

PROMISSORY NOTE

(Secured by Deed of Trust)

\$ 140,300.00 Denver, Colorado February 29, 19 80

FOR VALUE RECEIVED, the undersigned, and each of them, promise to pay to the order of THE EMPIRE SAVINGS, BUILDING AND LOAN ASSOCIATION, a Colorado Corporation, at its principal office in Denver, Colorado, or at a branch office or other place designated by the holder hereof, the principal sum of ONE HUNDRED FORTY THOUSAND THREE HUNDRED AND NO/100'S Dollars, and such additional sums as may be advanced by said Association at its option to the makers or their successors in title, together with expenditures authorized and additional payments provided for in this Note and the Deed of Trust set forth below, with interest thereon from date at the rate of 12.00 % per annum. Said principal and interest shall be paid in monthly installments of \$ 1,478.76 on or before the first day of each and every calendar month hereafter, beginning on the first day of May, 19 80, until this Note is paid in full. In the event of an additional advance hereon, such monthly payments shall continue in an amount and with interest to be agreed upon at the time of such advance.

Monthly payments shall be applied first to the payment of interest on the unpaid principal indebtedness and the balance to the reduction of said principal. Interest for each calendar month shall be computed as of the first day of said month on the unpaid balance due on the last day of the preceding month, and shall be collected from the payment made for said calendar month; provided, that if regular monthly payments are made in advance, the interest shall be computed and collected from such advance payments as specified herein on the first day of the calendar month to which such payments apply. The unpaid balance hereunder shall be determined by adding to the principal all advances, expenditures and additional payments made by the Association and charged to the loan, plus all interest and other charges due, and deducting from the total thereof all payments made to the Association under the terms of this Note.

This Note may be prepaid in full or in part; provided however, that a sum equal to 90 days' interest in advance on the principal amount so prepaid may be charged by the holder. Upon payment to the Association on any monthly payment date of all amounts then due and payable, the undersigned shall have the privilege of paying \$200.00 additional on account of the principal of this Note, and no advance interest shall be charged thereon. Prepayments shall not reduce or postpone regular monthly installments payable as provided herein, but shall accelerate the maturity date of the indebtedness.

It is agreed that if any payment on this Note is not made in full within ten days after the due date thereof, the Association may, at its option, assess and collect, and the undersigned shall pay, an additional interest charge not exceeding 1/10th of 1% of the unpaid balance of the indebtedness for each month for which such payment is delinquent, and if such default continues beyond the due date of the next monthly payment, or if there is any default under the Deed of Trust securing this Note, the Association may declare the entire indebtedness due and payable without notice, which indebtedness shall thereafter bear interest at the rate of 14.0% per annum.

The maker, sureties, guarantors and endorsers of this Note, jointly and severally, hereby waive notice of and consent to any and all extensions of this Note or any part thereof without notice, and each hereby waives demand, presentment for payment, notice of non-payment and protest, and any and all notice of whatever kind or nature, and the exhaustion of legal remedies herein, exemptions and homestead rights. If payments on this Note are not made when due, the undersigned agree to pay all costs of collection including reasonable attorney's fees, and if the Deed of Trust securing this Note is foreclosed, the undersigned agree to pay all costs and attorney's fees as provided therein.

This Note is secured by Deed of Trust of even date, incorporated herein and set forth below, and shall be subject to all the terms, conditions and provisions thereof and to any subsequent additional advance or modification agreements.

In this Note and in all instruments securing it, the singular shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders. This Note shall be the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them, their heirs, executors, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this Note is executed and delivered the day and year first above written.

David Daniel Kabbaz

ZAGA Victoria Zaga de Daniel

DEED OF TRUST

THIS INDENTURE, Made this 29th day of ZAGA February, A.D. 19 80, between

David Daniel Kabbaz and Victoria Zaga de Daniel

whose address is Fte del Salto del Agua 24, Mexico 10, D.F.

hereinafter collectively referred to as "First Party," which designation shall include his or their successors in interest, and THE PUBLIC TRUSTEE of the X X X County of Eagle, in the State of Colorado, hereinafter referred to as "Second Party";

WITNESSETH, THAT:

WHEREAS, First Party has executed the above Promissory Note bearing even date herewith for the sum of ONE HUNDRED FORTY THOUSAND THREE HUNDRED AND NO/100'S Dollars (\$ 140,300.00) payable to the order of THE EMPIRE SAVINGS, BUILDING AND LOAN ASSOCIATION, hereinafter referred to as "Association," whose principal office is in Denver, Colorado, in monthly installments of principal and interest as provided therein.

NOW, THEREFORE, First Party, for the purpose of securing payment of the principal and interest and all other sums due under the terms and conditions of said Note and this Deed of Trust, and in consideration of these premises, does hereby grant, bargain, sell and convey unto the said Second Party, in trust forever, the following described property situated in the X X X County of Eagle and State of Colorado, to-wit:

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V-9278

CONDOMINIUM UNIT 18, COLDS'TREAM CONDOMINIUMS,
according to the Condominium Map (the "Map") thereof,
recorded January 2, 1980 in Book 296 at Page 725
and according to the Condominium Map Phase II
(the "Map-II") recorded March 3, 1980 in Book 299
at Page 544, as either may be applicable, and as
defined in the Condominium Declaration (the "Declaration")
recorded January 2, 1980 in Book 296 at Page 724 as
supplemented by Supplemental Condominium Declaration
(the "Supplemental Declaration") recorded March 3, 1980
in Book 299 at Page 543, all in the records of Eagle County,
Colorado.

also known and numbered as

TOGETHER with all building materials and equipment now or hereafter delivered to said premises and intended to be installed therein, and all buildings, improvements, fixtures, or appurtenances now or hereafter erected thereon, including, without limiting the generality thereof, all apparatus, equipment or fixtures, whether in single units or centrally controlled, used to supply heat, gas, air conditioning, water, light, power, refrigeration, ventilation or other services, and screens, venetian blinds, window shades, storm doors and windows, wall-to-wall carpeting, attached floor coverings, cabinets, awnings, stoves and water heaters, and including all accessions, additions and replacements (all of which are declared to be a part of said real estate whether physically attached thereto or not); and also together with all the rents, issues and profits of said premises, and any easements, water rights and ditch rights used upon or in connection therewith.

TO HAVE AND TO HOLD the said described premises, improvements, fixtures, apparatus and equipment, together with all and singular the rights, privileges, hereditaments and appurtenances in anywise appertaining or belonging thereto.

IN TRUST NEVERTHELESS, That in case of any breach or default hereunder by First Party or his successors in interest, according to the tenor and effect of said Note and this Deed of Trust, the Association or the legal holder of the indebtedness secured hereby may file notice with Second Party declaring such default and its election and demand that said property be advertised for sale and sold in accordance with the statutes of the State of Colorado in such cases made and provided; and thereupon said Second Party (the Public Trustee) shall sell and dispose of said premises, and all the right, title and interest of the said First Party, his heirs, successors or assigns, therein, at Public Auction at the principal entrance of the Court House in the above designated County of Colorado wherein said property is located, or at such place authorized by law as specified in the notice of sale, for the highest and best price the same will bring in cash, four weeks' public notice by advertisement, weekly, in some newspaper of general circulation published in said County having been previously given, and copies of said notice having been mailed in accordance with the said statutes of the State of Colorado.

First Party warrants title to and possession of the encumbered premises and hereby absolutely waives and releases all rights or claims thereon as a homestead exemption and all other exemptions now vested or hereafter acquired under present or future statutes of the State of Colorado; and First Party further warrants that said premises are free and clear of all liens and encumbrances, except the lien of general taxes and Moffat Tunnel assessments, if any, for the current year, and the above bargained premises in the quiet and peaceable possession of Second Party, against all and every person lawfully claiming or to claim the whole or any part thereof, he shall and will Warrant and Forever Defend.

IN ORDER TO PROTECT MORE FULLY THE SECURITY OF THIS DEED OF TRUST, FIRST PARTY FURTHER COVENANTS AND AGREES AS FOLLOWS:

In addition to the monthly payments set forth in said Promissory Note, to pay each month to the Association, concurrently with the monthly payments on said Note, one-twelfth of the sum of the estimated annual general and special taxes to be assessed and levied on the above described property, as computed by the Association, and one-twelfth of the annual insurance premiums on improvements (including mortgage insurance or life insurance premiums if so insured), which fund shall be retained by the Association as additional security for the above loan and commingled with other such funds, or its own funds, for the payment of such items when charged or billed without further inquiry. First Party shall provide the Association with proper statement of taxes and insurance premiums before the due date thereof. If there is any delinquency in the payments due under said Note, the said fund may first be applied by the Association to pay such delinquency, and the Association shall have a first and prior lien thereon for such purpose. Any overage in said fund so paid in may be applied to reduce the principal indebtedness secured hereby, and in case said fund is not sufficient to pay said taxes and insurance premiums each year as they become due, First Party shall promptly pay the deficiency to the Association, and if not so paid upon demand the Association may at its option declare the entire indebtedness due and payable or may charge the deficiency to the loan, which shall be subject to the same interest and penalties as principal indebtedness; and provided further, that if said estimated monthly payments are insufficient to pay said taxes and insurance premiums for each current year, the Association upon notice may increase said monthly payments sufficiently to meet the same, and First Party agrees to pay said increased monthly payments. Said monthly estimates shall be computed from March 1 to February 28 of each year and monthly payments thereof shall not receive interest credits.

Said Note provides for additional advances at the option of the Association. It is specifically agreed that all of the covenants and agreements of said Note shall be a part hereof and that the covenants and agreements of any additional advances made by said Association to the makers of the Note, or their successors in title, shall be a part of the indebtedness secured hereby; provided that the aggregate principal amount so advanced, together with the indebtedness evidenced by said Note, shall not at any time exceed the original principal amount of said Note. Nothing herein contained shall be considered as limiting the amounts that shall be secured hereby when advanced to protect the security or in accordance with the terms of this Note and Deed of Trust.

To pay promptly all and singular the principal and interest and all other sums of money payable by virtue of said Note and this Deed of Trust on the days respectively that the same severally become due and to perform each and every stipulation, agreement and condition in said Note and this Deed of Trust.

To keep the improvements on said premises insured against loss by fire, windstorm and such other hazards as the Association may require, in such companies as designated by the Association and for its benefit, in an amount not less than the amount due the Association hereunder; and if the insurer elects to pay a loss or damage in cash rather than to repair, rebuild or replace the property lost or damaged, the Association shall have the option to apply the proceeds of such cash settlement upon the sum hereby secured up to the full amount of the indebtedness; all insurance policies on improvements, whether procured by the Association or the owner of the real estate, shall be retained by the Association with this Note and Deed of Trust, and every such insurance policy must have attached thereto a mortgagee's clause satisfactory to and in favor of the Association.

To use the proceeds of the loan secured hereby solely for the purpose set forth in the application for loan.

To pay promptly all taxes, assessments, levies, water rents, insurance premiums and all other liabilities, obligations and encumbrances, including water and water company stock assessments, as they become due; that in the event the Association shall be or become liable for or obligated to pay any tax or assessment whatever under any present or future governmental law or levy for and on account of the said Note or this Deed of Trust securing the same, or the indebtedness represented thereby, to pay the Association at least ten days prior to the due date of said tax or assessments, the full amount thereof, to pay all monthly and/or special assessments as charged by the Homeowners Association.

Not to sell or transfer the property herein described without the written consent of the Association or holder first having been obtained thereto. In the event of any sale or transfer without such written consent, the Association may at any time thereafter declare all of the remainder of the indebtedness immediately due and collectible. If the Association or holder, after appropriate credit investigation, agrees in writing that the loan may be transferred and assumed by the purchaser, a reasonable fee for such assumption may be assessed. In the event of any sale or transfer of the title to the property herein described, the purchaser or new owners shall, at the option of the Association, be deemed to have assumed and agreed to pay the indebtedness owing the Association hereunder, whether or not the instrument evidencing such sale or transfer expressly so provides; and the Association may, without notice to First Party, deal with such new owner or owners with reference to the indebtedness secured by this Deed of Trust, including the payment or credit to such owners of undisbursed trust funds on repayment in full of said indebtedness, in the same manner as with the First Party, without in any way altering or discharging First Party's liability hereunder. For the purposes of this Deed of Trust, the phrase "sell or transfer" shall include, but not be limited to, transactions pursuant to installment land contract, contract for deed or other executory contract of sale.

Not to alienate or encumber said real property to the prejudice of the Association, or commit, permit, or suffer any waste, impairment or depreciation of said property, or any of its appurtenances, and regardless of natural depreciation, to keep said property and the improvements thereon at all times in good repair. The Association shall have the right, at any and all reasonable times, to inspect the premises.

To use said premises for residence purposes only (unless application for membership and loan specifies otherwise) and not in violation of any covenant as to uses or reservation to which title to the property herein conveyed is subject, or in violation of any municipal ordinance or of a state or federal statute. In the event improvements are made on the premises, all plans, specifications and construction shall comply with all municipal ordinances and regulations or orders promulgated by lawful authority and upon completion conform to rules of fire underwriters.

That if any improvements, repairs or alterations have been commenced and have not been fully completed more than three months prior to the date hereof, any proceeds of this loan due to First Party may be held at the Association's option as a trust fund to be applied first to the payment of the costs of the improvements, and the same may be so applied before using any part of the total for any other purpose; that if, in the opinion of the Association, work on any proposed improvements, repairs or alterations is not progressing with reasonable diligence, or if materials or workmanship are not in accordance with plans and specifications or applicable building regulations, said Association may at its option without notice declare said indebtedness due and payable or said Association may take possession of said premises and let contracts for or proceed with the completion of said improvements, repairs, or alterations and pay the costs thereof out of the proceeds of money due First Party upon said loan. Should the cost of completing said improvements, repairs, or alterations exceed the balance due said First Party by said Association, then such additional cost may be advanced by the Association at its option and shall bear interest at the rate provided in said Note and be secured by this Deed of Trust; provided, however, such additional cost shall be repaid by First Party to the Association within ten days after completion of said improvements, repairs or alterations.

That in case of failure of First Party to perform any of the covenants herein, the Association may at its option and without waiving its other rights hereunder, do or procure to be done on First Party's behalf everything so covenanted, and First Party will repay, upon demand, any monies paid for any of said purposes, and such monies, together with interest thereon at the rate provided in said Note, shall become so much additional indebtedness secured by this Deed of Trust.

That if any part of said property shall be condemned or taken for public use under eminent domain, or in case the property shall be damaged either by public works or private acts, all damages and compensation paid therefor, after deduction by the Association of all its fees, costs and expenses incurred in connection therewith, shall be paid to the Association and applied upon the principal indebtedness due under said Note and this Deed of Trust, or to the Public Trustee, if foreclosure has occurred, for the benefit of the holder of the Certificate of Purchase. Such application shall not reduce or postpone regular monthly payments due hereunder, but shall accelerate the maturity date of the indebtedness.

That the Association shall have the right to file and defend suits at the expense of the First Party and in its name, for the recovery of damages or to uphold the lien of this Deed of Trust and preserve the Association's rights and priority hereunder, and all sums expended as costs of such litigation or advanced by the Association, including reasonable attorney's fees, shall be repaid by First Party upon demand or as may be expressly arranged with the Association, and such sums with interest thereon at the rate provided in said Note, if not paid by First Party, shall become so much additional indebtedness secured by this Deed of Trust.

That if this Deed of Trust is foreclosed through the Public Trustee, an additional sum of five per cent of the balance of the indebtedness with a minimum of Two Hundred Fifty Dollars shall be allowed as attorney's fees, and if foreclosed through the Courts, ten per cent of the unpaid balance of the indebtedness with a minimum of Five Hundred Dollars shall be taxed as a part of the costs of foreclosure for attorney's fees. In case of the commencement of collection effort or of a foreclosure by the placement of this Note and Deed of Trust into the possession of an attorney for such purpose, First Party will pay upon demand a reasonable attorney's fee even though a foreclosure proceeding does not follow, and such fee shall become so much additional indebtedness secured by this Deed of Trust.

In the event of foreclosure of this Deed of Trust, all right, title and interest of First Party in and to any insurance policies then in force shall pass to the purchaser or grantee.

Not to remove or permit to be removed from the premises any of the said buildings, improvements, fixtures, apparatus or equipment, or make any major alterations to existing improvements without the written consent of the Association first having been obtained.

That time is of the essence hereof, and if default be made in making any payment or reimbursement according to the tenor and effect of said Promissory Note and this Deed of Trust, or any part thereof, or if there is a breach in any of the covenants and agreements therein or herein, or if proceedings be instituted to enforce any other lien upon said property, or upon the filing of a proceeding in bankruptcy by or against the First Party, or if First Party shall abandon any of said property, then in any of such events and regardless of any other remedy available, the whole of the indebtedness hereby secured and the interest thereon may at once, at the option of the legal holder thereof, become due and payable and this Deed of Trust be foreclosed in the manner and with the same effect as if said indebtedness had matured.

That in case of default, whereby the right of foreclosure occurs hereunder, the Association or the holder of the indebtedness or certificate of purchase shall at once become entitled to the possession, use and enjoyment of the property aforesaid, and to the rents, issues and profits thereof, from the accruing of such right and during the pendency of foreclosure proceedings and the period of redemption, if any there be; and as additional security and in confirmation thereof, First Party hereby assigns and sets over to the Association all such rents, issues and profits due or to become due, together with the right of possession and the right to rent the premises as the Association may deem proper, without Court proceedings or having a receiver appointed therefor, and together with the right to apply net rentals after expenses to the indebtedness due. Upon receipt of written request from the Association, all tenants of said premises are hereby directed to pay promptly all rent as it falls due

directly to the Association or manager designated by the Association. Such possession, use, enjoyment, rents, issues and profits shall at once be delivered to the Association or the holder of the indebtedness or certificate of purchase on request, and on refusal, the delivery of such possession may be enforced by any appropriate civil suit or proceeding, and the Association or the holder of the indebtedness or certificate of purchase shall be entitled to a Receiver for said property, and of the rents, issues and profits thereof, including the time covered by foreclosure proceedings and the period of redemption, if any there be, and shall be entitled thereto as a matter of right without regard to the solvency or insolvency of First Party or of the then owner of said property and without regard to the value of the property. Such Receiver may be appointed by any Court of competent jurisdiction upon ex parte application and without notice, notice and any such application and appointment without notice being hereby expressly waived and consented to by First Party for and on his own behalf and on behalf of his heirs, assigns and legal representatives, and all persons claiming by, through or under him, and all rents, issues and profits, income and revenue of said property shall be applied by such Receiver according to law and the orders and directions of the Court.

That each right, power and remedy herein conferred is cumulative of every other right, power and remedy of the Association whether herein or by law conferred and may be enforced concurrently therewith; that no sale of the premises and no waiver or extension of time for the payment of the debt hereby secured shall operate to release or affect the original liability of First Party either in whole or in part. That no waiver, express or implied, of the performance of any obligation, agreement or covenant hereof, shall be deemed or taken to be a waiver of any other or succeeding obligation, agreement or covenant of said Note or of this Deed of Trust; that no payment or advancement by the Association hereunder on behalf of the First Party shall be deemed a waiver of the breach occurring, or of the right to elect to foreclose this Deed of Trust; and, the indulgence of the Association to First Party in not exercising its option to declare the entire indebtedness to be due and payable upon the happening of any of the events or conditions herein described, shall not, even though such indulgence be repeated and extended, be construed as a waiver of the right of the Association to exercise such option at any time thereafter and without notice to First Party.

That notice of the exercise by the Association of any option granted herein, or in the Note secured hereby, is not required to be given, First Party hereby waiving any such notice.

That all of the covenants and agreements herein contained shall run with the property and shall extend to and be binding upon the heirs, executors, legal representatives, successors and assigns (whether voluntary or involuntary by operation of law) of the Association and the respective parties hereto. Whenever used, the singular shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

A release of this Deed of Trust shall release any assignment of rents given as additional security. The Public Trustee may, upon production of the Note secured hereby duly cancelled, release this Deed of Trust without further showing as to additional advances and without liability for so doing, and such release shall constitute a release of the lien of any such advances. When and if any release is required, First Party shall pay the expense thereof.

IN WITNESS WHEREOF, First Party has hereunto set his hand and seal the day and year first above written.

David Daniel Kabbaz

Victoria Zagu de Daniel

STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

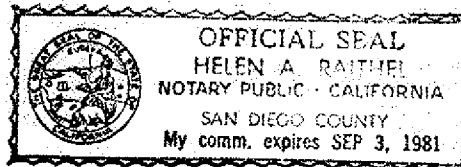
ss.

The foregoing instrument was acknowledged before me this 10th day of April, 1980, by David Daniel Kabbaz and Victoria Zagu de Daniel.

My Commission Expires:

WITNESS my hand and official seal.

(SEAL)



Helen A. Raitzel

Notary Public

STATE OF COLORADO

Loan No. 19305-1

Deed of Trust

FROM

KABBAZ, David Daniel & DANIEL, Victoria Zagu de

TO

The Public Trustee

For the use of

THE EMPIRE SAVINGS, BUILDING & LOAN ASSOCIATION

STATE OF COLORADO

County of

I hereby certify that this instrument was filed for record in my office at

o'clock M.,

19 , and is duly recorded in book

page No.

Clerk and Recorder

By

Deputy

Fees, \$

Return to

The Empire Savings, Building & Loan Association 1654 California Street Denver, CO 80202

IP