-104(1), C.R.S.

REAL PROPERTY PROTEST PROCEDURES

If you wish to protest, please include your estimate of property value as of June 30, 2016, and any additional documentation that you believe supports a change in the classification and/or valuation of your property.

BY EMAIL:

Written protests submitted by email must be date-stamped by the county server no later than June 1, § 39-5-122(2), C.R.S. Proof of receipt will be sent by return email – save this receipt for your records. ***WE RECOMMEND PROTESTING BY EMAIL FOR EXPEDIENCY AND TO CONSERVE RESOURCES: assessor@gunnisoncounty.org***

BY MAIL OR FAX:

Written protests must be postmarked or faxed no later than June 1, § 39-5-122(2), C.R.S. You may be required to prove that you mailed or faxed your protest on or before the June 1 deadline; therefore, we recommend that you retain proof of mailing or fax delivery confirmation receipt.

IN PERSON:

If you wish to protest in person, please call to set up an appointment: (970) 641-1085. You must appear in the office of the County Assessor no later than June 1, § 39-5-122(2), C.R.S. Hearings will be held at the Gunnison County Assessor's Office, located at 221 N. Wisconsin St, Gunnison, between 9 a.m. and 4 p.m.

If the date for filing any report, schedule, claim, tax return, statement, remittance, or other document falls on a Saturday, Sunday, or legal holiday, it shall be deemed to have been timely filed if filed on the next business day, §39-1-120(3), C.R.S.

TO PRESERVE YOUR APPEAL RIGHTS, YOUR PROTEST MUST BE EITHER POSTMARKED OR RECEIVED BY THE ASSESSOR NO LATER THAN JUNE 1 – AFTER SUCH DATE, YOUR RIGHT TO PROTEST IS LOST.

You may use this form to begin the protest process; however, written correspondence with the same basic information will suffice. This form is not necessary to be able to protest and is provided for your convenience.

What is your estimate of the property's value as of June 30, 2016? $_____

What is the basis for your estimate of value or your reason for requesting a review? (Please attach additional sheets as necessary and any supporting documentation, i.e., comparable sales, photos, rent roll, appraisal, etc.)

_____

_____

_____

In 2017, the assessor and Board of County Commissioners have elected to use the extended appeal period in accordance with 39-5-122(2), C.R.S.

The Assessor must mail you a Notice of Determination ***on or before August 31, 2017****. If you disagree with the Assessor's determination, or if you do not receive a Notice of Determination, you must submit a written appeal to the County Board of Equalization* **on or before September 15, 2017** *if you wish to continue your appeal, § 39-8-106(1)(a) and (3), C.R.S.*

ATTESTATION

I, the undersigned owner or agent of the property identified above, affirm that the statements contained herein and on any attachments hereto are true and complete.

Signature	Telephone Number	Email Address	Date

AGENT AUTHORIZATION - *only fill out this section if a person other than the owner will be appealing*

I, the undersigned owner of the property identified above, authorize the agent named below to act on my behalf in the property value appeal process for the tax year shown above. All protest communication will be mailed to agent.

Agent's Name (Please Print)	Signature of Property Owner — Date
Agent's Street Address	Agent's Email Address
Agent's City, State, Zip	Agent's Telephone Number

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Gunnison County
COLORADO

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Agent's Street Address	Agent's Email Address
Agent's City, State, Zip	Agent's Telephone Number