



RCPTN # 96027962 04/22/96 16:30:00 # PAGES - 2 FEE - \$11.00
M RODENBERGER RECORDER, LARIMER COUNTY CO STATE DOC FEE - \$.00

DEED OF TRUST

THIS INDENTURE, Made this 28 day of March, 1996, between INDUSTRIAL GAS SERVICES, INC., whose address is 4501 Wadsworth Boulevard, Wheat Ridge, Colorado 80033, hereinafter referred to as Grantor, and the Public Trustee of the County of Larimer, State of Colorado, hereinafter referred to as Public Trustee.

WITNESSETH, THAT, WHEREAS, INDUSTRIAL GAS SERVICES, INC. has executed a promissory note or notes, hereinafter referred to in the singular, dated March 28, 1996, for the principal sum of SEVENTEEN THOUSAND FOURTEEN AND 05/100 (\$17,014.05), payable to the order of PEASE OIL & GAS COMPANY, whose address is P.O. Box 60219, Grand Junction, Colorado 81506-8758, after the date hereof, with interest thereon from the date thereof at the rate of Twelve and One-Half Percent (12.5%) per annum, payable in full on or before March 28, 1997.

AND WHEREAS, the Grantor is desirous of securing payment of the principal and interest of said promissory note in whose hands soever the said note may be.

NOW, THEREFORE, the Grantor, in consideration of the premises and for the purpose aforesaid, does hereby grant, bargain, sell and convey unto the said Public Trustee in trust forever, the following described property, situate in the County of Larimer, State of Colorado, to wit:

Gas processing plant located on Section 6, Township 9 North, Range 88 West of the 8th P.M., Larimer County, Colorado.

also known by street and number as

TO HAVE AND TO HOLD the same, together with all and singular the privileges and appurtenances thereunto belonging; in trust nevertheless, that in case of default in the payment of said note or any part thereof, or in the payment of the interest thereon according to the tenor and effect of said note, or in the payment of any prior encumbrances, principal or interest, if any, or in case default shall be made in or in case of violation or breach of any of the terms, conditions, covenants or agreements herein contained, the beneficiary hereunder or the legal holder of the indebtedness secured hereby may declare a violation of any of the covenants herein contained and may elect to advertise said property for sale, and demand such sale by filing a notice of election and demand for sale with the Public Trustee. Upon receipt of such notice of election and demand for sale, the Public Trustee shall cause a copy of the same to be recorded in the recorder's office of the county in which said property is situated. The Public Trustee shall then give public notice of the time and place of sale by advertisement to be published for four weeks (once each week for five successive weeks) in some newspaper of general circulation at that time published in the county or counties in which said property is located. A copy of such notice shall be mailed within ten days after the date of the first publication thereof to the Grantor at the address given herein, to such persons appearing to have acquired a subsequent record interest in said property at the address given in the recorded instrument, and to any other persons as may be provided by law. It shall and may then be lawful for the Public Trustee to sell said property for the highest and best price the same will bring in cash and to dispose of the same (en masse or in separate parcels, as the said Public Trustee may think best), together with all the right, title and interest of the Grantor therein, at public auction at any place as may be specified by statute and designated in the notice of sale. The Public Trustee shall make and give to the purchaser of such property at such sale, a certificate in writing containing; a description of such property purchased; the sum paid therefor; a statement that said purchaser shall be entitled to a deed therefor, unless the same shall be redeemed as is provided by law; and in the event of a continuance of the sale, a recital that the sale was duly continued. The Public Trustee shall upon demand by the person holding the said certificate of purchase, when said demand is made or upon demand by the person entitled to a deed to and for the property purchased at the time such demand is made, the time for redemption having expired, make and execute to such person a deed to the said property purchased. Said deed shall be in the ordinary form of a conveyance, and shall be signed, acknowledged and delivered by the said Public Trustee and shall confirm the foreclosure sale and sell and convey to such person entitled to such deed, the property purchased as aforesaid and all the right, title, interest, benefit and equity of redemption of the Grantor therein. The Public Trustee shall, out of the proceeds or avails of such sale, after first paying and retaining all fees, charges and costs of making said sale, pay to the beneficiary hereunder or the legal holder of said note, the principal and interest due on said note according to the tenor and effect, thereof, and all moneys advanced by such beneficiary or legal holder of said note for insurance, taxes and assessments, with interest thereon at FIFTEEN PERCENT (15%) per annum, rendering the overplus, if any, unto those persons entitled thereto as a matter of law. Said sale and said deed so made shall be a perpetual bar, both in law and equity, against the Grantor and all other persons claiming the said property, or any part thereof, by, from, through or under the Grantor. The holder of said note may purchase said property or any part thereof; and it shall not be obligatory upon the purchaser at any such sale to see the application of the purchase money.

And the Grantor covenants and agrees to and with the Public Trustee, that at the time of the sealing of and delivery of these presents he is well seized of the said land and tenements in fee simple, and has good right, full power and lawful authority to grant, bargain, sell and convey the same in the manner and form as aforesaid; hereby fully and absolutely waiving and releasing all rights and claims he may have in or to said lands, tenements, and property as a Homestead Exemption, or other exemption, under and by virtue of any act of the General Assembly of the State of Colorado, or as any exemption under and by virtue of any act of the United States Congress, now existing or which may hereafter be passed in relation thereto and that the same are free and clear of all liens and encumbrances whatever, except

NONE

and the above bargained property in the quiet and peaceable possession of the Public Trustee, against all and every person or persons lawfully claiming or to claim the whole or any part thereof, the Grantor shall and will Warrant and Forever Defend.

Until payment in full of the indebtedness, the Grantor shall timely pay all taxes and assessments levied on the property; any and all amounts due on account of principal and interest or other sums on any senior encumbrances, if any; and will keep all improvements that may be on said lands insured against any casualty loss, including extended coverage, in a company or companies meeting the net worth requirements of the beneficiary hereof in an amount which will yield to the holder of the indebtedness, after reduction by co-insurance provisions of the policy, if any, not less than the then total indebtedness. Each policy shall contain a loss payable clause naming the beneficiary as a mortgagee and shall further provide that the insurance may not be canceled upon less than ten days written notice to the beneficiary. At the option of the beneficiary, the original policy or policies of insurance shall be delivered to the beneficiary as further security for the indebtedness. Should the Grantor fail to insure and deliver the policies or to pay taxes or assessments as the same fall due, or to pay any amounts payable upon senior encumbrances, if any, the beneficiary may make any such payments or procure any such insurance, and all monies so paid with interest thereon at the rate of FIFTEEN PERCENT (15%) per annum shall be added to and become a part of the indebtedness secured by this Deed of Trust and may be paid out of the proceeds of the sale of the property if not paid by the Grantor. In addition, and at its option, the beneficiary may declare the indebtedness secured hereby and this Deed of Trust

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