

IF THIS FORM IS USED IN A CONSUMER CREDIT TRANSACTION, CONSULT LEGAL COUNSEL. THIS IS A LEGAL INSTRUMENT. IF NOT UNDERSTOOD, LEGAL, TAX OR OTHER COUNSEL SHOULD BE CONSULTED BEFORE SIGNING.

DEED OF TRUST (Assumable – Not Due on Sale)

THIS DEED OF TRUST is made this \_\_\_ day of \_\_\_, 20 \_\_, between \_\_\_ (Borrower), whose address is \_\_\_ and the Public Trustee of the County in which the Property (see paragraph 1) is situated (Trustee); for the benefit of \_\_\_ (Lender), whose address is \_\_\_.

Borrower and Lender covenant and agree as follows:

1. Property in Trust. Borrower, in consideration of the indebtedness herein recited and the trust herein created, hereby grants and conveys to Trustee in trust, with power of sale, the following legally described property located in the \_\_\_ County of \_\_\_, State of Colorado:

known as No. \_\_\_ (Property Address), Street Address \_\_\_ City \_\_\_ State \_\_\_ Zip \_\_\_ together with all its appurtenances (Property).

2. Note: Other Obligations Secured. This Deed of Trust is given to secure to Lender:

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 principal balance from \_\_\_ until paid, at the rate of \_\_\_ percent rate 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 \_\_\_; such payments to continue until the entire indebtedness evidenced by said Note is fully paid; however, if not sooner paid, the entire principal amount outstanding and accrued interest thereon shall be due and payable on \_\_\_; and Borrower is to pay to Lender a late charge of \_\_\_ % of any payment not received by Lender within \_\_\_ days after payment is due; and Borrower has the right to prepay the principal amount outstanding under said 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; and

C. the performance of the covenants and agreements of Borrower herein contained.

3. Title. Borrower covenants that Borrower owns and has the right to grant and convey the Property, and warrants title to the same, 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 this date and except \_\_\_.

4. Payment of Principal and Interest. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, and late charges as provided in the Note and shall perform all of Borrower's other covenants contained in the Note.

5. Application of Payments. All payments received by Lender under the terms hereof shall be applied by Lender first in payment of amounts due pursuant to paragraph 23 (Escrow Funds for Taxes and Insurance), then to amounts disbursed by Lender pursuant to paragraph 9 (Protection of Lender's Security), and the balance in accordance with the terms and conditions of the Note.

6. Prior Mortgages and Deeds of Trust; Charges; Liens. Borrower shall perform all of Borrower's obligations under any prior deed of trust and any other prior liens. Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may have or attain a priority over this Deed of Trust, and leasehold payments or ground rents, if any, in the manner set out in paragraph 23 (Escrow Funds for Taxes and Insurance) or, if not required to be paid in such manner, by Borrower making payment when due, directly to the payee thereof. Despite the foregoing, Borrower shall not be required to make payments otherwise required by this paragraph if Borrower, after notice to Lender, shall in good faith contest such obligation by, or defend enforcement of such obligation in, legal proceedings which operate to prevent the enforcement of the obligation or forfeiture of the Property or any part thereof, only upon Borrower making all such contested payments and other payments as ordered by the court to the registry of the court in which such proceedings are filed.

7. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire or hazards included within the term "extended coverage" in an amount at least equal to the lesser of (a) the insurable value of the Property or (b) an amount sufficient to pay the sums secured by this Deed of Trust as well as any prior encumbrances on the Property. All of the foregoing shall be known as "Property Insurance."

62 The insurance carrier providing the insurance shall be qualified to write Property Insurance in Colorado and shall be chosen  
63 by Borrower subject to Lender's right to reject the chosen carrier for reasonable cause. All insurance policies and renewals thereof  
64 shall include a standard mortgage clause in favor of Lender, and shall provide that the insurance carrier shall notify Lender at least  
65 ten (10) days before cancellation, termination or any material change of coverage. Insurance policies shall be furnished to Lender at  
66 or before closing. Lender shall have the right to hold the policies and renewals thereof.

67 In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss  
68 if not made promptly by Borrower.

69 Insurance proceeds shall be applied to restoration or repair of the Property damaged, provided said restoration or repair is  
70 economically feasible and the security of this Deed of Trust is not thereby impaired. If such restoration or repair is not economically  
71 feasible or if the security of this Deed of Trust would be impaired, the insurance proceeds shall be applied to the sums secured by  
72 this Deed of Trust, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to  
73 respond to Lender within 30 days from the date notice is given in accordance with paragraph 16 (Notice) by Lender to Borrower that  
74 the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds,  
75 at Lender's option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

76 Any such application of proceeds to principal shall not extend or postpone the due date of the installments referred to in  
77 paragraphs 4 (Payment of Principal and Interest) and 23 (Escrow Funds for Taxes and Insurance) or change the amount of such  
78 installments. Notwithstanding anything herein to the contrary, if under paragraph 18 (Acceleration; Foreclosure; Other Remedies)  
79 the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds  
80 thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured  
81 by this Deed of Trust immediately prior to such sale or acquisition.

82 All of the rights of Borrower and Lender hereunder with respect to insurance carriers, insurance policies and insurance  
83 proceeds are subject to the rights of any holder of a prior deed of trust with respect to said insurance carriers, policies and proceeds.

84 **8. Preservation and Maintenance of Property.** Borrower shall keep the Property in good repair and shall not  
85 commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Deed of  
86 Trust is on a leasehold. Borrower shall perform all of Borrower's obligations under any declarations, covenants, by-laws, rules, or  
87 other documents governing the use, ownership or occupancy of the Property.

88 **9. Protection of Lender's Security.** Except when Borrower has exercised Borrower's rights under paragraph 6  
89 above, if Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if a default occurs in a prior  
90 lien, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's  
91 option, with notice to Borrower if required by law, may make such appearances, disburse such sums and take such action as is  
92 necessary to protect Lender's interest, including, but not limited to:

- 93 (a) any general or special taxes or ditch or water assessments levied or accruing against the Property;
- 94 (b) the premiums on any insurance necessary to protect any improvements comprising a part of the Property;
- 95 (c) sums due on any prior lien or encumbrance on the Property;
- 96 (d) if the Property is a leasehold or is subject to a lease, all sums due under such lease;
- 97 (e) the reasonable costs and expenses of defending, protecting, and maintaining the Property and Lender's interest in  
98 the Property, including repair and maintenance costs and expenses, costs and expenses of protecting and securing the Property,  
99 receiver's fees and expenses, inspection fees, appraisal fees, court costs, attorney fees and costs, and fees and costs of an attorney in  
100 the employment of Lender or holder of the certificate of purchase;
- 101 (f) all other costs and expenses allowable by the evidence of debt or this Deed of Trust; and
- 102 (g) such other costs and expenses which may be authorized by a court of competent jurisdiction.

103 Borrower hereby assigns to Lender any right Borrower may have by reason of any prior encumbrance on the Property or by  
104 law or otherwise to cure any default under said prior encumbrance.

105 Any amounts disbursed by Lender pursuant to this paragraph 9, with interest thereon, shall become additional indebtedness  
106 of Borrower secured by this Deed of Trust. Such amounts shall be payable upon notice from Lender to Borrower requesting  
107 payment thereof, and Lender may bring suit to collect any amounts so disbursed plus interest specified in paragraph 2B (Note; Other  
108 Obligations Secured). Nothing contained in this paragraph 9 shall require Lender to incur any expense or take any action hereunder.

109 **10. Inspection.** Lender may make or cause to be made reasonable entries upon and inspection of the Property,  
110 provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefore related to  
111 Lender's interest in the Property.

112 **11. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any  
113 condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and  
114 shall be paid to Lender as herein provided. However, all of the rights of Borrower and Lender hereunder with respect to such  
115 proceeds are subject to the rights of any holder of a prior deed of trust.

116 In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust, with  
117 the excess, if any, paid to Borrower. In the event of a partial taking of the Property, the proceeds remaining after taking out any part  
118 of the award due any prior lien holder (net award) shall be divided between Lender and Borrower, in the same ratio as the amount of  
119 the sums secured by this Deed of Trust immediately prior to the date of taking bears to Borrower's equity in the Property  
120 immediately prior to the date of taking. Borrower's equity in the Property means the fair market value of the Property less the

121 amount of sums secured by both this Deed of Trust and all prior liens (except taxes) that are to receive any of the award, all at the  
122 value immediately prior to the date of taking.

123 If the Property is abandoned by Borrower or if, after notice by Lender to Borrower that the condemnor offers to make an  
124 award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date such notice is given, Lender is  
125 authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured  
126 by this Deed of Trust.

127 Any such application of proceeds to principal shall not extend or postpone the due date of the installments referred to in  
128 paragraphs 4 (Payment of Principal and Interest) and 23 (Escrow Funds for Taxes and Insurance) nor change the amount of such  
129 installments.

130 **12. Borrower not Released.** Extension of the time for payment or modification of amortization of the sums secured  
131 by this Deed of Trust granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the  
132 liability of the original Borrower, nor Borrower's successors in interest, from the original terms of this Deed of Trust. Lender shall  
133 not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify  
134 amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower nor Borrower's  
135 successors in interest.

136 **13. Forbearance by Lender Not a Waiver.** Any forbearance by Lender in exercising any right or remedy hereunder,  
137 or otherwise afforded by law, shall not be a waiver or preclude the exercise of any such right or remedy.

138 **14. Remedies Cumulative.** Each remedy provided in the Note and this Deed of Trust is distinct from and cumulative  
139 to all other rights or remedies under the Note and this Deed of Trust or afforded by law or equity, and may be exercised  
140 concurrently, independently or successively.

141 **15. Successors and Assigns Bound; Joint and Several Liability; Captions.** The covenants and agreements herein  
142 contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower. All  
143 covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs in this Deed of Trust  
144 are for convenience only and are not to be used to interpret or define the provisions hereof.

145 **16. Notice.** Except for any notice required by law to be given in another manner, (a) any notice to Borrower provided  
146 for in this Deed of Trust shall be in writing and shall be given and be effective upon (1) delivery to Borrower or (2) mailing such  
147 notice by first class U.S. mail, addressed to Borrower at Borrower's address stated herein or at such other address as Borrower may  
148 designate by notice to Lender as provided herein, and (b) any notice to Lender shall be in writing and shall be given and be effective  
149 upon (1) delivery to Lender or (2) mailing such notice by first class U.S. mail, to Lender's address stated herein or to such other  
150 address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Deed of Trust shall be  
151 deemed to have been given to Borrower or Lender when given in any manner designated herein.

152 **17. Governing Law; Severability.** The Note and this Deed of Trust shall be governed by the law of Colorado. In the  
153 event that any provision or clause of this Deed of Trust or the Note conflicts with the law, such conflict shall not affect other  
154 provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the  
155 provisions of the Deed of Trust and Note are declared to be severable.

156 **18. Acceleration; Foreclosure; Other Remedies.** Upon Borrower's breach of any covenant or agreement of  
157 Borrower in this Deed of Trust, or upon any default in a prior lien upon the Property, (unless Borrower has exercised Borrower's  
158 rights under paragraph 6 above), at Lender's option, all of the sums secured by this Deed of Trust shall be immediately due and  
159 payable (Acceleration). To exercise this option, Lender may invoke the power of sale and any other remedies permitted by law.  
160 Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this Deed of Trust,  
161 including, but not limited to, reasonable attorney's fees.

162 If Lender invokes the power of sale, Lender shall give written notice to Trustee of such election. Trustee shall give such  
163 notice to Borrower of Borrower's rights as is provided by law. Trustee shall record a copy of such notice as required by law. Trustee  
164 shall advertise the time and place of the sale of the Property, for not less than four weeks in a newspaper of general circulation in  
165 each county in which the Property is situated, and shall mail copies of such notice of sale to Borrower and other persons as  
166 prescribed by law. After the lapse of such time as may be required by law, Trustee, without demand on Borrower, shall sell the  
167 Property at public auction to the highest bidder for cash at the time and place (which may be on the Property or any part thereof as  
168 permitted by law) in one or more parcels as Trustee may think best and in such order as Trustee may determine. Lender or Lender's  
169 designee may purchase the Property at any sale. It shall not be obligatory upon the purchaser at any such sale to see to the  
170 application of the purchase money.

171 Trustee shall apply the proceeds of the sale in the following order: (a) to all reasonable costs and expenses of the sale,  
172 including, but not limited to, reasonable Trustee's and attorney's fees and costs of title evidence; (b) to all sums secured by this Deed  
173 of Trust; and (c) the excess, if any, to the person or persons legally entitled thereto.

174 **19. Borrower's Right to Cure Default.** Whenever foreclosure is commenced for nonpayment of any sums due  
175 hereunder, the owners of the Property or parties liable hereon shall be entitled to cure said defaults by paying all delinquent principal  
176 and interest payments due as of the date of cure, costs, expenses, late charges, attorney's fees and other fees all in the manner  
177 provided by law. Upon such payment, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as  
178 though no Acceleration had occurred, and the foreclosure proceedings shall be discontinued.

179 **20. Assignment of Rents; Appointment of Receiver; Lender in Possession.** As additional security hereunder,  
180 Borrower hereby assigns to Lender the rents of the Property; however, Borrower shall, prior to Acceleration under paragraph 18  
181 (Acceleration; Foreclosure; Other Remedies) or abandonment of the Property, have the right to collect and retain such rents as they  
182 become due and payable.

183 Lender or the holder of the Trustee's certificate of purchase shall be entitled to a receiver for the Property after Acceleration  
184 under paragraph 18 (Acceleration; Foreclosure; Other Remedies), and shall also be so entitled during the time covered by foreclosure  
185 proceedings and the period of redemption, if any; and shall be entitled thereto as a matter of right without regard to the solvency or  
186 insolvency of Borrower or of the then owner of the Property, and without regard to the value thereof. Such receiver may be  
187 appointed by any Court of competent jurisdiction upon ex parte application and without notice; notice being hereby expressly  
188 waived.

189 Upon Acceleration under paragraph 18 (Acceleration; Foreclosure; Other Remedies) or abandonment of the Property,  
190 Lender, in person, by agent or by judicially-appointed receiver, shall be entitled to enter upon, take possession of and manage the  
191 Property and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be  
192 applied, first to payment of the costs of preservation and management of the Property, second to payments due upon prior liens, and  
193 then to the sums secured by this Deed of Trust. Lender and the receiver shall be liable to account only for those rents actually  
194 received.

195 **21. Release.** Upon payment of all sums secured by this Deed of Trust, Lender shall cause Trustee to release this Deed  
196 of Trust and shall produce for Trustee the Note. Borrower shall pay all costs of recordation and shall pay the statutory Trustee's fees.  
197 If Lender shall not produce the Note as aforesaid, then Lender, upon notice in accordance with paragraph 16 (Notice) from Borrower  
198 to Lender, shall obtain, at Lender's expense, and file any lost instrument bond required by Trustee or pay the cost thereof to effect the  
199 release of this Deed of Trust.

200 **22. Waiver of Exemptions.** Borrower hereby waives all right of homestead and any other exemption in the Property  
201 under state or federal law presently existing or hereafter enacted.

202 **23. Escrow Funds for Taxes and Insurance.** This paragraph 23 is not applicable if Funds, as defined below, are  
203 being paid pursuant to a prior encumbrance. Subject to applicable law, Borrower shall pay to Lender, on each day installments of  
204 principal and interest are payable under the Note, until the Note is paid in full, a sum (herein referred to as "Funds") equal to \_\_\_\_\_  
205 of the yearly taxes and assessments which may attain priority over this Deed of Trust, plus \_\_\_\_\_ of yearly premium installments for  
206 Property Insurance, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and  
207 reasonable estimates thereof, taking into account any excess Funds not used or shortages.

208 The principal of the Funds shall be held in a separate account by Lender in trust for the benefit of Borrower and deposited  
209 in an institution, the deposits or accounts of which are insured or guaranteed by a federal or state agency. Lender shall apply the  
210 Funds to pay said taxes, assessments and insurance premiums. Lender may not charge for so holding and applying the Funds,  
211 analyzing said account or verifying and compiling said assessments and bills. Lender shall not be required to pay Borrower any  
212 interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits  
213 and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security  
214 for the sums secured by this Deed of Trust.

215 If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments and insurance premiums as they  
216 fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within 30 days from the date notice is given  
217 in accordance with paragraph 16 (Notice) by Lender to Borrower requesting payment thereof. Provided however, if the loan secured  
218 by this Deed of Trust is subject to RESPA or other laws regulating Escrow Accounts, such deficiency, surplus or any other required  
219 adjustment shall be paid, credited or adjusted in compliance with such applicable laws.

220 Upon payment in full of all sums secured by this Deed of Trust, Lender shall simultaneously refund to Borrower any Funds  
221 held by Lender. If under paragraph 18 (Acceleration; Foreclosure; Other Remedies) the Property is sold or the Property is otherwise  
222 acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender,  
223 whichever occurs first, any Funds held by Lender at the time of application as a credit against the sums secured by this Deed of  
224 Trust.

225 **24. Borrower's Copy.** Borrower acknowledges receipt of a copy of the Note and this Deed of Trust.

226 EXECUTED BY BORROWER.

227 IF BORROWER IS NATURAL PERSON(s):

228 \_\_\_\_\_  
229 \_\_\_\_\_  
230 \_\_\_\_\_  
231 \_\_\_\_\_  
232 \_\_\_\_\_  
233 \_\_\_\_\_ doing business as \_\_\_\_\_

234 IF BORROWER IS CORPORATION:

235 ATTEST:

236 \_\_\_\_\_  
237 \_\_\_\_\_  
238 \_\_\_\_\_ Name of Corporation

