

DEED OF TRUST – PUBLIC TRUSTEE

THIS DEED OF TRUST is a conveyance in trust of real property to the Public Trustee of the county in Colorado in which the Property described below is located. It has been signed and delivered by the "Debtor" to secure the "Indebtedness" owing to the "Beneficiary".

THE SPECIFIC TERMS OF THIS INSTRUMENT ARE:

Debtor(s): Name: _____ Address: _____

Name: _____ Address: _____

Beneficiary: **LEXINGTON NATIONAL INSURANCE CORPORATION**
P.O. Box 6098, Lutherville, Maryland 21094-6098

Indebtedness:

To secure the performance of a Secured Promissory Note of even date herewith signed by Debtor in the sum of _____ Dollars, (\$ _____), and a Premium Payment Plan of even date herewith signed by Debtor in the sum of _____ Dollars (\$ _____) plus interest and cost of collection.

Real Property Description: **(Include county and street address)**

Default Interest Rate: The lesser of 12% or the highest rate allowed by law

Prior Encumbrances (If any): _____

THE GENERAL TERMS OF THIS INSTRUMENT ARE:

Conveyance and Warranties. For valuable consideration, the Debtor hereby conveys the Property to the Public Trustee of the county in Colorado in which the Property is located, in trust for the Beneficiary. The "Property" includes the real estate described above together with all of the improvements located on the Property, now or in the future, and all easements, rights, royalties, minerals, property interests under leases, water rights and rights to transport water (including any wells, pumps and motors) and all other appurtenances to the Property of whatever description, including replacements and additions. The Debtor hereby warrants title to the Property, subject to the following matters: (i) the lien of the general property tax for the year of this Deed of Trust, (ii) any special assessments for indebtedness not due and payable on the date of this Deed of Trust, (iii) easements, rights-of-way, reservations, covenants, restrictions and mineral or other leases, to the extent that any of those items has been established by an instrument recorded prior to the date of the Deed of Trust in the real estate records of the county in which the Property is located, or to the extent that any of those items has been established by use, and (iv) any prior encumbrances specifically referred to above. This conveyance is in trust for the benefit of the Beneficiary, and the Debtor acknowledges that the Public Trustee of the county in which the Property is located, as well as any duly appointed successor, shall have, with respect to the Property, all of the rights, powers and authority granted by applicable Colorado law and by the terms of this Deed of Trust, including the power of sale in the event of default.

Assignment of Rents and Royalties. In conjunction with the conveyance of the Property to the Public Trustee the Debtor hereby assigns to the Beneficiary as additional security for the Indebtedness all rents, royalties and other payments attributable to the use or assumption of the Property. However, the Debtor shall, unless and until the Beneficiary exercises his acceleration rights following a default, have the right to collect and retain all such rents, royalties and other such payments as they become due and payable.

Condemnation Awards. The Debtor hereby assigns to the Beneficiary all condemnation awards paid with respect to the Property, except for any portion of the award which exceed the balance of the Indebtedness and except for any portion of the award which the Beneficiary elects not to accept. The words "condemnation award" includes all payments made by any condemning authority for the taking of or for damage to the Property or any portion of the Property, and also include payments made in lieu of condemnation. The Debtor retains the right to that portion of the award which exceeds the amount of Indebtedness due at the time of the award.

Debtor's Retained Rights. The Debtor retains the right to the possession, use and enjoyment of the Property, except as otherwise provided in the Deed of Trust. The Debtor also retains the right to require the Public Trustee to fully release the interest in the Property conveyed to the Public Trustee by this Deed of Trust at such time as the Indebtedness has been fully paid or otherwise satisfied, and the Debtor retains the right to require partial release by the Public Trustee, if provisions for partial release have been added or referred to below. The Debtor shall be entitled to reimbursement from the Beneficiary for all costs incurred by the Debtor in obtaining releases or partial releases, to the extent the costs are related to a failure or a refusal of the Beneficiary to deliver to the Public Trustee the note evidencing the Indebtedness and to deliver any other instruments lawfully required by the Public Trustee.

Additions to Indebtedness. The Indebtedness with respect to which this Deed of Trust is given includes not only the balance from time to time of the Indebtedness described above, but also all expenditures rightfully made or incurred by the Beneficiary to protect the security of this Deed of Trust and to correct any violations by the Debtor of the covenants of this Deed of Trust, together with interest on the amounts of such expenditures calculated at the default interest rate set forth above.

Covenants by Debtor. In addition to warranting title to the Property, the Debtor covenants and agrees:

- (a) to pay the Indebtedness according to the terms and requirements of the documents evidencing the Indebtedness;
- (b) to keep the Property in good condition and repair and to neither demolish nor move any improvements without the written consent of the Beneficiary; to neither commit nor permit any act by which the value of the Property would be impaired; to neither violate nor permit the violation of any law affecting the use and maintenance of the property, and to neither commit nor suffer waste to the Property.
- (c) to pay, within the time allowed by law, all taxes, assessments and any other charges levied on the Property, if such taxes, assessments and other charges could have priority over the Deed of Trust.
- (d) to keep all building and other insurable structures on the Property continuously insured, at the cost of the Debtor, against perils covered by a standard fire insurance policy with endorsements for extended coverage, vandalism, malicious mischief, and optional perils; or, at the choice of the Debtor, to keep in force a standard all-risk policy. In any case, such coverage shall be provided by one or more companies authorized to issue insurance in Colorado and the amount of the coverage shall be equal to the full insurable value of all the buildings and other insurable structures, unless the Beneficiary agrees in writing to a lower amount of coverage. The Beneficiary shall be named as an additional insured of all such policies under a standard mortgage clause. Each such policy also shall contain a provision requiring written notice to the Beneficiary at least 30 days prior to the effective date of any cancellation or non-renewal of the policy. At the request of the Beneficiary, all insurance policies required by this paragraph, or copies of the policies, shall be kept in his possession.
- (e) if the Property constitutes an interest in a condominium unit, to comply with all restrictions and requirements imposed by the condominium declaration and by the bylaws, rules and regulations of the homeowner's association.
- (f) to refrain from changing the zoning of the Property, without the written consent of the Beneficiary;
- (g) to pay when due the indebtedness secured by any prior encumbrance;
- (h) to reimburse the Beneficiary for any amounts which the Beneficiary advances in order to cure defaults by the Debtor with respect to the payment of taxes, assessments, insurance premiums, and amounts due on prior encumbrances, and to pay interest on the amount advanced at the default interest rate; the Debtor hereby authorizes the Beneficiary to cure any such defaults by the Debtor;
- (i) if a foreclosure proceeding is commenced, to pay all of the costs of the proceeding including but not necessarily limited to public trustee's fees, publication costs, the cost of obtaining title evidence, and reasonable attorney's fees and to reimburse the Beneficiary for any of those items paid by the Beneficiary together with interest at the

default rate;

- (j) to surrender possession of the Property peacefully at such time as the Debtor's right of possession of the Property terminates;
- (k) if the Property consists in part or entirely of the Debtor's interest as a lessee, to comply with and satisfy in a timely manner all of the obligations under the lease.

Default and Acceleration. The Debtor will be considered to have defaulted under this Deed of Trust if the Debtor (i) defaults on the documents evidencing the Indebtedness or (ii) fails to perform or observe any other covenant or term of this Deed of Trust, or (iii) is adjudicated a bankrupt or makes a general assignment for the benefit of his creditors. In the event of any such default, the Beneficiary may declare the entire balance of the Indebtedness immediately due and payable (i.e. may "accelerate" the Indebtedness) and may then take the following remedial actions; the Beneficiary may take immediate possession and control of the Property and repair and maintain it at the expense of the Debtor; the Beneficiary may collect and receive any and all rents, issues, and profits from the Property; and the Beneficiary may apply for the appointment of a receiver and shall be entitled to such appointment as a matter of right, without regard to the solvency or insolvency of the Debtor and without regard to the value of the Property and its adequacy as security for the Indebtedness; the receiver may be appointed by a court of competent jurisdiction upon ex parte application and without notice, notice being expressly waived by the Debtor. In addition, the Beneficiary may institute foreclosure, as provided in the next paragraph.

Foreclosure. If the Debtor defaults under this Deed of Trust, and whether or not the Beneficiary elects to accelerate the Indebtedness (as allowed under the preceding paragraph) the Beneficiary may institute the sale of the Property by making the demand and giving the notices required by Colorado law. The sale may be held pursuant either to a court foreclosure suit or to an administrative proceeding conducted by the Public Trustee. The sale shall be scheduled and conducted and notice of the sale and of the rights to cure defaults and to redeem shall be given, all as provided by Colorado law. Unless Colorado law provided otherwise, notice of sale shall be advertised weekly for not less than four weeks in some newspaper of general circulation in the county where the Property is located. The sale shall be public and shall be held at the front door of the courthouse in which the Property is located, or at such other lawful place as provided by law. The Property shall be sold to the highest bidder. The Beneficiary may become a purchaser of the Property at the sale. The Property shall be sold in separate parcels or as one parcel, as the Public Trustee determines would be most advantageous. The Public Trustee shall issue all certificates and deeds as authorized and required by Colorado law. The Public Trustee shall deal with the proceeds of the sale as provided by Colorado law and no purchaser shall be obligated to see the application of those proceeds. The sale shall forever bar the Debtor from claiming any interest in the Property, subject to all rights of redemption provided by Colorado law.

Application of Funds. Amounts payable by insurers under hazard insurance policies covering the Property, whether paid to the Debtor or the Beneficiary, shall be used to restore or repair the Property unless, in the reasonable judgment of the Beneficiary, it would be necessary to apply all or a portion of the proceeds to the Indebtedness in order to protect the security of the Beneficiary in order to enable the Beneficiary to exercise its rights under this paragraph, the Debtor shall promptly inform the Beneficiary as to the fact of any loss or damage to the Property, the amount of available insurance proceeds, the cost of restoration or repair, and as to all other information reasonably requested by the Beneficiary. Any insurance proceeds which are to be paid on the Indebtedness, following the Beneficiary's reasonable determination that such payment is necessary to protect his security, and any amounts received by the Beneficiary or by a receiver from condemning authorities or from persons paying rent or royalties after a default, shall be applied in the following manner in the following order, (i) as a payment to the Beneficiary to reimburse him for costs, including reasonable attorney's fees incurred to collect such amounts, (ii) as a payment in satisfaction of any past-due payments on the Indebtedness, (iii) as a pre-payment on the Indebtedness, and (iv) as a refund to the Debtor, to the extent that the Indebtedness has been fully paid, Any amounts applied as a partial prepayment of the Indebtedness shall not defer or alter the timing and amounts of installments of Indebtedness thereafter falling due, except to the extent that the installments last falling due are satisfied by virtue of any partial pre-payment.

Subsequent Parties. All references in this Deed of Trust to the "Beneficiary" include not only the Beneficiary named above, but also any person or entity who becomes the owner of the note or other evidence of the Indebtedness after the date of this Deed of Trust; the reference also includes the holder of a certificate of purchase issued in conjunction with a foreclosure sale under this Deed of Trust. If any person other than the Debtor acquires any interest in the property in the

future, that person shall be subject to all of the covenants, obligations, and restrictions of this Deed of Trust to the same extent as the Debtor, and accordingly, all references in this Deed of Trust to the "Debtor" include that person; this shall not, however, release the original Debtor or any intervening Debtor from obligation on this Deed of Trust and on the note or other instrument evidencing the Indebtedness, to the extent that those obligations otherwise exist.

Due on Sale. If all or any part of the Property or any interest in the Property is sold or transferred in a transaction which is a "prohibited sale or transfer", the Beneficiary may, at its option, treat this Deed of Trust as being in default and may accelerate the Indebtedness as provided above. If the Beneficiary is prohibited by Colorado law from declaring the default and acceleration, the Beneficiary may nevertheless require the transferee to accept a lawful interest rate increase; the refusal or failure of the transferee to accept in writing the lawful interest rate increase shall constitute in itself a default under this Deed of Trust. A "prohibited sale or transfer" is any sale or transfer, including one in which the conveyance of title is deferred; and including the granting of an option to purchase exercisable at a future date, but not including (i) the creation of a lien or encumbrance subordinate to this Deed of Trust, (ii) the transfer of title by devise or descent, or by operation of law upon the death of a joint tenant, (iii) the grant of any leasehold interest of three years or less not containing an option to purchase, or (iv) a sale or other transfer to which the Beneficiary consents in writing.

Miscellaneous Provisions.

- (a) Any forbearance by the Beneficiary in exercising any right or remedy shall not affect the rights of the Beneficiary with respect to subsequent defaults or violations;
- (b) All remedies provided by this Deed of Trust are distinct and cumulative to any other right or remedy either under this Deed of Trust or available by any law or statute, and all such remedies may be exercised, concurrently, independently or successively;
- (c) If two or more persons have signed as "Debtor", each is jointly and severally obligated;
- (d) In the event that any provision or clause of this Deed of Trust is in conflict with applicable law, the conflict shall not affect other provisions of this Deed of Trust which can be given effect without the conflicting provision;
- (e) The procedural provisions of this Deed of Trust shall be deemed to be automatically amended as necessary to conform to any Colorado statute or rule of court, now existing or adopted after the date of this Deed of Trust, to the extent that such statute or rule of court provides procedures which are in conflict with those set forth in this Deed of Trust and to the extent that the statute or rule of court is applicable to the security transaction which is the subject of this Deed of Trust;
- (f) If the Debtor and the Beneficiary have agreed to additional terms and conditions respecting this security transaction, including as an example an agreement to establish a fund to be used to pay taxes and insurance premiums or an agreement providing for partial releases of this Deed of Trust, then any such supplemental agreement, if in writing, signed and acknowledged, shall be given effect and if any of its provisions conflict with those set forth in this Deed of Trust the provisions of the supplemental agreement shall control, if this Deed of Trust has been recorded, the supplemental agreement, to be effective, also must be recorded;
- (g) Words in this Deed of Trust denoting the singular shall be read as denoting the plural, and masculine pronouns shall be read as feminine or neuter pronouns, if the circumstances so require;
- (h) Paragraph headings are for the reader's convenience and shall not be considered in determining the meaning of this instrument.
- (i) Debtor hereby waives all right of homestead and any other exemption in the Property under state or federal law presently existing or hereafter enacted.

DISCLOSURE OF LIEN AGAINST REAL PROPERTY

**DO NOT SIGN THIS DOCUMENT UNTIL YOU READ AND UNDERSTAND IT!
THIS BAIL BOND WILL BE SECURED BY REAL PROPERTY YOU OWN OR
IN WHICH YOU HAVE AN INTEREST. FAILURE TO PAY THE BAIL BOND
PREMIUMS WHEN DUE OR THE DEFENDANT'S FAILURE TO COMPLY
WITH THE CONDITIONS OF BAIL COULD RESULT IN THE LOSS OF YOUR
PROPERTY!**

Date of this Deed of Trust, _____ day of _____, 20_____.

Executed by the Debtor(s) as of the above date,

Signatures

Debtor _____
Signature

Debtor _____
Signature

Debtor _____
Printed Name

Debtor _____
Printed Name

STATE OF COLORADO)SS,
COUNTY OF)

The foregoing instrument was acknowledged before me this _____ day of _____, 20 _____

By Debtor(s): _____

(name individual Debtor(s) or if Debtor is Corporation, Partnership or Association, then identify signers as president or vice president and secretary or assistant secretary of corporation, or as partner(s) or partnership, or as authorized member(s) of association.)

WITNESS my hand and official seal.

Notary Public

My commission expires:

(seal)