PARK COUNTY BOARD OF ADJUSTMENT
PLANNING DEPARTMENT STAFF REPORT
Hearing date: February 17th, 2026

Prepared on:	February 10, 2026
Prepared by:	Kay Wolf, Planner II
Case number:	A26-0003
Subject:	Burland Ranchettes Variance
Request:	Applicant is requesting a 15' setback variance from the side lot line to build a 30' x 40' garage that allows access for septic service.

Application summary

Applicant/s:	Bruce Breger
Owner/s:	Bruce Breger
Location:	NW ¼ of T07 R72 S27, also known as Burland Ranchettes Unit 21 LOT 39, addressed as 420 Ridge Rd, Bailey
Current zone district:	Residential
Surrounding zoning:	Residential
Lot size:	1.05 acres
Proposed use:	Residential

Background

Breger first came to own this 1.05-acre lot (the subject property) and its adjacent 1.12-acre lot (which together form informally consolidated parcel #17229) in 2010 after the previous owners passed away. The existing house was built in 1972 and due to the location of the house and the septic tank, Breger is requesting a variance of 15 feet to the side lot line (to his other lot) and construct a garage that meets the setback requirement to the front lot line and continues to allow a septic service vehicle to access the septic tank for servicing.

Land Use Regulations and Strategic Master Plan

Each of the standards for approval of a variance (LUR Section 3-1-3.100) is addressed below.

1. **A strict application of the Resolution causes peculiar and exceptional practical difficulties or exceptional and undue hardship by reason of exceptional narrowness, shallowness, or shape of a specific piece of land or by reason of exceptional topographic conditions or other extraordinary and exceptional situation or condition of the land:**

   Due to the location of the house and the septic tank, a variance is required to build a garage with a footprint larger than the residential home to allow for continued access to service the septic tank.

2. **The applicant provided reasonable and adequate evidence that the variance request is not a self-imposed hardship that can be rectified by means other than relief through a variance:**

   For a garage for four cars and 400 sq-ft of storage, there is no alternative placement that would be reasonable given the location of the driveway and house, the setback requirements for the leach field, the front property line, and to ensure continued access to the septic tank for servicing.

3. **There exists no substantial detriment to any neighbor or to the public by the granting of the variance:**

   The requested variance would only change the setback to the adjacent parcel also owned by the applicant, so no effect to the public or any other neighbor is likely to occur as a result of approving this variance.

4. **The intent and purpose of the regulation being varied is not substantially impaired or defeated by the granting of the variance.**

   Given that there are no structures on the adjacent property and that the applicant also owns the adjacent property that would be affected by this variance, the variance would not violate any intents or purposes of the regulation being varied.

Impact analysis

Because the applicant also owns the adjacent property to which the setback variance is requested, no impacts are anticipated.

Referral responses

None

Staff recommendation

Based on the foregoing, assuming the garage size is a necessity, staff recommends approval without condition.

PARK COUNTY APPLICATION FOR
VARIANCE
NON-REFUNDABLE APPLICATION FEE: $700

All applicants must submit one complete application and attend a pre-application conference with the Park County Planning Department Staff seven (7) to ten (10) working days prior to the application submittal deadline.

If you have questions regarding this form please contact the Planning Department by phone at (719) 836-4292, or e-mail planning.zoning@parkcountyco.gov, fax (719) 836-4351, or write to us at P.O. Box 1598 Fairplay, CO 80440.

A. APPLICANT AND OWNERSHIP INFORMATION

Applicant's Name: BRUCE S. BREGER

Mailing Address: 420 S. RIDGE RD.

City: BAILEY State: CO Zip: 80421

Email Address: [redacted]

Telephone (work)_____ (home [redacted] fax)_____

Owner's Name: BRUCE S BREGER

Mailing Address: 420 S RIDGE RD BAILEY CO. 80421

Telephone No.: [redacted]

B. PROPERTY INFORMATION

Complete Legal Description of Property Proposed for the Variance (attach additional page, if necessary):

LOTS 39 AND 40 BURLAND RANCHETTES, UNIT 2, COUNTY OF PARK STATE OF COLORADO

Street Address of Property: 420 S RIDGE RD

Property's Total Acreage: 2

Current Zone District of Property: C

Proposed Zone District of Property: C

For County Use Only
Planning Department Confirmation of Current Zone District:
District: Residential
Kay Wolf
Print Full Name

parcel 17229

Requirements for a Variance
Article III, Division 1, Section 3-100

C. APPLICATION REQUIREMENTS

	For County Use Only: Initial Receipt of the Required Information
1. Application Fee. An application fee in the amount of $700 must be paid at the time of submission of the application. Make the check or money order to the Park County Planning Department. The fee pays for the typical cost to the County to process the application. Any additional costs that may occur are the applicant's responsibility.	(1.) ✓
✓2. Tax receipt-showing payment of current taxes. This can be obtained at the Park County Treasurer's office.	(2.) ✓
✓3. Proof of ownership in the form of a recorded Warranty Deed. This can be obtained at the Park County Clerk and Recorders office.	(3.) ✓
4. A legal description of the property proposed for the Variance prepared by a licensed Colorado land surveyor.	(4.) staff ~~on deed~~
5. A list of names and mailing addresses of all owners of adjacent property to the property subject to the proposed Variance, this information is at Park County Assessor's Office.	(5.) staff
6. A vicinity map of where the proposed property is located within Park County.	(6.) staff
7. A site plan drafted at a commonly used engineering scale with clear indication how the variance relates to the affected land with the following information:	(7.) ✓
a. Name and address of the owner;	(7a.) ✓
b. Date of preparation, map scale, and north arrow;	(7b.) ✓
c. Lot dimensions, total acreage, and points of access to the property, internal roads and trails. The map must illustrate how access is obtained from the property subject to variance to the nearest county road or highway;	(7c.) ✓
d. Natural features of the property subject to variance including, wetlands, floodplain, riparian areas, water bodies, rock outcroppings, significant vegetation, geological or other hazards, and slopes greater than twenty-five percent (25%);	(7d.)
e. Utility systems including existing and proposed water wells, sewer systems, electric services, and natural gas;	(7e.) ✓
f. The dimensions, height and setbacks of all existing and proposed structures.	(7f.) ✓
g. A clear illustration or description of the proposed variance, using shading, crosshatching, or highlighting, to accurately illustrate the proposal.	(7g.) ✓
8. The property must be clearly identified with the address and posted according to the Park County address requirements (attached).	(8.) ✓

9. Letters of consent to alter or vacate utility easements from all public utilities serving the site, if applicable

10. A written description identifying the specific provision of the Land Use regulations that the owner seeks to vary and the extent to which the provision is proposed to be varied or modified.

11. A written description of the reasons justifying the variance detailing how the standards for approval of the variance provided by Section 3-100(B) are met or satisfied.

12. Any other information that are judged necessary by the Planning staff to ensure compliance with the Standards for Approval.

Note: Refer to Park County Land Use Regulations Article III, Standards for Approval of Variance.

For County Use Only: Initial Receipt of the Required Information
(9.) n/a
(10.) KV
(11.) KV
(12.) n/a

D. APPLICANT AND LANDOWNER SIGNATURES:

The undersigned applicant and landowner hereby verify and affirm that the information contained in this application is complete and accurate. The undersigned applicant and landowner understands and acknowledges that the submission of inaccurate and incorrect information may result in the denial or rejection of the application and/or result in the invalidation of any approvals issued by Park County, Colorado.

Applicant: Signed: _____
Print name: BRUCE S. BREGGR
If company, state Title/Position: _____

Owner: Signed: _____
Print name: BRUCE S BREGGR
If company, state Title/Position: _____

E. VERIFICATION OF DATE OF DELIVERY OF APPLICATION

This application was submitted to the Park County Planning Department on the following date and time:

JAN 7 KW, 20 26
Month Day Year

For County Use Only:
Verification of Date of Delivery and County Receipt of Application
Date: 1/7/2026
Print Name: Kay Wolf

Payment of the Applicant Fee was made by:

✓	Personal Check # 2053	Amount $ 700
_____	Cash	Amount $ _____
_____	Other _____	Amount $ _____

APPLICANT MUST ATTEND THE HEARING. IF A REPRESENTATIVE ATTENDS THE HEARING ON BEHALF OF THE APPLICANT, A NOTARIZED LETTER OF CONSENT MUST ACCOMPANY THE APPLICATION.

ALL BOARD OF ADJUSTMENT HEARINGS WILL BE SCHEDULED FOR THE SECOND WEDNESDAY OF EVERY MONTH. IF A QUORUM IS NOT AVAILABLE, THE HEARING WILL BE SCHEDULED THE NEXT AVAILABLE DATE.

APPENDIX C

AFFIDAVIT OF UNDERSTANDING

I, BRUCE S. BREGER, the undersigned applicant, hereby acknowledge and agree to the following terms and conditions related to the submission of my application to the Park County Development Services Department.

1. ACKNOWLEDGMENT OF APPENDIX C REQUIREMENTS: I understand that, pursuant to Appendix C – Development Review Fees of the Park County Land Use Regulations, all application fees are non-refundable once an application has been received by the County, regardless of its status or outcome.

2. RESPONSIBILITY FOR COMPLETENESS: I acknowledge that it is solely my responsibility to ensure that all required materials, forms, maps, and supporting documentation are submitted in full compliance with the applicable Land Use Regulations and departmental procedures.

3. INCOMPLETE, WITHDRAWN, OR DENIED APPLICATIONS: I understand that any application that is incomplete, withdrawn, or denied—whether administratively or by action of the Board of County Commissioners—shall not be eligible for reimbursement, credit, or transfer of any portion of the fee paid. Any subsequent or corrected submittal shall constitute a new application and require payment of the applicable fee as set forth in Appendix C.

4. CERTIFICATION: I affirm that I have read and fully understand this affidavit and the non-refundable nature of the application fee as described in Appendix C. I further acknowledge that this affidavit shall be retained as part of the official record of my application.

Applicant Name: BRUCE S BREGER
Mailing Address: 426 S RIDGE RD BAILEY CO. 80421
Project Name / Type: GARAGE

Signature of Applicant

BRUCE S BREGER
Print Name

LEILA HERNANDEZ
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20234030977
My Commission Expires: August 14, 2027

STATE OF Colorado)
) ss.
COUNTY OF Douglas)

Acknowledged before me this 5th day of January 2026 by Leila Hernandez

Notary Public Witness my hand and official seal. My Commission Expires: August 14, 2027

Park County Treasurer Tax Receipt

Account	Parcel Number	Receipt Date	Receipt Number
R0017229	17229	Jun 11, 2025	2025-06-11-Kathleen-190871

BREGER BRUCE S
420 RIDGE ROAD
BAILEY, CO 80421

Situs Address
420 RIDGE RD BAILEY 80421

Payor
CoreLogic

Legal Description
T07 R72 S27 NW4 BURLAND RANCHETTES UNIT 21 LOT 39 AND 40

Property Code		Actual	Assessed	Year	Area	Mill Levy
SINGLE FAMILY LAND	- 1112	94,989	6,360	2024	0005	59.1527
SINGLE FAMILY IMP	- 1212	441,628	29,590	2024	0005	59.1527

Payments Received
Direct Deposit — Multi-Account Payment
Bank Account Alpine_Operating

Payments Applied

Year	Charges	Billed	Prior Payments	New Payments	Balance
2024	Tax	$1,512.54	$756.27	$756.27	$0.00
				$756.27	$0.00

Balance Due as of Jun 11, 2025 **$0.00**

Thank you for your payment.

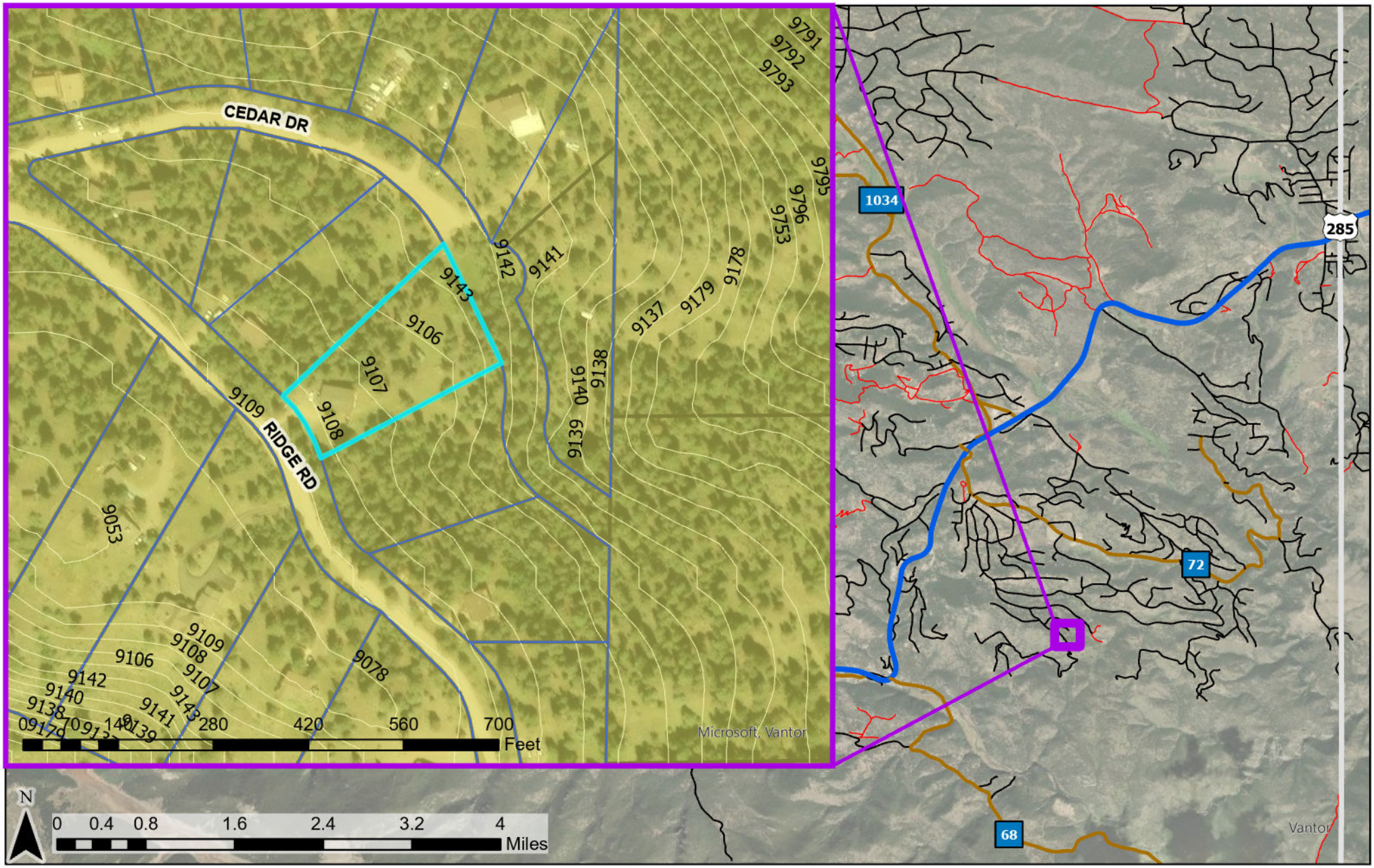
Adjacent Property Owners of Parcel 17229, Lot 39
Parcel 17229, Lot 40 owned by applicant

Parcel 18165
Stephen C and Joan L Dabbert
32 Cedar Dr
Bailey CO 80421

Parcel 46071
Jeffrey J and Sarah C Proebstle
421 S Ridge Rd
Bailey CO 80421

Parcel 16163
Donald W Schmitz Jr and Cynthia D Schmitz
395 S Ridge Rd
Bailey CO 80421

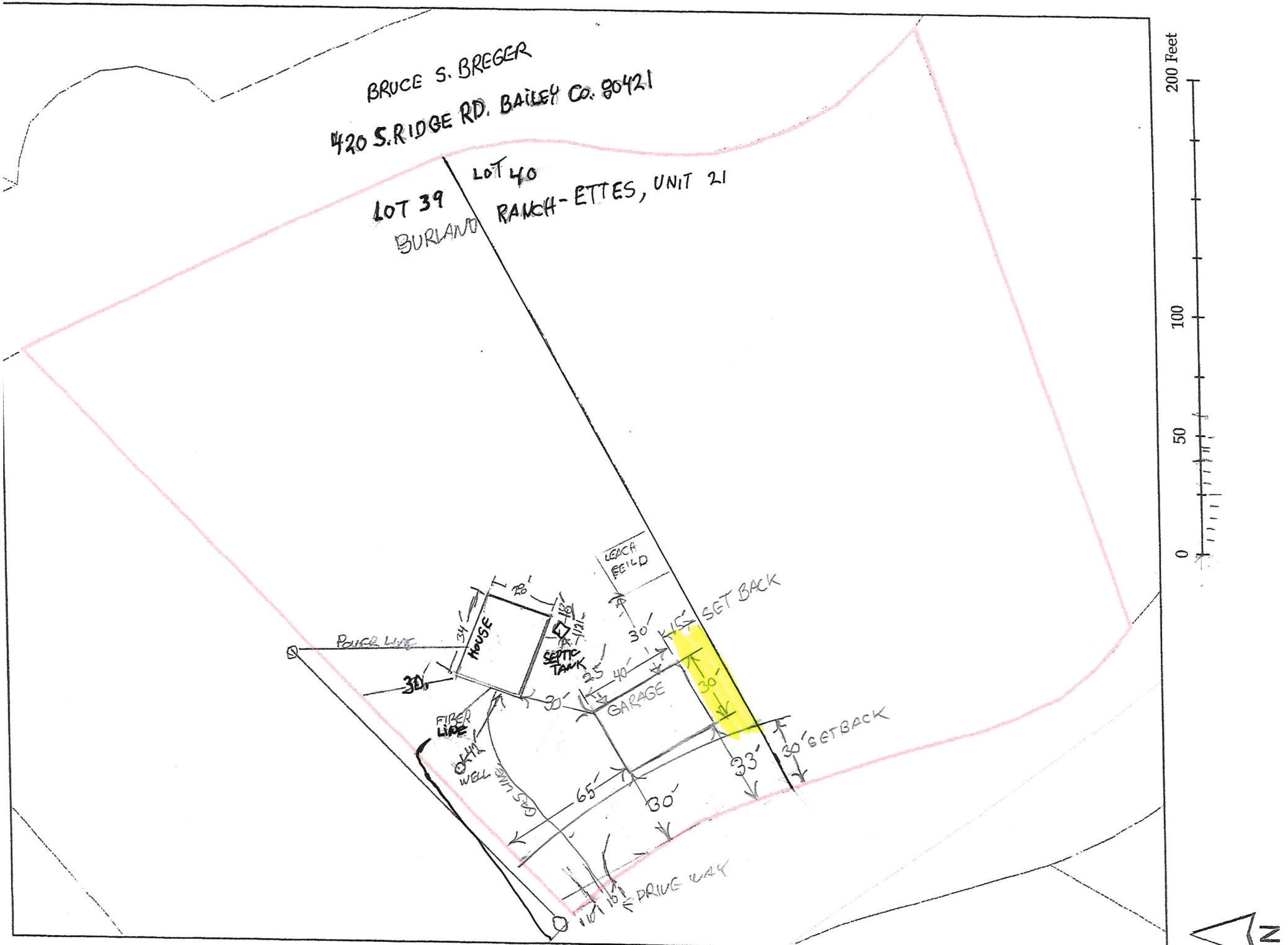
Parcel 15870, 30459
James Keith Toland and Elma Janeal Toland
127 Cedar Dr
Bailey CO 80421



CountyLine
County Rd
Local Rd
Private Rd
State Hwy
US Hwy
R
10ftContour

Park County Planning & Zoning

This map and the data displayed are not survey quality and should not be used for any legal purpose(s)


BRUCE S. BREGER
420 S. RIDGE RD. BAILEY CO. 80421
LOT 40
LOT 39
RANCH-ETTES, UNIT 21
BURLAND
LEACH FIELD
SET BACK
POWER LINE
HOUSE
SEPTIC TANK
GARAGE
FIBER LINE
GAS LINE
DRIVE WAY
30' SETBACK
200 Feet
100
50
0
N

Request for Variance

Request for Variance of setbacks at 420 South Ridge Road, Bailey, CO 80421

This document addresses a request for Variance per Park County Application for Variance, page 3 of 7, paragraph C. 11. – Revised October 2025.

Standard setbacks of 30 feet on the East side of the property for the proposed new structure (garage) are inadequate to allow vehicle traffic access to the areas of the property beside and behind the primary structure (the house). Without this variance the septic service company vehicles cannot access the septic tank when service or pump out is required. Requested variance is from the standard 30 feet down to 15 feet.


420

After Recording Return To:
FLAGSTAR BANK, FSB
Final Documents Mail Stop W-535-1 5151 Corporate Drive
TROY, MICHIGAN 48098
Loan Number: 504592517

[Space Above This Line For Recording Data]

DEED OF TRUST

MIN: 100358011608250000 **MERS Phone: 888-679-6377**

DEFINITIONS

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

(A) "Security Instrument" means this document, which is dated SEPTEMBER 30, 2016 , together with all Riders to this document.
(B) "Borrower" is Bruce S Breger

Borrower is the trustor under this Security Instrument.
(C) "Lender" is RED ROCKS CREDIT UNION

Lender is a CREDIT UNION organized and existing under the laws of COLORADO .
Lender's address is 8195 SOUTHPARK LN, LITTLETON, COLORADO 80120

(D) "Trustee" is the Public Trustee of PARK County, Colorado.
(E) "MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. **MERS is the beneficiary under this Security Instrument.** MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS.
(F) "Note" means the promissory note signed by Borrower and dated SEPTEMBER 30, 2016 . The Note states that Borrower owes Lender ONE HUNDRED NINETY-ONE THOUSAND AND 00/100 Dollars (U.S. $ 191,000.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than OCTOBER 1, 2046 .
(G) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."
(H) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.
(I) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

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

#748071
HTC

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

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

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

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

(N) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

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

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

(Q) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (12 C.F.R. Part 1024), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

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

TRANSFER OF RIGHTS IN THE PROPERTY

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

COUNTY of: PARK
[Type of Recording Jurisdiction] [Name of Recording Jurisdiction]

See Title
A.P.N.: 17229

which currently has the address of 420 S RIDGE RD
[Street]

BAILEY , Colorado 80421-1862 ("Property Address"):
[City] [Zip Code]

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

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

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

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

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

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

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

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

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

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

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

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds,

Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

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

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

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

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

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

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

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

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

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

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

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

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

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

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

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

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

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. Borrower shall not surrender the leasehold estate and interests herein conveyed or terminate or cancel the ground lease. Borrower shall not, without the express written consent of Lender, alter or amend the ground lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. **Mortgage Insurance.** If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again

becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent,

Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

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

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

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

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

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

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

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall

promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

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

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

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

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

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

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

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

BRUCE S BREGER (Seal) -Borrower

(Seal) -Borrower

(Seal) -Borrower

(Seal) -Borrower

(Seal) -Borrower

(Seal) -Borrower

Witness:

Witness:

[Space Below This Line For Acknowledgment]

State of COLORADO

County of Douglas

The foregoing instrument was acknowledged before me this 9.30.16

by BRUCE S BREGER

DANITHA K STEWART
Notary Public
State of Colorado
My Commission Expires: 09 04, 2020
LIC# 19964016316

Signature of Person Taking Acknowledgment

Title

Serial Number, if any

(Seal)

My commission expires: 9.4.20

Loan Originator: Bill Schimel, NMLSR ID 424276
Loan Originator Organization: RED ROCKS CREDIT UNION, NMLSR ID 412773

729174 10/6/2016 9:03 AM Debra A Green
12 of 12 DOT R$66.00 D$0.00 Park County Clerk

ATTACHED LEGAL DESCRIPTION

Lots 39 and 40, Burland Ranch-Ettes, Unit 21,
County of Park, State of Colorado.

Also Known as: 420 South Ridge Road, Bailey, CO 80421-1862

BURLAND RANCHETTES SLEEPY HOLLOW UNIT 21

RESOLUTION 94-7

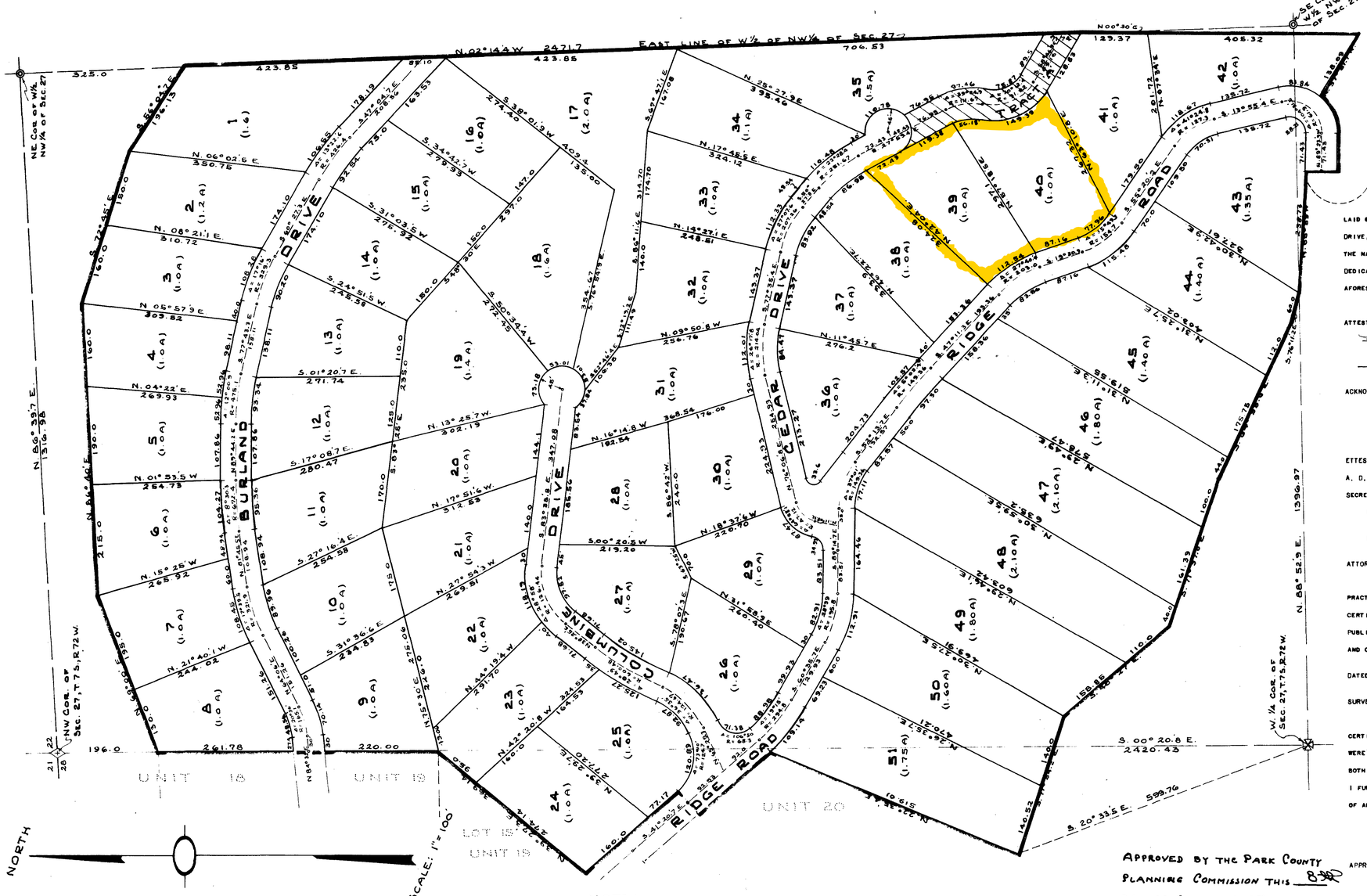
DRAWING NUMBER

PLAN HOLD CORPORATION • IRVINE, CALIFORNIA

DRAWING NUMBER

PLAN HOLD CORPORATION • IRVINE, CALIFORNIA

BURLAND RANCH-ETTES UNIT 21



DEDICATION:-

KNOW ALL MEN BY THESE PRESENTS: THAT THE UNDERSIGNED, BEING THE OWNER OF THAT PORTION OF THE WEST ½ OF THE WEST ½ OF SECTION 27, AND OF THAT PORTION OF THE NE¼ OF SECTION 28, BOTH OF SAID SECTIONS BEING IN TOWNSHIP 7 SOUTH, RANGE 72 WEST OF THE 6TH P. M., SHOWN ON THE ACCOMPANYING PLAT, HAS LAID OUT, PLATTED, AND SUBDIVIDED THE SAME INTO BLOCKS, LOTS, BURLAND DRIVE, COLUMBINE DRIVE, CEDAR DRIVE, RIDGE ROAD, AND TRACT "A" UNDER THE NAME AND STYLE OF BURLAND RANCH-ETTES, UNIT 21, AND DOES HEREBY DEDICATE AND CONVEY TO PARK COUNTY, IN FEE SIMPLE, FOR PUBLIC USE, THE AFORESAID PUBLIC ROADS.

BURLAND RANCH-ETTES, INC.

ATTEST: Fred O. Burke, SECRETARY.

Gilbert G. Beakland, PRESIDENT.

ACKNOWLEDGEMENT:

STATE OF COLORADO } S.S.
COUNTY OF JEFFERSON }

THE FOREGOING PLAT AND DEDICATION OF BURLAND RANCH-ETTES--UNIT 21, WAS ACKNOWLEDGED BEFORE ME THIS 4TH DAY OF AUGUST, A. D. 1967, BY GILBERT G. BEAKLAND AS PRESIDENT, AND FRED O. BURKE AS SECRETARY OF BURLAND RANCH-ETTES, INC., A COLORADO CORPORATION.

WITNESS MY HAND AND SEAL

Kurt O. Linn NOTARY PUBLIC.

MY COMMISSION EXPIRES AUGUST 29, 1970.

ATTORNEY'S CERTIFICATE:

I, EMORY L. O'CONNELL, AN ATTORNEY AT LAW DULY LICENSED TO PRACTICE BEFORE COURTS OF RECORD IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT I HAVE EXAMINED THE TITLE OF ALL LANDS SHOWN HEREON AS PUBLIC WAY, AND THAT TITLE TO SUCH LANDS IS IN THE DEDICATOR, FREE AND CLEAR OF ALL LEINS AND ENCUMBRANCES.

DATED THIS 4TH DAY OF AUGUST, 1967

Emory L. O'Connell

SURVEYOR'S CERTIFICATE:

I, KURT O. LINN, LICENSED IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THE SURVEY AND PLAT OF BURLAND RANCH-ETTES---UNIT 21, WERE MADE BY ME AND UNDER MY SUPERVISION AND INSTRUCTIONS, AND THAT BOTH ARE ACCURATE AND TRUE, TO THE BEST OF MY KNOWLEDGE AND BELIEF. I FURTHER CERTIFY THAT ALL OF THE SHOWN LOTS EXCEED 40,000 SQUARE FEET OF AREA, AND THAT NONE OF THE SHOWN ROADS EXCEED 6% IN GRADE.

Kurt O. Linn.
COLORADO LICENSE NO. 1512

APPROVALS:

THE ACCOMPANYING PLAT IS ACCEPTED FOR FILING, AND ACCEPTANCE OF THE PUBLIC ROADS SHOWN THEREON IS APPROVED BY THE PARK COUNTY BOARD OF COUNTY COMMISSIONERS THIS 8th DAY OF AUGUST, 1967; SUBJECT TO THE PROVISION THAT THE COUNTY OF PARK SHALL NOT UNDERTAKE THE MAINTENANCE OF SUCH ROADS UNTIL SATISFACTORY CONSTRUCTION THEREOF BY THE SUBDIVIDER.

APPROVED BY THE PARK COUNTY PLANNING COMMISSION THIS 8th DAY OF AUGUST, 1967

CHAIRMAN

SECRETARY

Kurt O. Linn
ENGINEER & SURVEYOR
1575 WEST TWENTY-THIRD AVENUE
LAKEWOOD 15, COLORADO BELMONT 3-3171

NOTE:

ALL SHOWN ROADS ARE 60 FEET IN WIDTH.

AN EASEMENT, 5 FEET WIDE, IS RESERVED ALONG ALL REAR AND SIDE-SITE LINES, FOR UTILITY INSTALLATION AND MAINTENANCE.

SANITARY FACILLITIES ARE TO COMPLY WITH THE REQUIREMENTS OF THE COLORADO DEPT. OF PUBLIC HEALTH.

Marjorie M. Richardson, CLERK & RECORDER. ACCEPTED FOR FILING IN THE OFFICE OF THE PARK COUNTY CLERK & RECORDER THIS 8 DAY OF AUGUST, 1967, AT 11:17 A M

RECEPTION No. 17[illegible]

B-3T