Eagle County, CO 201308435
Teak J Simonton 04/30/2013
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MODIFICATION OF DEED OF TRUST

DATE AND PARTIES. The date of this Real Estate Modification (Modification) is April 8, 2013. The parties and their addresses are:

GRANTOR:
COYOTE RIVER RANCH, LLC
A Colorado Corporation
PO Box 88
Wolcott, CO 81655

TRUSTEE:
PUBLIC TRUSTEE OF EAGLE COUNTY, COLORADO

LENDER:
FIRSTBANK
Organized and existing under the laws of Colorado
10403 West Colfax Avenue
Lakewood, CO 80215

1. BACKGROUND. Grantor and Lender entered into a security instrument dated March 17, 2008 and recorded on March 26, 2008 (Security Instrument). The Security Instrument was recorded in the records of Eagle County, Colorado at Reception No. 200806573 and covered the following described Property:

See attached Exhibit A

The property is located in Eagle County at 3595 Highway 6 AKA 12 Cotton Lane, Gypsum, Colorado 81637.

2. MODIFICATION. For value received, Grantor and Lender agree to modify the Security Instrument as provided for in this Modification.

The Security Instrument is modified as follows:

A. Secured Debt. The secured debt provision of the Security Instrument is modified to read:

(1) Secured Debts and Future Advances. The term "Secured Debts" includes and this Security Instrument will secure each of the following:

(a) Specific Debts. The following debts and all extensions, renewals, refinancings, modifications and replacements. A renewal note or other agreement, No. 2295039428, dated April 8, 2013, from Wind River Landscapes, Inc., Karl J Berger and Jennifer J Berger (Borrower) to Lender, with a maximum credit limit of $100,000.00 and maturing on April 8, 2018.

(b) Future Advances. All future advances from Lender to Wind River Landscapes, Inc., Karl J Berger and Jennifer J Berger under the Specific Debts executed by Wind River Landscapes, Inc., Karl J Berger and Jennifer J Berger in favor of Lender after this Security Instrument. If more than one person signs this Security Instrument, each agrees that this Security Instrument will secure all future advances that are given to Wind River Landscapes, Inc., Karl J Berger and Jennifer J Berger either individually or with others who may not sign this Security Instrument. All future advances are secured by this Security Instrument even though all or part may not yet be advanced. All future advances are secured as if made on the date of this Security Instrument. Nothing in this Security Instrument shall constitute a commitment to make additional or future advances in any amount. Any such commitment must be agreed to in a separate writing. In the event that Lender fails to

provide any required notice of the right of rescission, Lender waives any subsequent security interest in the Grantor's principal dwelling that is created by this Security Instrument. This Modification will not secure any other debt if Lender fails, with respect to that other debt, to fulfill any necessary requirements or limitations of Sections 19(a), 32, or 35 of Regulation Z.

(c) All Debts. All present and future debts from Wind River Landscapes, Inc., Karl J Berger and Jennifer J Berger to Lender, even if this Security Instrument is not specifically referenced, or if the future debt is unrelated to or of a different type than this debt. If more than one person signs this Security Instrument, each agrees that it will secure debts incurred either individually or with others who may not sign this Security Instrument. Nothing in this Security Instrument constitutes a commitment to make additional or future loans or advances. Any such commitment must be in writing. In the event that Lender fails to provide any required notice of the right of rescission, Lender waives any subsequent security interest in the Grantor's principal dwelling that is created by this Security Instrument. This Security Instrument will not secure any debt for which a non-possessory, non-purchase money security interest is created in "household goods" in connection with a "consumer loan," as those terms are defined by federal law governing unfair and deceptive credit practices. This Security Instrument will not secure any debt for which a security interest is created in "margin stock" and Lender does not obtain a "statement of purpose," as defined and required by federal law governing securities. This Modification will not secure any other debt if Lender fails, with respect to that other debt, to fulfill any necessary requirements or limitations of Sections 19(a), 32, or 35 of Regulation Z.

(d) Sums Advanced. All sums advanced and expenses incurred by Lender under the terms of this Security Instrument.

3. WARRANTY OF TITLE. Grantor warrants that Grantor continues to be lawfully seized of the estate conveyed by the Security Instrument and has the right to irrevocably grant, convey and sell the Property to Trustee, in trust, with power of sale. Grantor also warrants that the Property is unencumbered, except for encumbrances of record.

4. CONTINUATION OF TERMS. Except as specifically amended in this Modification, all of the terms of the Security Instrument shall remain in full force and effect.

5. AGREEMENT TO ARBITRATE. Lender or Grantor may submit to binding arbitration any dispute, claim or other matter in question between or among Lender and Grantor that arises out of or relates to this Transaction (Dispute), except as otherwise indicated in this section or as Lender and Grantor agree to in writing. For purposes of this section, this Transaction includes this Modification and any other document relating to the Secured Debts, and proposed loans or extensions of credit that relate to this Modification. Lender or Grantor will not arbitrate any Dispute within any "core proceedings" under the United States bankruptcy laws.

Lender and Grantor must consent to arbitrate any Dispute concerning the Secured Debt secured by real estate at the time of the proposed arbitration. Lender may foreclose or exercise any powers of sale against real property securing the Secured Debt underlying any Dispute before, during or after any arbitration. Lender may also enforce the Secured Debt secured by this real property and underlying the Dispute before, during or after any arbitration.

Lender or Grantor may, whether or not any arbitration has begun, pursue any self-help or similar remedies, including taking property or exercising other rights under the law; seek attachment, garnishment, receivership or other provisional remedies from a court having jurisdiction to preserve the rights of or to prevent irreparable injury to Lender or Grantor; or foreclose against any property by any method or take legal action to recover any property. Foreclosing or exercising a power of sale, beginning and continuing a judicial action or pursuing self-help remedies will not constitute a waiver of the right to compel arbitration.

The arbitrator will determine whether a Dispute is arbitrable. A single arbitrator will resolve any Dispute, whether individual or joint in nature, or whether based on contract, tort, or any other matter at law or in equity. The arbitrator may consolidate any Dispute with any related disputes, claims or other matters in question not

arising out of this Transaction. Any court having jurisdiction may enter a judgment or decree on the arbitrator's award. The judgment or decree will be enforced as any other judgment or decree.

Lender and Grantor acknowledge that the agreements, transactions or the relationships which result from the agreements or transactions between and among Lender and Grantor involve interstate commerce. The United States Arbitration Act will govern the interpretation and enforcement of this section.

The American Arbitration Association's Commercial Arbitration Rules, in effect on the date of this Modification, will govern the selection of the arbitrator and the arbitration process, unless otherwise agreed to in this Modification or another writing.

6. WAIVER OF TRIAL FOR ARBITRATION. Lender and Grantor understand that the parties have the right or opportunity to litigate any Dispute through a trial by judge or jury, but that the parties prefer to resolve Disputes through arbitration instead of litigation. If any Dispute is arbitrated, Lender and Grantor voluntarily and knowingly waive the right to have a trial by jury or judge during the arbitration.

SIGNATURES. By signing, Grantor agrees to the terms and covenants contained in this Modification. Grantor also acknowledges receipt of a copy of this Modification.

GRANTOR:

Coyote River Ranch, LLC

By _____
Karl J Berger, Managing Member

ACKNOWLEDGMENT.

State _____ OF Colorado, County ~~of~~ OF Eagle ss.

This instrument was acknowledged before me this 8th day of April 2013 by Karl J Berger - Managing Member of Coyote River Ranch, LLC a Colorado corporation, on behalf of the corporation.

My commission expires: 8/17/2013

_____
(Notary Public)

LINDA J. BRODIN NOTARY PUBLIC STATE OF COLORADO

EXHIBIT A

THAT PORTION OF TRACT 49 IN SECTION 31 AND SECTION 32 IN TOWNSHIP 4 SOUTH AND IN SECTION 5 IN TOWNSHIP 5 SOUTH, RANGE 86 WEST OF THE 6TH PRINCIPAL MERIDIAN, ACCORDING TO THE INDEPENDENT RESURVEY APPROVED BY THE U.S. SURVEYOR GENERAL'S OFFICE JUNE 20, 1922 AND ACCEPTED NOVEMBER 20, 1923, AND ORIGINALLY DESCRIBED AS LOT 10 OF SECTION 31, LOT 2 OF SECTION 32 AND ALL THAT PART OF LOT 5 OF SECTION 32, TOWNSHIP 4 SOUTH, RANGE 86 WEST OF THE 6TH PRINCIPAL MERIDIAN, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND U.S.G.L.O. BRASS CAP IN PLACE FOR THE SECTION CORNER COMMON TO SECTIONS 31 AND 32 OF SAID TOWNSHIP 4 SOUTH, RANGE 86 WEST AND SECTIONS 5 AND 6 OF SAID TOWNSHIP 5 SOUTH, RANGE 86 WEST;
THENCE ALONG THE SOUTH LINE OF SECTION 32 N 89 DEGREES 57 MINUTES 55 SECONDS E 923.01 FEET TO A FOUND G.L.O. BRAS CAP IN PLACE FOR A CLOSING CORNER AT THE INTERSECTION OF THE WEST BOUNDARY OF SAID TRACT 49 AND SAID SOUTH LINE OF SAID SECTION 32;
THENCE CONTINUING ALONG THE SOUTH LINE OF SAID SECTION 32 EAST, 2350.50 FEET (THE BASIS OF BEARINGS) TO A FOUND G.L.O. BRASS CAP IN PLACE FOR A CLOSING CORNER AT THE INTERSECTION OF THE EAST BOUNDARY OF SAID TRACT 49 AND THE SOUTH LINE OF SAID SECTION 32, THE TRUE POINT OF BEGINNING;
THENCE ALONG THE EASTERLY BOUNDARY OF SAID TRACT 49 N 27 DEGREES 41 MINUTES 52 SECONDS W 663.22 FEET TO A FOUND G.L.O. BRASS CAP IN PLACE FOR CORNER NO. 9 OF SAID TRACT 49;
THENCE CONTINUING ALONG SAID EASTERLY BOUNDARY N 73 DEGREES 45 MINUTES 00 SECONDS W 754.29 FEET TO A REBAR AND PLASTIC CAP LS#22580 IN PLACE FOR CORNER NO. 10 OF SAID TRACT 49; THENCE CONTINUING ALONG SAID EASTERLY BOUNDARY NORTH, 813.20 FEET TO A FOUND G.L.O. BRASS CAP IN PLACE FOR CORNER NO. 1 TRACT 49 AND CORNER NO. 4 TRACT 51;
THENCE ALONG THE NORTH BOUNDARY OF SAID TRACT 49 N 89 DEGREES 57 MINUTES 12 SECONDS W 1316.93 FEET TO A FOUND G.L.O. BRASS CAP IN PLACE FOR CORNER NO. 6 TRACT 48, CORNER NO. 3 TRACT 51 AND THE NORTH LINE OF SAID TRACT 49;
THENCE CONTINUING ALONG SAID NORTH BOUNDARY S 89 DEGREES 45 MINUTES 31 SECONDS W 1243.67 FEET TO A FOUND G.L.O. BRASS CAP IN PLACE FOR A MEANDER CORNER AND CORNER NO. 2 OF SAID TRACT 49;
THENCE ALONG THE NORTH BOUNDARY OF SAID TRACT 49 S 89 DEGREES 45 MINUTES 31 SECONDS W 23.42 FEET TO A POINT ON THE EASTERLY MEAN HIGH WATER LINE AS DETERMINED DECEMBER 16, 1992 BY FIELD SURVEY,
THENCE ALONG SAID EASTERLY MEAN HIGH WATER LINE THE FOLLOWING 19 COURSES:
1) S 04 DEGREES 22 MINUTES 54 SECONDS W 164.23 FEET;
2) S 28 DEGREES 26 MINUTES 13 SECONDS E 163.44 FEET;
3) S 48 DEGREES 04 MINUTES 48 SECONDS E 101.99 FEET;
4) S 60 DEGREES 38 MINUTES 21 SECONDS E 318.85 FEET;
5) S 71 DEGREES 06 MINUTES 26 SECONDS E 406.72 FEET;
6) S 45 DEGREES 10 MINUTES 08 SECONDS E 153.62 FEET;
7) S 58 DEGREES 10 MINUTES 02 SECONDS E 154.80 FEET;
8) S 70 DEGREES 39 MINUTES 24 SECONDS E 207.26 FEET, WHENCE A REBAR AND CAP SET FOR A MEANDER CORNER AND CORNER NO. 3 OF SAID TRACT 49 BEARS N 00 DEGREES 01 MINUTES 30 SECONDS W 26.32 FEET;
9) S 80 DEGREES 30 MINUTES 50 SECONDS E 130.54 FEET;
10) S 86 DEGREES 58 MINUTES 56 SECONDS E 304.96 FEET;
11) N 82 DEGREES 59 MINUTES 12 SECONDS E 197.10 FEET;
12) N 85 DEGREES 53 MINUTES 16 SECONDS E 191.15 FEET;
13) N 80 DEGREES 46 MINUTES 05 SECONDS E 249.58 FEET;
14) S 50 DEGREES 29 MINUTES 56 SECONDS E 201.76 FEET;
15) S 39 DEGREES 41 MINUTES 23 SECONDS E 195.59 FEET;
16) S 15 DEGREES 28 MINUTES 23 SECONDS E 58.82 FEET;
17) S 19 DEGREES 53 MINUTES 54 SECONDS W 377.54 FEET;
18) S 08 DEGREES 34 MINUTES 08 SECONDS W 127.87 FEET;
19) S 27 DEGREES 37 MINUTES 21 SECONDS W 253.15 FEET TO A POINT AT THE CENTERLINE OF THE SOUTHEASTERLY END OF AN OLD ABANDONED IRON BRIDGE;
THENCE ALONG A LINE DIRECTLY TOWARDS A POINT 35 FEET NORTH OF THE ORIGINAL 1/4 CORNER COMMON, TO SECTION 32 OF SAID TOWNSHIP 4 SOUTH, RANGE 86 WEST AND SECTION 5 OF SAID TOWNSHIP 5 SOUTH, RANGE 86 WEST (SAID ORIGINAL 1/4 CORNER ALSO BEING THE ANGLE POINT ON THE NORTH LINE OF TRACT 40, ACCORDING TO THE SUPPLEMENTAL PLATS AND FIELD NOTES OF SAID INDEPENDENT RESURVEY OF TOWNSHIP 4 SOUTH AND TOWNSHIP 5 SOUTH, THE POSITION OF WHICH BEING MATHEMATICALLY DETERMINED)
S 66 DEGREES 42 MINUTES 48 SECONDS E 1499.12 FEET TO A POINT ON THE EASTERLY LINE OF SAID TRACT 49;
THENCE ALONG SAID EASTERLY LINE N 86 DEGREES 57 MINUTES 00 SECONDS E 494.33 FEET TO A FOUND G.L.O. BRASS CAP IN PLACE FOR CORNER NO. 8 OF SAID TRACT 49;
THENCE ALONG SAID EASTERLY LINE N 27 DEGREES 10 MINUTES 53 SECONDS W 599.22 FEET TO THE TRUE POINT OF BEGINNING.

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EXCEPTED FROM THE ABOVE DESCRIBED PARCEL
1) A STRIP OF LAND FOR THE DENVER AND RIO GRAND WESTERN RAILROAD COMPANY SAID STRIP OF LAND BEING A PORTION OF THE DENVER AND SALT LAKE RAILROAD PARCEL DESCRIBED IN BOOK 116 AT PAGE 147;
2) A PARCEL OF LAND DESCRIBED IN DEED RECORDED MAY 1, 1951 IN BOOK 133 AT PAGE 445 AND IN DOCUMENT NO. 108199 OF THE RECORDS OF THE EAGLE COUNTY CLERK AND RECORDERS OFFICE.
3) A PARCEL OF LAND SOMETIMES KNOWN AS COTTON LANE OR WAGON ROAD CONVEYED TO EAGLE COUNTY THROUGH QUITCLAIM DEED RECORDED IN BOOK 58 AT PAGE 30 OF THE RECORDS OF EAGLE COUNTY, COLORADO, AND THROUGH A RIGHT OF WAY DEED RECORDED IN BOOK 106 AT PAGE 5 OF THE RECORDS OF EAGLE COUNTY, COLORADO.

NOTE: THE FINAL POLICY DOES NOT IN ANY WAY GUARANTEE OR INSURE THE DIMENSIONS OF THE ABOVE DESCRIBED LAND, THE LEGAL DESCRIPTION IS DERIVED FROM THE CHAIN OF TITLE.

EAGLE COUNTY, CO 200806598
TEAK J SIMONTON
Pgs: 25 03:16:11PM 03/26/2008
REC: $ $126.00 DOC: $

Return To:

126 Loan Operations
P. O. Box 151515
Lakewood, CO 80215

Prepared By:
Loan Operations
P. O. Box 151515
Lakewood, CO 80215

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DEED OF TRUST

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 March 17, 2008, together with all Riders to this document.
(B) "Borrower" is Coyote River Ranch, LLC, A Colorado Limited Liability Company

Borrower is the trustor under this Security Instrument.
(C) "Lender" is FirstBank of Vail

Lender is a Colorado Corporation

organized and existing under the laws of Colorado
Lender's address is 17 Vail Road
Vail, CO 81657
Lender is the beneficiary under this Security Instrument.
(D) "Trustee" is the Public Trustee of Eagle County, Colorado.
(E) "Note" means the promissory note signed by Borrower and dated March 17, 2008
The Note states that Borrower owes Lender THREE HUNDRED SEVENTY THOUSAND AND 00/100 Dollars
(U.S. $370,000.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than April 1, 2038
(F) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."
(G) "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.
(H) "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]:

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

(I) "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.
(J) "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.
(K) "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.
(L) "Escrow Items" means those items that are described in Section 3.
(M) "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.
(N) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.
(O) "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.
(P) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), 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.

(Q) "**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

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 [Type of Recording Jurisdiction]
of Eagle [Name of Recording Jurisdiction]:
See Attached Exhibit "A"

Parcel ID Number: R024410
3595 Highway 6 (aka 12 Cotton Ln)
Gypsum
("Property Address"):

which currently has the address of [Street]
[City], Colorado 81637 [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 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. 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 canceled, 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.

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.

Witnesses:

_____

_____ (Seal)
Coyote River Ranch, LLC, A Colorado Limited Liability Company, By: Karl Berger, Managing Member -Borrower

_____

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

306-5718

STATE OF COLORADO, Eagle County ss:

The foregoing instrument was acknowledged before me this 17th day of March 2008,
by Karl Berger, Managing Member of Coyote River Ranch, LLC,
A Colorado Limited Liability Company

Witness my hand and official seal.

My Commission Expires: 8/1/2008

Nancy W Pettit
Notary Public

NOTARY PUBLIC
NANCY W. PETTIT
STATE OF COLORADO

306-5718

Initials:_____

1-4 FAMILY RIDER
(Assignment of Rents)

THIS 1-4 FAMILY RIDER is made this 17th day of March, 2008, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to FirstBank of Vail

(the "Lender") of the same date and covering the Property described in the Security Instrument and located at: 3595 Highway 6 (aka 12 Cotton Ln), Gypsum, CO 81637

[Property Address]

1-4 FAMILY COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. ADDITIONAL PROPERTY SUBJECT TO THE SECURITY INSTRUMENT. In addition to the Property described in the Security Instrument, the following items now or hereafter attached to the Property to the extent they are fixtures are added to the Property description, and shall also constitute the Property covered by the Security Instrument: building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, attached mirrors, cabinets, paneling and attached floor coverings, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the Property covered by the Security Instrument. All of the foregoing together with the Property described in the Security Instrument (or the leasehold estate if the Security Instrument is on a leasehold) are referred to in this 1-4 Family Rider and the Security Instrument as the "Property."

B. USE OF PROPERTY; COMPLIANCE WITH LAW. Borrower shall not seek, agree to or make a change in the use of the Property or its zoning classification, unless Lender has agreed in writing to the change. Borrower shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.

C. SUBORDINATE LIENS. Except as permitted by federal law, Borrower shall not allow any lien inferior to the Security Instrument to be perfected against the Property without Lender's prior written permission.

D. RENT LOSS INSURANCE. Borrower shall maintain insurance against rent loss in addition to the other hazards for which insurance is required by Section 5.

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E. "BORROWER'S RIGHT TO REINSTATE" DELETED. Section 19 is deleted.

F. BORROWER'S OCCUPANCY. Unless Lender and Borrower otherwise agree in writing, Section 6 concerning Borrower's occupancy of the Property is deleted.

G. ASSIGNMENT OF LEASES. Upon Lender's request after default, Borrower shall assign to Lender all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, Lender shall have the right to modify, extend or terminate the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph G, the word "lease" shall mean "sublease" if the Security Instrument is on a leasehold.

H. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION. Borrower absolutely and unconditionally assigns and transfers to Lender all the rents and revenues ("Rents") of the Property, regardless of to whom the Rents of the Property are payable. Borrower authorizes Lender or Lender's agents to collect the Rents, and agrees that each tenant of the Property shall pay the Rents to Lender or Lender's agents. However, Borrower shall receive the Rents until: (i) Lender has given Borrower notice of default pursuant to Section 22 of the Security Instrument, and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender's agent. This assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of default to Borrower: (i) all Rents received by Borrower shall be held by Borrower as trustee for the benefit of Lender only, to be applied to the sums secured by the Security Instrument; (ii) Lender shall be entitled to collect and receive all of the Rents of the Property; (iii) Borrower agrees that each tenant of the Property shall pay all Rents due and unpaid to Lender or Lender's agents upon Lender's written demand to the tenant; (iv) unless applicable law provides otherwise, all Rents collected by Lender or Lender's agents shall be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Property, and then to the sums secured by the Security Instrument; (v) Lender, Lender's agents or any judicially appointed receiver shall be liable to account for only those Rents actually received; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.

If the Rents of the Property are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Rents any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by the Security Instrument pursuant to Section 9.

Borrower represents and warrants that Borrower has not executed any prior assignment of the Rents and has not performed, and will not perform, any act that would prevent Lender from exercising its rights under this paragraph.

Lender, or Lender's agents or a judicially appointed receiver, shall not be required to enter upon, take control of or maintain the Property before or after giving notice of default to Borrower. However, Lender, or Lender's agents or a judicially appointed receiver, may do so at any time when a default occurs. Any application of Rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of Rents of the Property shall terminate when all the sums secured by the Security Instrument are paid in full.

I. CROSS-DEFAULT PROVISION. Borrower's default or breach under any note or agreement in which Lender has an interest shall be a breach under the Security Instrument and Lender may invoke any of the remedies permitted by the Security Instrument.

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Initials: [illegible]

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this 1-4 Family Rider.

Coyote River Ranch, LLC, A Colorado Limited Liability Company, By: Karl Berger, Managing Member _____ (Seal) -Borrower

_____ (Seal) -Borrower

_____ (Seal) -Borrower

_____ (Seal) -Borrower

_____ (Seal) -Borrower

_____ (Seal) -Borrower

_____ (Seal) -Borrower

_____ (Seal) -Borrower

306-5718

SECOND HOME RIDER

THIS SECOND HOME RIDER is made this 17th day of March, 2008, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower" whether there are one or more persons undersigned) to secure Borrower's Note to FirstBank of Vail

(the "Lender") of the same date and covering the Property described in the Security Instrument (the "Property"), which is located at:

3595 Highway 6 (aka 12 Cotton Ln), Gypsum, CO 81637
[Property Address]

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree that Sections 6 and 8 of the Security Instrument are deleted and are replaced by the following:

6. Occupancy. Borrower shall occupy, and shall only use, the Property as Borrower's second home. Borrower shall keep the Property available for Borrower's exclusive use and enjoyment at all times, and shall not subject the Property to any timesharing or other shared ownership arrangement or to any rental pool or agreement that requires Borrower either to rent the Property or give a management firm or any other person any control over the occupancy or use of the Property.

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 second home.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Second Home Rider.

_____ (Seal)
Coyote River Ranch, LLC, A Colorado Limited Liability Company, By: Karl Berger, Managing Member
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

306-5718

ADJUSTABLE RATE RIDER

(1 Year Treasury Index - Rate Caps)

THIS ADJUSTABLE RATE RIDER is made this 17th day of March, 2008, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to FirstBank of Vail

(the "Lender") of the same date and covering the property described in the Security Instrument and located at:

3595 Highway 6 (aka 12 Cotton Ln), Gypsum, CO 81637
[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 5.375%. The Note provides for changes in the interest rate and the monthly payments as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The interest rate I will pay may change on the first day of April 2013, and on that day every 12th month thereafter. Each date on which my interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of one year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding two and three-quarters percentage points (2.750 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 7.375 % or less than 3.375 %. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.0%) from the rate of interest I have been paying for the preceding 12 months. My interest rate will never be greater than 10.375 %.

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given to me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER
Section 18 of the Security Instrument is amended to read as follows:

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. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, 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.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

_____ (Seal)	_____ (Seal)
Coyote River Ranch, LLC, A -Borrower Colorado Limited Liability Company, By: Karl Berger, Managing Member	-Borrower
_____ (Seal)	_____ (Seal)
-Borrower	-Borrower
_____ (Seal)	_____ (Seal)
-Borrower	-Borrower
_____ (Seal)	_____ (Seal)
-Borrower	-Borrower

306-5718

EXHIBIT A

THAT PORTION OF TRACT 49 IN SECTION 31 AND SECTION 32 IN TOWNSHIP 4 SOUTH AND IN SECTION 5 IN TOWNSHIP 5 SOUTH, RANGE 86 WEST OF THE 6TH PRINCIPAL MERIDIAN, ACCORDING TO THE INDEPENDENT RESURVEY APPROVED BY THE U.S. SURVEYOR GENERAL'S OFFICE JUNE 20, 1922 AND ACCEPTED NOVEMBER 20, 1923, AND ORIGINALLY DESCRIBED AS LOT 10 OF SECTION 31, LOT 2 OF SECTION 32 AND ALL THAT PART OF LOT 5 OF SECTION 32, TOWNSHIP 4 SOUTH, RANGE 86 WEST OF THE 6TH PRINCIPAL MERIDIAN, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND U.S.G.L.O. BRASS CAP IN PLACE FOR THE SECTION CORNER COMMON TO SECTIONS 31 AND 32 OF SAID TOWNSHIP 4 SOUTH, RANGE 86 WEST AND SECTIONS 5 AND 6 OF SAID TOWNSHIP 5 SOUTH, RANGE 86 WEST;
THENCE ALONG THE SOUTH LINE OF SECTION 32 N 89 DEGREES 57 MINUTES 55 SECONDS E 923.01 FEET TO A FOUND G.L.O. BRAS CAP IN PLACE FOR A CLOSING CORNER AT THE INTERSECTION OF THE WEST BOUNDARY OF SAID TRACT 49 AND SAID SOUTH LINE OF SAID SECTION 32;
THENCE CONTINUING ALONG THE SOUTH LINE OF SAID SECTION 32 EAST, 2350.50 FEET (THE BASIS OF BEARINGS) TO A FOUND G.L.O. BRASS CAP IN PLACE FOR A CLOSING CORNER AT THE INTERSECTION OF THE EAST BOUNDARY OF SAID TRACT 49 AND THE SOUTH LINE OF SAID SECTION 32, THE TRUE POINT OF BEGINNING;
THENCE ALONG THE EASTERLY BOUNDARY OF SAID TRACT 49 N 27 DEGREES 41 MINUTES 52 SECONDS W 663.22 FEET TO A FOUND G.L.O. BRASS CAP IN PLACE FOR CORNER NO. 9 OF SAID TRACT 49;
THENCE CONTINUING ALONG SAID EASTERLY BOUNDARY N 73 DEGREES 45 MINUTES 00 SECONDS W 754.29 FEET TO A REBAR AND PLASTIC CAP LS#21580 IN PLACE FOR CORNER NO. 10 OF SAID TRACT 49; THENCE CONTINUING ALONG SAID EASTERLY BOUNDARY NORTH, 813.28 FEET TO A FOUND G.L.O. BRASS CAP IN PLACE FOR CORNER NO. 1 TRACT 49 AND CORNER NO. 4 TRACT 51;
THENCE ALONG THE NORTH BOUNDARY OF SAID TRACT 49 N 89 DEGREES 57 MINUTES 12 SECONDS W 1316.93 FEET TO A FOUND G.L.O. BRASS CAP IN PLACE FOR CORNER NO. 6 TRACT 48, CORNER NO. 3 TRACT 51 AND THE NORTH LINE OF SAID TRACT 49;
THENCE CONTINUING ALONG SAID NORTH BOUNDARY S 89 DEGREES 45 MINUTES 31 SECONDS W 1243.67 FEET TO A FOUND G.L.O. BRASS CAP IN PLACE FOR A MEANDER CORNER AND CORNER NO. 2 OF SAID TRACT 49;
THENCE ALONG THE NORTH BOUNDARY OF SAID TRACT 49 S 89 DEGREES 45 MINUTES 31 SECONDS W 23.42 FEET TO A POINT ON THE EASTERLY MEAN HIGH WATER LINE AS DETERMINED DECEMBER 16, 1993 BY FIELD SURVEY,
THENCE ALONG SAID EASTERLY MEAN HIGH WATER LINE THE FOLLOWING 19 COURSES:
1) S 04 DEGREES 22 MINUTES 54 SECONDS W 164.23 FEET;
2) S 28 DEGREES 26 MINUTES 13 SECONDS E 163.44 FEET;
3) S 48 DEGREES 04 MINUTES 48 SECONDS E 101.99 FEET;
4) S 68 DEGREES 38 MINUTES 21 SECONDS E 215.85 FEET;
5) S 71 DEGREES 05 MINUTES 26 SECONDS E 406.72 FEET;
6) S 45 DEGREES 10 MINUTES 08 SECONDS E 193.62 FEET;
7) S 58 DEGREES 10 MINUTES 02 SECONDS E 154.80 FEET;
8) S 78 DEGREES 39 MINUTES 24 SECONDS E 207.26 FEET, WHENCE A REBAR AND CAP SET FOR A MEANDER CORNER AND CORNER NO. 3 OF SAID TRACT 49 BEARS N 00 DEGREES 01 MINUTES 36 SECONDS W 26.32 FEET;
9) S 80 DEGREES 30 MINUTES 50 SECONDS E 180.54 FEET;
10) S 86 DEGREES 58 MINUTES 56 SECONDS E 304.96 FEET;
11) N 82 DEGREES 59 MINUTES 18 SECONDS E 197.19 FEET;
12) N 85 DEGREES 53 MINUTES 16 SECONDS E 191.15 FEET;
13) N 80 DEGREES 46 MINUTES 05 SECONDS E 249.58 FEET;
14) S 50 DEGREES 29 MINUTES 36 SECONDS E 201.76 FEET;
15) S 39 DEGREES 41 MINUTES 23 SECONDS E 195.59 FEET;
16) S 15 DEGREES 28 MINUTES 23 SECONDS E 58.82 FEET;
17) S 19 DEGREES 53 MINUTES 54 SECONDS W 377.54 FEET;
18) S 08 DEGREES 34 MINUTES 08 SECONDS W 127.87 FEET;
19) S 27 DEGREES 37 MINUTES 21 SECONDS W 253.15 FEET TO A POINT AT THE CENTERLINE OF THE SOUTHEASTERLY END OF AN OLD ABANDONED IRON BRIDGE;
THENCE ALONG A LINE DIRECTLY TOWARDS A POINT 35 FEET NORTH OF THE ORIGINAL 1/4 CORNER COMMON, TO SECTION 33 OF SAID TOWNSHIP 4 SOUTH, RANGE 86 WEST AND SECTION 5 OF SAID TOWNSHIP 5 SOUTH, RANGE 86 WEST (SAID ORIGINAL 1/4 CORNER ALSO BEING THE ANGLE POINT ON THE NORTH LINE OF TRACT 40, ACCORDING TO THE SUPPLEMENTAL PLATS AND FIELD NOTES OF SAID INDEPENDENT RESURVEY OF TOWNSHIP 4 SOUTH AND TOWNSHIP 5 SOUTH, THE POSITION OF WHICH BEING MATHEMATICALLY DETERMINED)
S 66 DEGREES 42 MINUTES 48 SECONDS E 1499.12 FEET TO A POINT ON THE EASTERLY LINE OF SAID TRACT 49;
THENCE ALONG SAID EASTERLY LINE N 06 DEGREES 57 MINUTES 00 SECONDS E 494.33 FEET TO A FOUND G.L.O. BRASS CAP IN PLACE FOR CORNER NO. 8 OF SAID TRACT 49;
THENCE ALONG SAID EASTERLY LINE N 27 DEGREES 10 MINUTES 53 SECONDS W 589.22 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTED FROM THE ABOVE DESCRIBED PARCEL
1) A STRIP OF LAND FOR THE DENVER AND RIO GRAND WESTERN RAILROAD COMPANY SAID STRIP OF LAND BEING A PORTION OF THE DENVER AND SALT LAKE RAILROAD PARCEL DESCRIBED IN BOOK 116 AT PAGE 147;
2) A PARCEL OF LAND DESCRIBED IN DEED RECORDED MAY 1, 1951 IN BOOK 133 AT PAGE 445 AND IN DOCUMENT NO. 108199 OF THE RECORDS OF THE EAGLE COUNTY CLERK AND RECORDERS OFFICE.
3) A PARCEL OF LAND SOMETIMES KNOWN AS COTTON LANE OR WAGON ROAD CONVEYED TO EAGLE COUNTY THROUGH QUITCLAIM DEED RECORDED IN BOOK 58 AT PAGE 30 OF THE RECORDS OF EAGLE COUNTY, COLORADO, AND THROUGH A RIGHT OF WAY DEED RECORDED IN BOOK 106 AT PAGE 5 OF THE RECORDS OF EAGLE COUNTY, COLORADO.

NOTE: THE FINAL POLICY DOES NOT IN ANY WAY GUARANTEE OR INSURE THE DIMENSIONS OF THE ABOVE DESCRIBED LAND, THE LEGAL DESCRIPTION IS DERIVED FROM THE CHAIN OF TITLE.

EAGLE COUNTY, CO 200806599
TEAK J SIMONTON
Pgs: 2 03:16:11PM 03/26/2008
REC: $ $11.00 DOC: $

DISBURSER'S NOTICE

Borrower	Contractor
Coyote River Ranch, LLC, A Colorado Limited Liability Company	Karl Berger
Address	**Address**
P.O. Box 2329 Avon, CO 81620	Po Box 88 Wolcott, CO 81655
Telephone No.	**Telephone No.**
(970)845-8190	(970)845-8190

Interest Rate	Principal Amount/Credit Limit	Funding/ Agreement Date	Maturity Date	Loan Number
5.375 %	$ 370,000.00	03/17/2008	04/01/2038	306-5718

Address of Real Property: 3595 Highway 6 (aka 12 Cotton Ln), Gypsum, CO 81637

You are hereby notified that FirstBank of Vail ("Lender") shall be disbursing funds from time to time based upon the progress of construction of improvements to the real property ("Property") in the County of Eagle, State of Colorado described as:

See Attached Exhibit "A"

Lender has caused this notice to be recorded in the real property records maintained by the Clerk and Recorder for the county in which the Property is located.

Dated: March 17, 2008

FirstBank of Vail

By: _____
Paul Wible
Executive Vice President

Disbursers Notice

Disbursers Notice 07/04

306-5718

EXHIBIT A

THAT PORTION OF TRACT 49 IN SECTION 31 AND SECTION 32 IN TOWNSHIP 4 SOUTH AND IN SECTION 5 IN TOWNSHIP 5 SOUTH, RANGE 86 WEST OF THE 6TH PRINCIPAL MERIDIAN, ACCORDING TO THE INDEPENDENT RESURVEY APPROVED BY THE U.S. SURVEYOR GENERAL'S OFFICE JUNE 28, 1922 AND ACCEPTED NOVEMBER 28, 1923, AND ORIGINALLY DESCRIBED AS LOT 10 OF SECTION 31, LOT 2 OF SECTION 32 AND ALL THAT PART OF LOT 5 OF SECTION 32, TOWNSHIP 4 SOUTH, RANGE 86 WEST OF THE 6TH PRINCIPAL MERIDIAN, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND U.S.G.L.O. BRASS CAP IN PLACE FOR THE SECTION CORNER COMMON TO SECTIONS 31 AND 32 OF SAID TOWNSHIP 4 SOUTH, RANGE 86 WEST AND SECTIONS 5 AND 6 OF SAID TOWNSHIP 5 SOUTH, RANGE 86 WEST;
THENCE ALONG THE SOUTH LINE OF SECTION 32 N 89 DEGREES 57 MINUTES 55 SECONDS E 923.01 FEET TO A FOUND G.L.O. BRAS CAP IN PLACE FOR A CLOSING CORNER AT THE INTERSECTION OF THE WEST BOUNDARY OF SAID TRACT 49 AND SAID SOUTH LINE OF SAID SECTION 32;
THENCE CONTINUING ALONG THE SOUTH LINE OF SAID SECTION 32 EAST, 2358.50 FEET (THE BASIS OF BEARINGS) TO A FOUND G.L.O. BRASS CAP IN PLACE FOR A CLOSING CORNER AT THE INTERSECTION OF THE EAST BOUNDARY OF SAID TRACT 49 AND THE SOUTH LINE OF SAID SECTION 32, THE TRUE POINT OF BEGINNING;
THENCE ALONG THE EASTERLY BOUNDARY OF SAID TRACT 49 N 27 DEGREES 41 MINUTES 52 SECONDS W 663.22 FEET TO A FOUND G.L.O. BRASS CAP IN PLACE FOR CORNER NO. 9 OF SAID TRACT 49;
THENCE CONTINUING ALONG SAID EASTERLY BOUNDARY N 73 DEGREES 45 MINUTES 00 SECONDS W 754.29 FEET TO A REBAR AND PLASTIC CAP LS#22580 IN PLACE FOR CORNER NO. 10 OF SAID TRACT 49; THENCE CONTINUING ALONG SAID EASTERLY BOUNDARY NORTH, 813.20 FEET TO A FOUND G.L.O. BRASS CAP IN PLACE FOR CORNER NO. 1 TRACT 49 AND CORNER NO. 4 TRACT 51;
THENCE ALONG THE NORTH BOUNDARY OF SAID TRACT 49 N 89 DEGREES 57 MINUTES 12 SECONDS W 1316.63 FEET TO A FOUND G.L.O. BRASS CAP IN PLACE FOR CORNER NO. 6 TRACT 48, CORNER NO. 3 TRACT 51 AND THE NORTH LINE OF SAID TRACT 49;
THENCE CONTINUING ALONG SAID NORTH BOUNDARY S 89 DEGREES 45 MINUTES 31 SECONDS W 1243.67 FEET TO A FOUND G.L.O. BRASS CAP IN PLACE FOR A MEANDER CORNER AND CORNER NO. 2 OF SAID TRACT 49;
THENCE ALONG THE NORTH BOUNDARY OF SAID TRACT 49 S 89 DEGREES 45 MINUTES 31 SECONDS W 23.42 FEET TO A POINT ON THE EASTERLY MEAN HIGH WATER LINE AS DETERMINED DECEMBER 16, 1993 BY FIELD SURVEY,
THENCE ALONG SAID EASTERLY MEAN HIGH WATER LINE THE FOLLOWING 19 COURSES:
1) S 04 DEGREES 22 MINUTES 54 SECONDS W 164.23 FEET;
2) S 28 DEGREES 26 MINUTES 13 SECONDS E 163.44 FEET;
3) S 48 DEGREES 04 MINUTES 48 SECONDS E 191.99 FEET;
4) S 60 DEGREES 38 MINUTES 21 SECONDS E 315.85 FEET;
5) S 71 DEGREES 06 MINUTES 25 SECONDS E 406.72 FEET;
6) S 45 DEGREES 10 MINUTES 08 SECONDS E 193.63 FEET;
7) S 58 DEGREES 10 MINUTES 02 SECONDS E 154.80 FEET;
8) S 70 DEGREES 39 MINUTES 24 SECONDS E 207.26 FEET, WHENCE A REBAR AND CAP SET FOR A MEANDER CORNER AND CORNER NO. 3 OF SAID TRACT 49 BEARS N 00 DEGREES 01 MINUTES 30 SECONDS W 26.32 FEET;
9) S 80 DEGREES 30 MINUTES 50 SECONDS E 198.54 FEET;
10) S 86 DEGREES 58 MINUTES 56 SECONDS E 304.96 FEET;
11) N 83 DEGREES 59 MINUTES 18 SECONDS E 197.10 FEET;
12) N 85 DEGREES 53 MINUTES 16 SECONDS E 191.15 FEET;
13) N 80 DEGREES 46 MINUTES 05 SECONDS E 249.58 FEET;
14) S 50 DEGREES 29 MINUTES 56 SECONDS E 201.76 FEET;
15) S 39 DEGREES 41 MINUTES 23 SECONDS E 195.59 FEET;
16) S 15 DEGREES 28 MINUTES 23 SECONDS E 58.82 FEET;
17) S 19 DEGREES 53 MINUTES 54 SECONDS W 377.54 FEET;
18) S 08 DEGREES 34 MINUTES 08 SECONDS W 127.87 FEET;
19) S 27 DEGREES 37 MINUTES 21 SECONDS W 253.15 FEET TO A POINT AT THE CENTERLINE OF THE SOUTHEASTERLY END OF AN OLD ABANDONED IRON BRIDGE;
THENCE ALONG A LINE DIRECTLY TOWARDS A POINT 35 FEET NORTH OF THE ORIGINAL 1/4 CORNER COMMON, TO SECTION 32 OF SAID TOWNSHIP 4 SOUTH, RANGE 86 WEST AND SECTION 5 OF SAID TOWNSHIP 5 SOUTH, RANGE 86 WEST (SAID ORIGINAL 1/4 CORNER ALSO BEING THE ANGLE POINT ON THE NORTH LINE OF TRACT 40, ACCORDING TO THE SUPPLEMENTAL PLATS AND FIELD NOTES OF SAID INDEPENDENT RESURVEY OF TOWNSHIP 4 SOUTH AND TOWNSHIP 5 SOUTH, THE POSITION OF WHICH BEING MATHEMATICALLY DETERMINED)
S 66 DEGREES 42 MINUTES 48 SECONDS E 1499.12 FEET TO A POINT ON THE EASTERLY LINE OF SAID TRACT 49;
THENCE ALONG SAID EASTERLY LINE N 06 DEGREES 57 MINUTES 00 SECONDS E 494.33 FEET TO A FOUND G.L.O. BRASS CAP IN PLACE FOR CORNER NO. 8 OF SAID TRACT 49;
THENCE ALONG SAID EASTERLY LINE N 27 DEGREES 10 MINUTES 53 SECONDS W 509.22 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTED FROM THE ABOVE DESCRIBED PARCEL
1) A STRIP OF LAND FOR THE DENVER AND RIO GRAND WESTERN RAILROAD COMPANY SAID STRIP OF LAND BEING A PORTION OF THE DENVER AND SALT LAKE RAILROAD PARCEL DESCRIBED IN BOOK 116 AT PAGE 147;
2) A PARCEL OF LAND DESCRIBED IN DEED RECORDED MAY 1, 1951 IN BOOK 133 AT PAGE 445 AND IN DOCUMENT NO. 108199 OF THE RECORDS OF THE EAGLE COUNTY CLERK AND RECORDERS OFFICE.
3) A PARCEL OF LAND SOMETIMES KNOWN AS COTTON LANE OR WAGON ROAD CONVEYED TO EAGLE COUNTY THROUGH QUITCLAIM DEED RECORDED IN BOOK 58 AT PAGE 30 OF THE RECORDS OF EAGLE COUNTY, COLORADO, AND THROUGH A RIGHT OF WAY DEED RECORDED IN BOOK 106 AT PAGE 5 OF THE RECORDS OF EAGLE COUNTY, COLORADO.

NOTE: THE FINAL POLICY DOES NOT IN ANY WAY GUARANTEE OR INSURE THE DIMENSIONS OF THE ABOVE DESCRIBED LAND, THE LEGAL DESCRIPTION IS DERIVED FROM THE CHAIN OF TITLE.

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DEED OF TRUST

THIS DEED OF TRUST, between the Grantor named below and the Public Trustee of the County designated in Section D(1) below, is dated as set forth on the signature page below and is given to secure the Note described in Section C below.

A. Grantor: Coyote River Ranch, LLC, a Colorado limited liability company P.O. Box 2329 Avon, Colorado 81620 B. Beneficiary: Sterling Bank, a Texas banking corporation P.O. Box 40333 Houston, Texas 77240-0333	C. Promissory Note Secured: (1) Note Date: May 11th, 2005 (2) Face Amount: $100,000.00 (3) Interest Rate: commencing at 7.13% per annum, subject to adjustments as provided in the Note (4) Maturity Date: Fifteen years form the date of the Note. (5) Maker: Grantor D. Real Property Encumbered: (1) County: Eagle County (2) Street Address: 3597 Hwy 6, Gypsum, CO (3) Legal: See Exhibit A attached hereto. (4) Permitted Encumbrances: See Exhibit B attached hereto, if any.

TO SECURE PAYMENT of the Promissory Note described in Section C above (the "Note"), payable to the order of the Beneficiary described in Section B above and all sums advanced by Beneficiary under the terms of this Deed of Trust, Grantor hereby grants, bargains, sells and conveys to the Public Trustee referred to above all of Grantor's right, title and interest in, to and under the Real Property Encumbered and described in Section D above (the "Premises").

TO HAVE AND TO HOLD the same, together with all leasehold estate, right, title, and interest of Grantor in and to all leases or subleases covering the Premises or any portion thereof now or hereafter existing or entered into, and all right, title and interest of Grantor thereunder, including without limitation, all cash or security deposits, advance rentals, and deposits or payments of similar nature;

TOGETHER with all right, title and interest of Grantor in and to all options to purchase or lease

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the Premises or any portion thereof or interest therein, and any greater estate in the Premises owned or hereafter acquired;

TOGETHER with all interests, estate or other claims, both in law and in equity which Grantor now has or may hereafter acquire in the Premises;

TOGETHER with all easements, rights-of-way, and rights used in connection with the Premises or as a means of access thereto and all tenements, hereditaments and appurtenances thereof and thereto, and all mineral and water rights, ditch rights appurtenant or related thereto, and other rights to the possession and use of water upon or appurtenant to the Premises;

TOGETHER with any and all buildings, structures and improvements now or hereafter erected on the Premises, (provided that such grant will not be construed as the consent of the Beneficiary to the construction of buildings, structures, or improvements);

TOGETHER with all right, title and interest of the Grantor in and to any streets and roads abutting said Premises to the center lines thereof and in and to any strips or gores of land therein;

TOGETHER with all of the right, title and interest of Grantor in water taps, sewer taps and water, sewer, natural gas, electrical and other utility lines, mains and laterals which may now or hereafter be located upon the Premises or in streets, roadways or rights of way adjacent thereto;

TOGETHER with all awards and proceeds of condemnation for the Premises or any part thereof to which Grantor is entitled for any taking of all or any part of the Premises by condemnation or exercise of the right of eminent domain;

TOGETHER with all rents, issues and profits of the Premises and all the estate, right, title and interest of every nature whatsoever of the Grantor in and to the same.

All of the foregoing property, rights, privileges and franchises, together with the Premises, are collectively referred to as the "Property".

IN TRUST nevertheless, that upon Grantor's breach of any covenant or agreement of Grantor in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust, Beneficiary, at Beneficiary's option, after any notice period required in this Deed of Trust or the Note, may declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Beneficiary will be entitled to collect all costs and expenses incurred in pursuing the remedies provided herein, including, but not limited to reasonable attorneys' fees and costs of documentary evidence and title evidences.

If Beneficiary invokes the power of sale, the Public Trustee will give notice of sale and will sell the

Property according to the laws of Colorado. Beneficiary or Beneficiary's designee may purchase the Property at any sale.

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

Grantor covenants that Grantor is lawfully seized of the estate hereby conveyed and has the right, power and authority to grant,c onvey and assign the Property, that the Property is unencumbered, and that Grantor will warrant and defend the title to the Property against all claims and demands except the Permitted Encumbrances as set forth in Section D(4) above.

Grantor covenants and agrees as follows:

1. Covenants and Agreements of Grantor.

1.1 Payment of Secured Obligations. Grantor will pay when due the principal of, and the interest on, the indebtedness evidenced by the Note, charges, fees, and the principal of, and interest on, any future advances secured by this Deed of Trust and will otherwise comply with all the terms of the Note and this Deed of Trust,

1.2 Taxes, Utilities and Impositions. Grantor will pay, or cause to be paid and discharged, on or before the last day on which they may be paid without penalty, all such duties, taxes, sewer rents, charges for water, or for setting or repairing meters, and all other utilities on the Property or any part thereof and any assessments and payments, usual or unusual, extraordinary or ordinary, which are imposed upon or will become due and payable or become a lien upon the Property or any part thereof by virtue of any present or future law of the United States or of the State, County or City wherein the Property is located (all of the foregoing being herein collectively called "Impositions"). In default of any such payment of any imposition, Beneficiary may pay the same and the amount so paid by Beneficiary will, at the Beneficiary's option, became immediately due and payable by Grantor to Beneficiary with interest at the default rate specified in the Note and will be deemed part of the indebtedness secured by this Deed of Trust.

1.3 Utilities. Grantor will pay when due all utility charges which are incurred by Grantor for the benefit of the Property or which may become a charge or lien against the Property for gas, electricity, water or sewer services furnished to the Premises and all other assessments or charges of a similar nature, whether public or private, affecting the Premises or any portion thereof, whether or not such taxes, assessments or charges are liens thereon.

1.4 Maintenance. Grantor will keep the Property or cause the same to be kept, in good condition and repair to the reasonable satisfaction of Beneficiary. Grantor will commit or permit no waste thereon

and will do or permit no act by which the Property will become less valuable; except for improvements consistent with the proposed development of the Property, Grantor will not remove, demolish, construct, erect or alter, or enter into any contract, agreement or arrangement for the foregoing, with respect to any of building, structure or improvement upon the Property (except such alterations as may be required by laws, ordinances or regulations) without the prior written permission of the Beneficiary.

1.5 Eminent Domain. Should the Property, or any part thereof or interest therein, be taken or damaged by reason of any public use, improvement or condemnation proceeding, or in any other manner ("Condemnation."), or should Grantor receive any notice or other information regarding such Condemnation, Grantor will give prompt written notice thereof to Beneficiary.

(a) Beneficiary will be entitled to all compensation, awards and other payments or relief granted in connection with such Condemnation, and will be entitled, at its option, to commence, appear in and prosecute in its own name any action or proceedings relating thereto. Beneficiary will also be entitled to make any compromise or settlement in connection with such taking or damage. All such awards and condemnation proceeds (the "Proceeds") are hereby assigned to Beneficiary and the Beneficiary is hereby authorized, subject to the provisions contained in this Deed of Trust; to apply such awards and condemnation proceeds or any part thereof, after deducting therefrom any expenses incurred by the Beneficiary in the collection or handling thereof, toward the payment, in full or in part of the Note secured by this Deed of Trust, notwithstanding the fact that the amount owing thereon may not then be due and payable. Grantor agrees to execute such further assignments of the Proceeds as Beneficiary may require from time to time.

(b) In the event any portion of the Property is so taken or damaged, Beneficiary will have the option in its sole and absolute discretion, to apply all the Proceeds, after deducting therefrom all costs and expenses (regardless of the particular nature thereof and whether incurred with or without suit), including attorneys' fees, incurred by it in connection with such Condemnation, upon any indebtedness secured hereby or to apply all such Proceeds, after such deductions, to the restoration of the Property upon such conditions as Beneficiary may determine. Such application or release will not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(c) Any amounts received by Beneficiary hereunder (after payment of any costs in connection with obtaining same) will, if retained by Beneficiary, be applied in payment of any late charges and accrued interest and then in reduction of the then outstanding principal sum of the Note notwithstanding that the Note may not then be due and payable. Any amount so applied to principal will be applied to the payment of installments of principal on the Note in inverse order of their due dates.

1.6 Insurance. Grantor will keep any improvements, buildings or structures upon the Property insured against fire and other hazards in an amount equal to the lesser of the market value of such

improvements, buildings or structures or the unpaid balance of the Note, naming the Beneficiary as a loss payee on all policies of such insurance, and will maintain liability insurance with respect to the Property, in reasonably prudent amounts as may be requested from time to time by the Beneficiary, naming the Beneficiary as an additional insured on all policies of such insurance. The insurance shall include a standard "all risk" casualty insurance coverage on the Property in the amount not less than the original Face Amount of the Note as described in Section C above, general liability insurance in an amount not less than $1,000,000.00 and, if the Property is located in a flood hazard area, flood insurance in a minimum amount of the Face Amount of the Note. All such insurance policies the companies issuing such policies shall be subject to the approval of Beneficiary.

1.7 Liens. Grantor will pay and promptly discharge, at Grantor's cost and expense, all liens, encumbrances, and charges upon the Property or any part thereof or interest therein. If no Event of Default has occurred and is pending uncured, Grantor will have the right to contest in good faith the validity of any such lien, encumbrance or charge, provided Grantor will first deposit with Beneficiary a bond or other security satisfactory to Beneficiary, and provided further that Grantor will thereafter diligently proceed to cause such lien, encumbrance, or charge to be removed and discharged at least sixty (60) days prior to the date upon which the Property would be subject to sale in satisfaction thereof. If Grantor fails to discharge any such lien, encumbrance or charge, then, in addition to any other right or remedy of Beneficiary, Beneficiary may, but will not be obligated to, discharge the same, either by paying the amount claimed to be due or by procuring the discharge of such lien by depositing in court the amount required to obtain discharge of such lien, encumbrance or charge or a bond for the amount claimed or otherwise giving security for such claim or in such manner as is or may be prescribed by law. Any amount so paid or expense so incurred by the Beneficiary will, at Beneficiary's option, become immediately due and payable by Grantor to Beneficiary with interest at the default rate specified in the Note and will be deemed part of the indebtedness secured by this Deed of Trust.

1.8 Actions by Beneficiary to Preserve the Security of this Deed of Trust. If the Grantor fails to make any payment or to do any act as and in the manner provided for in this Deed of Trust or the Note the Beneficiary, in its own discretion, without obligation so to do and without notice to or demand upon Grantor and without releasing Grantor from any obligation, may make or do the same in such manner and to such extent as the Beneficiary may reasonably deem necessary to protect the security hereof. Grantor will pay upon demand all expenses incurred or paid by Beneficiary (including, but not limited to, attorneys' fees and court costs) on account of the exercise of any of the aforesaid rights or privileges or an account of any litigation which may arise in connection with this Deed of Trust or the Note or an account of any attempt, without litigation, to enforce the terms of this Deed of Trust or the Note. In case the Property or any part thereof will be advertised for foreclosure sale and not sold, Grantor will pay all costs in connection therewith.

In the event that the Beneficiary is called upon to pay any sums of money to protect this Deed of Trust and the Note as aforesaid, all monies advanced or due hereunder will become immediately due and payable by Grantor to Beneficiary upon demand, together with interest at the default rate specified in the

Note, computed from the date of such advance to the date of the actual receipt of payment thereof by the Beneficiary.

2. Assignment of Leases, Rents and Profits.

2.1 Assignment. Grantor hereby assigns and transfers to Beneficiary all the leases, subleases, franchises, rents, issues and profits of the Property, and hereby gives to and confers upon Beneficiary the right, power and authority to collect such rents, issues and profits. Grantor irrevocably appoints Beneficiary its true and lawful attorney-in-fact, at the option of Beneficiary at any time and from time to time, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue, in the name of Grantor or Beneficiary, for all such rents, issues and profits and apply the same to the indebtedness secured hereby. Grantor will have the right to collect such rents prior to default as trustee for the benefit of Beneficiary; provided that the assignment of the leases, subleases, franchises, rents, issues and profits of the Property in this Section 2 is intended to be a present and absolute assignment from Grantor to Beneficiary and not an assignment for additional security only.

2.2 Collection Upon Default. Upon any event of default under this Deed of Trust, Beneficiary may at any time without notice, either in person, by agent or by a receiver appointed in accordance with Paragraph 3.2(c) hereof, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property, or any part thereof, in its own name, sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorneys' fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The collection of such rents, issues and profits or the entering upon and taking possession of the Property, or the application thereof as aforesaid, will not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default, or constitute the Beneficiary a mortgagee in possession.

3. Default and Remedies.

3.1 Events of Default. The term "Event of Default", wherever used in this Deed of Trust, will mean the occurrence of any "Event of Default," as defined in the Note, or the occurrence of any one or more of tine following events:

(a) Failure by the Grantor to pay when due or after any applicable grace period, if any, (i) any installment of interest or principal as the same will become due and payable, whether by scheduled payment, maturity, acceleration or otherwise under the Note, or (ii) taxes or assessments when due upon the Property, or (iii) any other sums to be paid by the Grantor hereunder or under the Note, when due hereunder or under the Note, as applicable.

(b) Failure by the Grantor (or any of any other person liable thereunder) to duly keep, perform and observe any other covenant, condition or agreement in the Note, this Deed of Trust

or any other instrument securing the Note or executed in connection therewith or any other agreement between the Grantor (or any of its members or managers) and the Beneficiary.

(c) If (i) a petition is filed by or against the Grantor, any of its partners, guarantors, co-makers or endorsers of the Note seeking or acquiescing in any reorganization, arrangement, corporation, readjustment liquidation, dissolution, or similar relief under any law relating to bankruptcy or insolvency, provided, however, in the case of any such involuntary petition, the Grantor will be entitled to a period of sixty (60) days in which to have such petition dismissed, or (ii) the Grantor, any of its partners, guarantors, co-makers, or endorsers of the Note seeks or consents to or acquiesces in the appointment of any trustee, receiver, master or liquidator of itself or of all of the rent, revenues, issues, earnings, profits or income thereof, or (iii) the Grantor, any of its partners, guarantors, co-makers, or endorsers of the Note is "insolvent", as hereinafter defined; or (iv) any trustee, receiver or liquidator of the Grantor or of all or any part of the Property or of any or all of the rents or income thereof is appointed. For purposes of this paragraph, a person or entity will be deemed to be insolvent if he or it is unable to pay its debts as they become due and/or if the fair market value of his or its assets does not exceed his or its aggregate liabilities.

(d) If all or any material part of the Property is or will be damaged or taken through condemnation (which term when used herein will include any damage or taking by any governmental authority or any other authority authorized by the laws of the state where the Property is located or the United States of America to so damage or take, and any transfer by private sale in lieu thereof), either temporarily for a period in excess of thirty (30) days, or permanently.

(e) Failure to exhibit to Beneficiary, within ten (10) days after demand, receipts showing payment of all taxes, assessments, liabilities, obligations and encumbrances.

(f) Failure of Grantor to comply with any requirements or order or notice of -violation of law or ordinance issued by any governmental department claiming jurisdiction over the Property, within the later of thirty (30) days from the issuance thereof or such longer period if provided in such notice.

(g) Any Hazardous Materials (as defined in Section 4 below) become present in or on the Property other than those for which Beneficiary has given prior written approval and which are licensed and approved in accordance with all applicable laws and regulations and are in compliance with the terms of Beneficiary's approval.

(h) If at any time there is a discharge, deposit, injection, dumping, spilling, leaking, incineration or placing of any Hazardous Materials into or on the Property.

(i) If at any time, the use, generation, treatment, storage or disposal of any Hazardous

Materials on the Property is in violation of the Superfund and Hazardous Waste Laws.

3.2 Acceleration Upon Default Additional Remedies. If an Event of Default as above provided will occur, the Beneficiary may declare all indebtedness secured hereby to be due and payable and the same will thereupon become due and payable in full without any presentment, demand, protest or notice of any kind. Thereafter the remedies available to Beneficiary will include, but not necessarily be limited to, any one or more of the following:

(a) Beneficiary may declare the entire unpaid principal balance of the indebtedness secured hereby together with accrued unpaid interest thereon and all other sums secured hereby immediately due and payable without notice.

(b) Beneficiary may take immediate possession of the Property or any part thereof (which Grantor agrees to surrender to Beneficiary) and manage, control, and/or lease the same to such person or persons and at such rental as it may deem proper and collect all the rents, issues and profits therefrom, including those past due as well as those thereafter accruing, with the right in the Beneficiary to cancel any lease or sublease for any cause which would entitle Grantor to cancel the same; to make such expenditures for maintenance, repairs and costs of operation as it may deem advisable; and after deducting the cost thereof, including, without limitation, attorneys' fees, to apply the residue to the payment of any sums which are unpaid hereunder or under the Note. The taking of possession under this paragraph will not prevent concurrent or later proceedings for the foreclosure sale of the Property as provided elsewhere herein.

(c) Beneficiary may seek from any court having jurisdiction the appointment of a receiver for the Property. Beneficiary shall be entitled to a receiver as a matter of right, and the receiver may be appointed *ex parte* and without notice (notice being expressly waived hereby). Grantor does hereby expressly consent to the appointment of such receiver, waives any and all defenses to such appointment of such receiver, and agrees not to oppose any application therefore by Beneficiary. Such appointment may be either before or after any foreclosure sale is initiated or held, without regard to the solvency or insolvency of Grantor or any other party liable for the indebtedness evidenced by the Note at the time of application for such receiver, and without regard to the the. value of the Property or the adequacy of any security, and without regard to the existence of waste or whether the Premises be then occupied as a homestead or not. Such receiver will have the power (i) to collect the rents, issues and profits of the Property during the pendency of such receivership and, in case of a foreclosure sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Grantor, through the intervention of such receiver, would be entitled to collect such rents, issues and profits; (ii) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being

understood and agreed that any such leases, and the options or other such provisions to be contained therein, will be binding upon Grantor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of purchase or trustee's or sheriff's deed to any purchaser, and (iii) take all other actions which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Property during the whole of said period. The court may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (I) the costs and expenses of the receivership including, without limitation, attorneys' fees; (2) the indebtedness secured hereby, or by any decree foreclosing this Deed of Trust, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree; (3) if this is a leasehold mortgage, all rents due or which may become due under the underlying lease; and (4) the deficiency in case of a sale and deficiency. The receiver will be entitled to a reasonable fee for his activities with respect to the Property.

(d) In case of sale in any action or proceeding to foreclose this Deed of Trust, the Beneficiary will have the right to sell the Property covered hereby in parts or as an entirety. It is intended hereby to give the Beneficiary the widest possible discretion permitted by law with respect to all aspects of any such sale or sales.

(e) This instrument will also be effective as a mortgage as well as a deed of trust and may be foreclosed as a deed of trust or a mortgage as to any of the Property in any manner permitted by the laws of the State of Colorado.

(f) In the event the Property or any part thereof shall be sold upon foreclosure as provided hereunder, the sum for which the same shall have been sold shall, for purposes of redemption, bear interest at the default rate of interest provided in the Note from the date of sale until paid.

3.3 Additional Provisions. Grantor expressly agrees an behalf of itself its successors and assigns and any future owner of the Property or any part thereof or interest therein, as follows:

(a) All remedies available to Beneficiary with respect to the Note and this Deed of Trust will be cumulative and may be pursued concurrently or successively. No delay by Beneficiary in exercising any such remedy will operate as a waiver thereof or preclude the exercise thereof during the continuance of that or any subsequent default.

(b) The obtaining of a judgment or decree on the Note, whether in the State of Colorado or elsewhere, will not in any manner affect the lien of this Deed of Trust upon the Property covered hereby, and any judgment or decree so obtained will be secured hereby to the same extent as said Note is now secured.

(c) in the event of any foreclosure sale hereunder, all net proceeds will be available for application to the indebtedness hereby secured whether or rent such proceeds may exceed the value of the Property.

(d) The only limitation upon the foregoing agreements as to the exercise of Beneficiary's remedies is that there will be but one full and complete satisfaction of the indebtedness secured hereby.

3.4 Remedies Not Exclusive. Beneficiary will be entitled to enforce payment and performance of any indebtedness or obligations secured hereby and to exercise all rights and powers under this Deed of Trust or the Note or under any other agreement or any laws now or hereafter in force, notwithstanding that some or all of the said indebtedness and obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor its enforcement, will prejudice or in any manner affect Beneficiary's right to realize upon or enforce any other security now or hereafter held by Beneficiary, it being agreed that Beneficiary will be entitled to enforce this Deed of Trust and any other security now or hereafter held by Beneficiary in such order and manner as Beneficiary may in its absolute discretion determine. No remedy herein conferred upon or reserved to Beneficiary is intended to be exclusive of any outer remedy herein or by law provided or permitted, but each remedy will be cumulative and will be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity, or by statute. Every power or remedy given to Beneficiary or to which it may be otherwise entitled may be exercised concurrently or independently from time to time and as often as may be deemed expedient by Beneficiary and it may pursue inconsistent remedies.

3.5 Extensions and Modifications. From time to time, without affecting the obligation of Grantor or Grantor's successors or assigns to pay the sums secured by this Deed of Trust or to observe the covenants of Grantor contained herein, without affecting the guaranty of any person or entity for payment of the indebtedness secured hereby, and without affecting the lien or priority of lien hereof on the Property, Beneficiary may, at Beneficiary's option, without giving notice to or obtaining the consent of Grantor, Grantor's successors or assigns or of any junior lienholder or guarantors, and without liability on Beneficiary's part, extend the time far payment of said indebtedness or any part thereof, reduce the payments thereon, release anyone liable on any of said indebtedness, accept a renewal note or notes therefore, modify the terms and time of payment of said indebtedness, release from this Deed of Trust any part of the Property, take or release other or additional security, release any part of the Property, consent to the granting of any easement, join in any extension or subordination agreement, and agree in writing with Grantor to modify the rate of interest or period of amortization of the Note or change the amount of the monthly installments payable thereunder. Grantor will pay Beneficiary a reasonable service charge, together with such title insurance premiums and attorneys' fees as may be incurred at Beneficiary's option, for any such action if taken at Grantor's request.

4. Hazardous Materials.

4.1 Definitions. For the purposes of this Deed of Trust "Hazardous Material" means any radioactive, hazardous, or toxic substance, material, waste or similar term, the presence of which on the Premises, or the discharge or emission of which from the Premises, is prohibited or regulated by federal, state or local governmental laws, ordinances, rules or regulations ("Governmental Requirements") or which require special handling in collection, storage, treatment, or disposal by any Governmental Requirements. The term Hazardous Material includes, but is not limited to, any material, substance, waste or similar term which is:

(a) Defined as a hazardous material or material requiring special handling under the laws of the, State of Colorado, including but not limited to the Colorado Underground Storage Tank Act, CRS 25-18-101 et seq., the Colorado Hazardous Substances Act CRS 25-5-501, et seq., the State Hazardous Site Act, CRS 25-15-101. et seq., the Colorado Water Quality Control Act, CRS 25-8-101 et seq., and the Colorado Air Quality Control Act, CRS 25-7-101, as amended from time to time;

(b) Defined as a hazardous substance under Section 311 of the Federal Water Pollution Control Act (33 U.S.C. Section 1317) as amended. from time to time;

(e) Defined as a hazardous waste under Section 1004 of the Federal Resource Conservation an Recovery Act (42 U.S.C. Section 6901, et seq.) as amended from time to time;

(d) Defined as a hazardous waste substance under Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, (42 U.S.C. Section 9601, et seq.), as amended from time to time;

(e) Defined as a radioactive, hazardous, or toxic substance, waste, material or similar term in any rule or regulation, as amended from time to time, which is adopted by any administrative agency, including, but not limited to the Environmental Protection Agency, the Occupational Safety and Health Administration, or any such similar state or local agency having jurisdiction over the Premises, whether or not such rule or regulation has the force of law;

(f) Determined to contain asbestos or polychlorinated biphenyls;

(g) Defined as a radioactive, hazardous, or toxic waste, substance, material or similar term in any other statute, regulation, rue or law presently in effect, or enacted or adopted at any time after the date of this Deed of Trust, by local authorities, the State of Colorado, and/or the federal government; or

(h) Subject to regulation under the Toxic Substances Control Act ("TSCA") (15 U.S.C., section 2601, et seq.).

4.2 No Hazardous Material. Grantor covenants and agrees that Grantor and Grantors agents, contractors, authorized representatives and employees (collectively "Grantor's Agents") will not engage in any of the following prohibited activities, and Grantor will use its best and diligent efforts to see that Grantors invitees and tenants, and such tenants' employees, agents, and invitees will not:

(a) Cause or permit any releases or discharges of Hazardous Material on or from the Premises; or

(b) Cause or permit any manufacturing. holding, handling, retaining, storing, transporting, spilling, leaking, or dumping of Hazardous Material in or on any portion of the Premises; or,

(c) Otherwise place, keep, store or maintain, or allow to be placed, kept, stored or maintained, any Hazardous Material on any portion of the Premises.

4.3 Compliance with Law. Grantor will comply, and cause Grantor's Agents and the Premises to comply, with all laws, ordinances, rules, and regulations of all authorities having jurisdiction over the Grantor, Grantor's Agents, the Premises, or the use of the Premises, and pertaining to any Hazardous Material (herein called "Hazardous Material Laws").

4.4 Removal of Hazardous Material and Freedom from Liens. If Hazardous Material is discovered on the Premises, Grantor will with due diligence remove all such Hazardous Material in compliance with all Governmental Requirements, and keep the entire Premises free of any lien imposed pursuant to any laws, regulations, or orders of any governmental or regulatory authority having to do with the removal of Hazardous Material.

4.5 Indemnity and Hold Harmless. Grantor will be solely responsible for, and hereby agrees to indemnify and hold Beneficiary (including the respective heirs, personal representatives, successors, assigns, employees, agents, officers and directors of Beneficiary) harmless from, any and all actions, loss, liability, damage, cost or expense including, without limitation, attorneys' fees occasioned by, resulting from, or consequent to any Hazardous Material or Hazardous Material Contamination on the Premises; any releases or discharges of Hazardous Material from the Premises; any manufacturing, maintaining, holding, handling, storing, transporting, spilling, leaking or dumping of Hazardous Material on or at the Premises, any other violation of Hazardous Material Laws; any claim or assertion that any such Hazardous M aterial o r Hazardous Material Contamination is so located on the Premises or that any such activities or violations have been, or are being, engaged in on the Premises; or any other failure or alleged failure of Grantor, Grantor's Agents, o r the Premises to comply with the provisions of this Article 4, notwithstanding any and all attempts by Grantor to exercise due diligence in ascertaining whether or not any of the events outlined above affect the Premises. Such loss, liability, damage, cost or expense hereby indemnified against will include, without limitation:

(a) All foreseeable consequential damages;

(b) The costs of any required or necessary repair, cleanup or detoxification of the Premises, including the soil and ground water thereof, and the preparation and implementation of any closure, remedial or other required plans;

(c) Damage to any natural resources; and

(d) All reasonable costs and expenses incurred by Beneficiary in connection with clauses (a), (b) and (c), including but not limited to seasonable attorneys' fees and consultants' fees.

All costs and expenses incurred by Beneficiary for which Grantor is responsible, or for which Grantor has indemnified Beneficiary will be paid by Grantor to Beneficiary within 15 days of demand therefore. Upon Grantor's failure to make such payment within said 15 day period, the full amount thereof will be added to the indebtedness secured by this Deed of Trust and will accrue interest from the 16th day after demand until paid at the Default Rate; and, at Beneficiary's election, such failure will constitute a default hereunder.

Beneficiary will have the right, but not the obligation, to join and participate in (as a party if it so elects), any legal or administrative proceedings or actions initiated in connection with any allegation that Grantor, Grantor's Agents, or the Premises violate, or have violated, any provision of this Article 4, and to have Beneficiary's reasonable attorneys' and consultants' fees in connection therewith paid by Grantor upon demand.

The aforesaid indemnification and hold harmless agreement will benefit Beneficiary from the date hereof and will not be terminated on the Maturity Date, but will continue thereafter notwithstanding payment, release or discharge of this Deed of Trust or the indebtedness secured hereby; and, without limiting the generality of the foregoing such obligations will continue for the benefit of Beneficiary, and Beneficiary's heirs, personal representatives, successors and assigns, during and following any possession of the Premises by Beneficiary or any ownership of the Premises by Beneficiary or Beneficiary's heirs, personal representatives, successors and assigns, whether arising by foreclosure or sale under the power of sale contained herein, transfer by deed in lieu of any such sale, or otherwise; such indemnification and hold harmless agreement to continue forever. In the event that this Deed of Trust or any other loan document contains a provision pursuant to which Grantor is relieved of personal liability for such indebtedness, such release of personal liability will not include a release from Grantors liabilities and obligations under this Article 4.

5. Miscellaneous.

5.1 Successors and Assigns. Except as specified herein, the provisions hereof will be binding upon and will inure to the benefit of the Grantor, its successors and assigns (including without limitation subsequent owners of the Premises or the leasehold estate of the Premises or any part thereof); will be

binding upon and will inure to the benefit of Beneficiary, its heirs, personal representatives, successors and assigns and any future holder of the Note, and any successors or assigns of any future holder of the Note. In the event the ownership of the Property or any leasehold estate that may be covered by this Deed of Trust, becomes vested in a person other than Grantor, Beneficiary, without notice to Grantor, may deal with such successor or successors in interest with reference to this instrument and the debt hereby secured in the same manner as with the Grantor, and may alter the interest rate, extend the terms of payment of the debt secured hereby and/or otherwise modify the terms of the Note and this Deed of Trust without notice to Grantor and such action will in no way affect the liability of Grantor hereunder or under the Note or the lien or priority of this Deed of Trust with respect to any part of the Property covered hereby.

5.2 Notices. All notices, demands and requests given by either party hereto to the other party will be in writing. All notices, demands and requests by the Beneficiary to the Grantor will be deemed to have been properly given if sent by United States registered or certified mail, postage prepaid, addressed to the grantor at the Property or at such other address as the Grantor way from time to time designate by written notice to the Beneficiary, given as herein required. All notices, demands and requests by the Grantor to the Beneficiary will be deemed to have been properly given if sent by United States registered or certified mail, postage prepaid, addressed to the Beneficiary, at its address appearing on the first page of this Deed of Trust, or to such other address as the Beneficiary may from time to time designate by written notice to the Grantor given as herein required. Notices, demands and requests given in the manner aforesaid will be deemed sufficiently served or given for all purposes hereunder at the time such notice, demand or request will be deposited in any post office or branch post office regularly maintained by the United States Government.

5.3 Modifications in Writing. This Deed of Trust may not be changed, terminated or modified orally or in any other manner than by an instrument in writing signed by the party against whom enforcement is sought.

5.4 Invalidity of Certain Provisions. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Property, the unsecured portion of the debt will be completely paid prior to the payment of the secured portion of the debt, and all payments made on the debt, whether voluntary or otherwise, will be considered to have been first paid on and applied to the full payment of that portion of the debt which is not secured or fully secured by the lien of this Deed of Trust. If any provision of this instrument is held to be void or unenforceable it will not affect the validity of the remaining provisions hereof which will be considered severable.

5.5 Governing Law and Construction of Clauses. This Deed of Trust will be governed and construed by the laws of the State of Texas except that the enforcement the security interests and foreclosure of the security interests shall be governed by and construed in accordance with the laws of the State of Colorado. No act of the Beneficiary will be construed as an election to proceed under any one provision of the Deed of Trust or of the applicable statutes of the State of Colorado to the exclusion of any other such provision, anything herein or otherwise to the contrary, notwithstanding.

5.6 Grantor Waiver of Rights. Grantor waives the benefit of all laws now existing or that hereafter may be enacted providing for (i) any appraisement before sale of any portion of the premises and (ii) the benefit of all laws that may be hereafter enacted in any way extending the time for the enforcement of the collection of the Note or the debt evidenced thereby or creating or extending a redemption period from any sale made in collecting said debt. To the full extent Grantor may do so, Grantor agrees that Grantor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisement, valuation, stay, extension or redemption and Grantor for Grantor, Grantor's heirs, devisees, representatives, successors and assigns, and for any and all person ever claiming any interest in the Property, to the extent permitted by law, hereby waives and releases all rights of redemption, valuation, appraisement, stay of execution, notice of election to mature or declare due the whole of the secured indebtedness and marshalling in the event of foreclosure of the liens hereby created. If any law referred to in this Section and now in force, of which Grantor, Grantors heirs, devisees, representatives, successors and assigns or other person might take advantage despite this Section, will hereafter be repealed or cease to be in force, such law will not thereafter be deemed to preclude the application of this Section. Grantor expressly waives and relinquishes any and all rights and remedies which Grantor may have or be able to assert by reason of the laws of the State of Colorado pertaining to the rights and remedies of sureties.

5.7 Release. The Public Trustee may, upon production of the Note duly execute partial releases in accordance with the release provisions attached hereto, if any, or release this Deed of Trust without further showing as to additional sums or expenditures advanced hereunder by the Beneficiary and without liability for so doing, and such release will constitute a release of lien for all such additional sums and expenditures made pursuant to this Deed of Trust.

5.8 Waiver of Homestead. Grantor does hereby release and waive all claims in and to the Property as a homestead exemption or other exemption now or hereafter provided by law.

5.9 Security Agreement. This Deed of Trust shall cover all property now or hereafter annexed to or located upon the Property owned by Grantor which shall be deemed fixtures and a part of the real property and all articles of personal property owned by the Grantor and used for the Property or to be incorporated into the Property, including, but not limited to, equipment, machinery and all materials and supplies delivered to the Property for incorporation or use in any construction, operation or maintenance being conducted thereon. To the cement any of such property covered by this Deed of Trust consists of rights in action or personal property covered by the Uniform Commercial Code, this Dead of Trust shall be a security agreement and shall be self operative with respect to such property; however. Grantor agrees to execute and deliver on demised such separate Security Agreement, and any other documents as Beneficiary may request in order to further perfect a lien upon any such property. Grantor authorizes Beneficiary to file and record one or more financing statements without Grantor's signature in order to perfect Beneficiary's security interest upon any such property.

5.10 Restrictions on Transfer of the Property or Interest in Grantor.

(a) Except as otherwise provided herein, in the event of (i) any sale, assignment, transfer, conveyance, lease, other disposition, mortgage, pledge, encumbrance or subjection to any lien, voluntarily or involuntarily, whether by operation of law or otherwise, of the Property or any part thereof or any interest therein; (ii) any sale, assignment, transfer, conveyance, other disposition, mortgage, pledge, encumbrance or subjection to any lien of all or any part of any interest in Grantor of whatever nature whatsoever (including, without limitation, the right to distributions payable to Grantor); or (iii) Grantor's termination, liquidation or dissolution, without, in each instance, the prior written consent of Beneficiary, which consent will be exercisable at the sole discretion of Beneficiary, the entire unpaid principal balance of the indebtedness secured hereby together with accrued unpaid interest thereon and all other sums secured hereby will become immediately due and payable in full at the option of Beneficiary. Excepted from the foregoing restrictions are the following: (1) liens for taxes not yet due and payable; (2) liens being contested by Grantor in accordance with Section 1.7 hereof; and (3) the Permitted Encumbrances set forth on Exhibit B, if any; and (4) a transfer of a partnership or membership interest to another partner or member or occasioned by the death or in competency of a partner or member of Grantor provided that the transferee will be subject to the restrictions of this paragraph 5.10.

(b) Except as otherwise provided herein, any sale, assignment, transfer, conveyance, other disposition, mortgage, pledge, encumbrance, or subjection to any lien, voluntarily or involuntarily, whether by operation of law or otherwise, of any partnership interest in Grantor, without, in each instance, the prior written consent of Beneficiary, which consent will be exercisable at the sole discretion of Beneficiary, will be deemed to be an Event of Default under this Deed of Trust.

(c) The following statement is incorporated herein in order to give notice of the above:

NOTICE: The debt secured hereby is subject to acceleration or call in full in the event of a sale, conveyance or encumbrance of the Property (or part thereof) or any interest in Grantor except as otherwise provided herein.

IN WITNESS WHEREOF, the undersigned has executed this Deed of Trust effective as of the 11 day of May, 2005.

Coyote River Ranch, LLC

By: _____
Karl Berger, Managing Member

STATE OF COLORADO §

§
COUNTY OF EAGLE §

The foregoing instrument was acknowledged before me this 11th day of May, 2005, by Karl Berger, Managing Member of Coyote River Ranch, LLC, a Colorado limited liability company, for and on behalf of said limited liability company.

Witness my hand and official seal.

My Commission expires: 12/03/2008

Notary Public

T. A. MATARESE
NOTARY PUBLIC
STATE OF COLORADO

EXHIBIT A

Order Number: 05036666-C2

LEGAL DESCRIPTION

PARCEL ONE:

That Portion of Tract 49 in Section 31 and Section 32 In Township 4 South and in Section 5 in Township 5 South, Range 86 West of the 6th Principal Meridian, According to the Independent resurvey approved by the U.S. Surveyor General's Office June 20, 1922 and accepted November 20, 1923, and Originally described as Lot 10 of Section 31, Lot 2 of Section 32 and All that part of Lot 5 of Section 32, Township 4 South, Range 86 West of the 6th Principal Meridian, being more particularly described as follows:

Commencing at a found U.S.G.L.O. Brass Cap in place for the Section Corner common to Sections 31 and 32 of said Township 4 South, Range 86 West and Sections 5 and 6 of said Township 5 South, Range 86 West; thence along the South line of Section 32 N 89°57'55" E 923.01 feet to a found G.L.O. Brass Cap in place for a closing corner at the intersection of the West boundary of said Tract 49 and said South line of said Section 32; thence continuing along the South line of said Section 32 East, 2350.50 feet (the basis of bearings) to a found G.L.O. Brass Cap in place for a closing corner at the intersection of the East boundary of said Tract 49 and the South line of said Section 32, The True Point Of Beginning; thence along the Easterly boundary of said tract 49 N 27°41'52" W 663.22 feet to a found G.L.O. Brass cap in place for Corner No. 9 of said Tract 49; thence continuing along said Easterly boundary N 73°45'00" W 754.29 feet to a rebar and plastic cap LS#22580 in place for Corner No. 10 of said Tract 49; thence continuing along said Easterly boundary North, 813.20 feet to a found G.L.O. Brass Cap in place for Corner No. 1 Tract 49 and Corner No. 4 Tract 51; thence along the North boundary of said Tract 49 N 89°57'12" W 1316.93 feet to a found G.L.O. Brass Cap in place for Corner No. 6 Tract 48, Corner No. 3 Tract 51 and the North line of said Tract 49; thence continuing along said North boundary S 89°45'31" W 1243.67 feet to a found G.L.O. Brass Cap in place for a Meander Corner and Corner No. 2 of said Tract 49; thence along the North boundary of said Tract 49 S 89°45'31" W 23.42 feet to a point on the Easterly Mean High Water Line as determined December 16, 1992 by Field Survey; thence along said easterly Mean High Water Line the following 19 Courses:
1) S 04°22'54" W 164.23 feet;
2) S 28°26'13" E 163.44 feet;

Continued on next page

3) S 48°04'48" E 101.99 feet;
4) S 60°38'21" E 315.85 feet;
5) S 71°06'26" E 406.72 feet;
6) S 45°10'08" E 193.62 feet;
7) S 58°10'02" E 154.80 feet;
8) S 70°39'24" E 207.26 feet, whence a rebar and cap set for a meander corner and Corner No. 3 of said Tract 49 bears N 00°01'30" W 26.32 feet;
9) S 80°30'50" E 180.54 feet;
10) S 86°58'56" E 304.96 feet;
11) N 82°59'18" E 197.10 feet;
12) N 85°53'16" E 191.15 feet;
13) N 80°46'05" E 249.58 feet;
14) S 50°29'36" E 201.76 feet;
15) S 39°41'23" E 195.59 feet;
16) S 15°28'23" E 58.82 feet;
17) S 19°53'54" W 377.54 feet;
18) S 08°34'08" W 127.87 feet;
19) S 27°37'21" W 253.15 feet to a point at the Centerline of the Southeasterly End of an Old Abandoned Iron Bridge;
thence along a line directly towards a point 35 feet North of the Original 1/4 Corner Common, to Section 32 of said Township 4 South, Range 86 West and Section 5 of said Township 5 South, Range 86 West (said Original 1/4

PARCEL TWO:

Tract 50 situated in Section 31, Township 4 South, Range 86 West of the 6th P.M.

Tract 48 situated in Sections 31 and 32, Township 4 South, Range 86 West of the 6th P.M.

EXCEPTING the following, to-wit:

(a) A tract of land consisting of 0.47 acres as particularly described in Warranty Deed from Clarence Stephens and Alama H. Stephens to Raymond V. Boyles and Mary E. Boyles dated November 2, 1970 and recorded in the office of the Clerk and Recorder of Eagle County in Book 219 at Page 34 thereof;

(b) A tract of land containing 24.79 acres as particularly described in Warranty Deed from Clarence Stephens and Alma H. Stephens to Ronald P. Piel and Lorraine J. Piel dated May 21, 1970 and recorded in the office of the Clerk and

Continued on next page

Recorder of Eagle County in Book 217 at Page 754 thereof;

(c) A tract of land 50 feet in width as particularly described in deed from George S. Yost to The Auto Transportation and Toll Road Company dated August 4, 1913 and recorded in Book 69 at Page 544 of the Eagle County records;

(d) A tract of land 120 feet in width as particularly described in Warranty Deed from George S. Yost to The Denver and Salt Lake Western Railroad Company, dated November 1, 1932 and recorded in Book 116 at Page 148 of the Eagle County records.

AND EXCEPTING ALL LAND CONVEYED IN THE QUITCLAIM DEED RECORDED OCTOBER 27, 1995 IN BOOK 679 AT PAGE 411 AS RECEPTION NO. 575421. AND FURTHER EXCEPTING ALL LAND CONVEYED IN THE WARRANTY DEED RECORDED JUNE 30, 1997 IN BOOK 730 AT PAGE 743 AS RECEPTION NO. 628703.

COUNTY OF EAGLE
STATE OF COLORADO

Return: Sterling Bank
POB 40333
Houston, TX 77240-0333