

DEED OF TRUST

THIS DEED OF TRUST is made this _____ day of _____, 20____, between _____ (Borrower), whose address is _____, and the Public Trustee of the _____ *County of _____, State of Colorado. This Deed of Trust is for the benefit of _____, (Lender), whose address is _____.

Borrower and Lender covenant and agree as follows:

Borrower, in consideration of the indebtedness herein and the trust herein created, hereby grants, and sells to the Public Trustee in trust, with power of sale, the following legally described property, situate in the _____ *County of _____, State of Colorado:

also known by street and number as:

together with all its appurtenances (the Property) .

This Deed of Trust is given to secure to Lender the performance of the covenants and agreements of Borrower contained herein and:

- a) The repayment of the indebtedness evidenced by Borrower's note (Note) dated, _____, in the principal sum of _____ Dollars (U.S. \$ _____), with interest on the unpaid balance from _____, until paid, at the rate of _____ percent per annum, with principal and interest payable at _____, or such other place as Lender may designate, in _____ payments of _____ Dollars (U.S. \$ _____), due on the _____ day of each _____ beginning _____.
- Borrower is to pay to Lender a late charge of _____ percent of any payment not received by Lender within _____ days after payment is due. Borrower has the right to prepay the principal amount outstanding under this Note, in whole or in part, at any time without penalty except _____;
- b) The payment of all other sums, with interest, thereon at _____% per annum, disbursed by Lender in accordance with this Deed of Trust to protect the security of this Deed of Trust.

If Borrower Defaults: a) in the payment of the Note or any part thereof, or in the payment of the interest thereon according to the tenor and effect of the Note, or in the payment of any prior encumbrances, principal or interest, if any,

*Insert "City and" where applicable.

or b) is in violation or breach of any of the terms, conditions, covenants or agreements herein contained, then Lender or the legal holder of the indebtedness secured hereby may declare a violation of any of the covenants herein contained and may elect to foreclose on said property. Lender may demand that the property be sold by filing a notice of election and demand for sale with the Public Trustee. Upon receipt of such notice of election and demand for sale, the Public Trustee shall cause such notice to be recorded in the recorder's office of the county in which said property is situated.

The Public Trustee shall then mail and publish a combined notice of sale and Borrower's rights in compliance with Colorado law. Such legal notice is to be published for four weeks (once each week for five successive weeks) in a newspaper in the county or counties in which the property is located. A copy of the combined notice shall be mailed to all persons entitled to receive notice as provided by law. It shall then be lawful for the Public Trustee to sell the property for the highest and best price the property will bring in cash and to dispose of the property (en masse, or if permitted by 38-38-101(3) and elected by the holder of the evidence of debt secured hereby, in separate parcels), together with all the right, title and interest of Borrower therein, at public auction at any place as may be specified by statute and designated in the notice of sale.

The Public Trustee shall execute and record a certificate of purchase to the purchaser of such property at such sale, as required by law. Unless the property is redeemed, the public trustee shall execute and record a confirmation deed to the holder of the certificate of purchase no less than nine business days after the date of sale or, if later, the expiration of all redemption periods and upon receipt of a written request for issuance of the confirmation deed and receipt of all statutory fees and costs.

The Public Trustee shall, out of the proceeds of such sale and after first paying and retaining all fees, charges and costs of making said sale, pay to Lender hereunder or the legal holder of said note, the principal and interest due on said note according to the tenor and effect thereof, and all moneys advanced by such Lender or legal holder of said note for insurance, taxes and assessments, with interest thereon at _____ per cent per annum, rendering the overplus, if any, unto those persons entitled thereto as a matter of law. Said sale as evidenced by the confirmation deed executed and recorded by the Public Trustee shall operate as a perpetual bar, both in law and equity, against Borrower and all other persons claiming the said property, or any part thereof, by, from, through or under Borrower. The holder of said note may purchase said property or any part thereof; and it shall not be obligatory upon the purchaser at any such sale to see to the application of the purchase money.

Borrower covenants that Borrower owns and has the right to grant and convey the Property, and warrants and defends the title to the Public Trustee, subject to general real estate taxes for the current year, easements of record or in existence, and recorded declarations, restrictions, reservations and covenants, if any, as of the date of this Deed of Trust, and subject to:

Borrower hereby fully and absolutely waives and releases all rights and claims Borrower may have in or to the Property as a Homestead Exemption, or other exemption, under and by virtue of any act of the General Assembly of the State of Colorado or of the United States Congress, now existing or which may hereafter be passed.

Until payment in full of the indebtedness, Borrower shall timely pay all taxes and assessments levied on the property; any and all amounts due on account of principal and interest or other sums on any senior encumbrances, if any; and will keep all improvements that may be on the Property insured against any casualty loss, including extended coverage, in a company or companies, meeting the net worth requirements of Lender in an amount which will yield to the holder of the indebtedness, after reduction by co-insurance provisions of the policy, if any, not less than the then total indebtedness. Each policy shall contain a loss payable clause naming Lender as mortgagee and shall further provide that the insurance may not be canceled upon less than ten days written notice to Lender. At the option of Lender, the original policy or policies of insurance shall be delivered to Lender as further security for the indebtedness. Should Borrower fail to insure and deliver the policies or to pay taxes or assessments as the same fall due, or to pay any amounts payable upon senior encumbrances, if any, Lender may make any such payments or procure any such insurance, and all monies so paid with interest thereon at the rate of _____% per annum shall be added to and become a part of the indebtedness secured by this Deed of Trust and may be paid out of the proceeds of the sale of the property if not paid by Borrower. In addition, and at its option, Lender may declare the indebtedness secured hereby and this Deed of Trust to be in default for failure to procure insurance or make any of the payments required by this paragraph.

If all or any part of the property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Deed of Trust, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant, or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Lender may, at Lender's option, declare all the sums secured by this Deed of Trust to be immediately due and payable. Lender shall

have waived such option to accelerate if, prior to the sale or transfer, Lender and the person to whom the property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Deed of Trust shall be at such rate as Lender shall request.

IN CASE OF ANY DEFAULT whereby the right of foreclosure occurs hereunder, the holder of said note or certificate of purchase shall at once become entitled to the possession, use and enjoyment of the Property, and to the rents, issues and profits thereof, from the accruing of such right and during the pendency of foreclosure proceedings and the period of redemption, if any. Such possession shall at once be delivered to the holder of said note or certificate of purchase on request. Upon refusal, delivery of such possession may be enforced by the holder of said note or certificate of purchase by any appropriate civil suit or proceeding. The holder of said note or certificate of purchase shall be entitled to a Receiver for said property, and of the rents, issues and profits thereof, after such default, including the time covered by foreclosure proceedings and the period of redemption, if any, and shall be entitled thereto as a matter of right without regard to the solvency or insolvency of Borrower or of the then owner of said property and without regard to the value thereof. Such Receiver may be appointed by any court of competent jurisdiction upon ex parte application and without notice — notice being hereby expressly waived — and all rents, issues and profits, income and revenue therefrom shall be applied by such Receiver to the payment of the indebtedness hereby secured, according to the law and the orders and directions of the court.

IN THE CASE OF ANY DEFAULT in any of said payments of principal or interest, according to the tenor and effect of said promissory note or any part thereof, or of a breach or violation of any of the covenants or agreements herein by Borrower, the whole of said principal sum hereby secured and the interest thereon to the time of the sale may at once, at the option of the legal holder thereof, become due and payable, and the said property be sold in the manner and with the same effect as if said indebtedness had matured. If foreclosure is made by the Public Trustee, attorney's fees in the sum of \$ _____ for services in the supervision of said foreclosure proceedings shall be allowed by the Public Trustee as a part of the cost of foreclosure; and if foreclosure is made through the courts, a reasonable attorney's fee shall be taxed by the court as a part of the cost of such foreclosure proceedings.

IT IS FURTHER UNDERSTOOD AND AGREED that if a release of this deed of trust is required, Borrower will pay the expense thereof. All of the covenants and agreements herein contained shall extend to and be binding upon the heirs, personal representatives, successors and assigns of the respective parties hereto; and that the singular number shall include the plural and the plural the singular.

Executed on _____.

Attest: _____

(SEAL)

STATE OF COLORADO

_____ County of _____ } ss.

This Deed of Trust was acknowledged before me this _____ day of _____, 20_____,
by _____.

Witness my hand and official seal.
My commission expires:

Notary Public

Name and Address of Person Creating Newly Created Legal Description (§ 38-35-106.5, C.R.S.)