

This Mortgage was prepared by and
when recorded should be mailed to:



2016-725529 3/14/2016 4:09 PM PAGE: **1** OF **30**
BOOK: 924 PAGE: 571 FEES: \$138.00 MFP MORTGAGE
EDA SCHUNK THOMPSON, SHERIDAN COUNTY CLERK

JEFFREY D. HARRISON, ESQ.
BUCHANAN INGERSOLL & ROONEY PC
1600 BROADWAY
SUITE 1600
DENVER, CO 80202

Space above this line for recorder's use

MORTGAGE, ASSIGNMENT OF RENTS, SECURITY
AGREEMENT AND FIXTURE FILING

KNOW ALL PERSONS BY THESE PRESENTS:

THIS MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT
AND FIXTURE FILING (this "Mortgage") is made as of the 9th day of March, 2016, to be
effective March 11, 2016, by Caza Ranches, LLC, a Texas limited liability company whose
principal office is located at 11344 Lovington Highway, Artesia, New Mexico 88210, (the
"Mortgagor"), in favor of Farm Credit of New Mexico, FLCA, a wholly-owned subsidiary of
Farm Credit of New Mexico, ACA, a federally chartered instrumentality of the United States,
whose address is 5651 Balloon Fiesta Pkwy NE, Albuquerque, NM 87113 (the "Mortgagee").

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WITNESSETH:

WHEREAS, the Mortgagor and the Mortgagee are parties to a Credit Agreement dated as of March 11, 2016 (said Credit Agreement, as amended, modified and supplemented and in effect from time to time, being herein called the "Credit Agreement"; except as otherwise herein expressly provided, all terms defined in the Credit Agreement being used herein as defined therein), which Credit Agreement provides for a revolving loan to be made by the Mortgagee to the Mortgagor in a principal amount not to exceed \$50,000,000, with interest thereon as evidenced by Mortgagor's Revolving Note dated the date hereof, and all extensions, renewals and modifications thereof (the "Note"), providing for payment of principal and interest; and

WHEREAS, it is a condition to the obligation of the Mortgagee to extend credit to the Mortgagor pursuant to the Credit Agreement that the Mortgagor execute and deliver this Mortgage;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and FOR THE PURPOSE OF SECURING the following (collectively, the "Obligations"):

(a) the payment of all indebtedness under the Credit Agreement (including without limitation the "Obligations" thereunder) and the Note, including the initial loan and any and all reborrowings, future advances and readvances thereunder and modifications, extensions, substitutions, exchanges and renewals of the Note (each of which reborrowings, future advances, readvances, modifications, extensions, substitutions, exchanges and renewals shall enjoy the same priority as the initial loan under the Credit Agreement),

(b) the performance and payment of the covenants, agreements and obligations hereinafter contained and all other monies secured hereby, including, without limitation, any and all sums expended by the Mortgagee pursuant to Section 2.10, together with interest thereon, and

(c) the payment of all other obligations of the Mortgagor to the Mortgagee under the Credit Agreement, the Note and the other Loan Documents,

the Mortgagor hereby irrevocably grants, bargains, sells, releases, conveys, warrants, assigns, transfers, mortgages, pledges, sets over and confirms unto the Mortgagee, with POWER OF SALE, under and subject to the terms and conditions hereinafter set forth, the following described property:

(a) all of the Mortgagor's right title and interest in and to the land and premises (collectively, the "Property") more particularly described in Schedule I attached hereto and incorporated herein by reference; and

(b) all of the Mortgagor's right, title and interest in and to all existing and future leases (the "Leases"), including without limitation the right to receive rental payments or

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income thereunder, covering or affecting the Property, including but not limited to the leases described in Schedule II hereto (provided that any Lease which by its terms or by operation of law cannot be mortgaged, pledged or assigned hereunder without the consent of the lessee thereunder is expressly excepted and excluded from the lien and terms of this Mortgage until such time as the Mortgagor shall have obtained from such lessee such a consent;

TOGETHER WITH all interests, estates or other claims, both in law and in equity, that the Mortgagor now has or may hereafter acquire in (a) the Property, (b) all easements, rights-of-way and rights used in connection therewith or as a means of access thereto and (c) all tenements, hereditaments and appurtenances in any manner belonging, relating or appertaining thereto (all of the foregoing interests, estates and other claims being hereinafter collectively called "Easements and Rights of Way"); and

TOGETHER WITH all estate, right, title and interest of the Mortgagor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any streets, open or proposed, adjoining the Property, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection therewith (all of the foregoing estate, right, title and interest being hereinafter called "Adjacent Rights"); and

TOGETHER WITH all estate, right, title and interest of the Mortgagor, now owned or hereafter acquired, in and to any and all buildings and other improvements now or hereafter located on the Property and all building materials, building equipment and fixtures of every kind and nature located on the Property or, attached to, contained in or used in any such buildings and other improvements, and all appurtenances and additions thereto and betterments, substitutions and replacements thereof (all of the foregoing estate, right, title and interest being hereinafter collectively called, "Improvements"); and

TOGETHER WITH all estate, right, title and interest of the Mortgagor in and to all such tangible property now owned or hereafter acquired by the Mortgagor (including, without limitation, all machinery, apparatus, equipment, fittings and articles of personal property) and now or hereafter located on or at or attached to the Property that an interest in such tangible property arises under applicable real estate law, and any and all products and accessions to any such property that may exist at any time (all of the foregoing estate, right, title and interest, and products and accessions, being hereinafter called "Fixtures"); and

TOGETHER WITH all estate, right, title and interest of the Mortgagor in and to all rights, royalties and profits in connection with all minerals, oil and gas and other hydrocarbon substances on or in the Property, development rights or credits, air rights, water, water rights (whether riparian, appropriative, or otherwise and whether or not appurtenant) and water stock (all of the foregoing estate, right, title and interest being hereinafter collectively called "Mineral and Related Rights"); and

TOGETHER WITH all reversion or reversions and remainder or remainders of the Property and Improvements and all estate, right, title and interest of the Mortgagor in and to any and all present and future leases of space in the Property and Improvements, and all rents, revenues, proceeds, issues, profits, royalties, income and other benefits now or hereafter derived

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from the Property, the Improvements and the Fixtures, subject to the right, power and authority hereinafter given to the Mortgagor to collect and apply the same (all of the foregoing reversions, remainders, leases of space, rents, revenues, proceeds, issues, profits, royalties, income and other benefits being hereinafter collectively called "Rents"); and

TOGETHER WITH all estate, right, title and interest and other claim or demand that the Mortgagor now has or may hereafter acquire with respect to any damage to the Property, the Improvements or the Fixtures and any and all proceeds of insurance in effect with respect to the Improvements or the Fixtures, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the Property, the Improvements or the Fixtures, including, without limitation, any awards resulting from a change of grade of streets or as the result of any other damage to the Property, the Improvements or the Fixtures for which compensation shall be given by any governmental authority (all of the foregoing estate, right, title and interest and other claims or demand, and any such proceeds or awards, being hereinafter collectively, called "Damage Rights"); and

TOGETHER WITH all the estate, right, title, interest and other claim of the Mortgagor with respect to any parking facilities located other than on the Property and used or intended to be used in connection with the operation, ownership or use of the Property, any and all replacements and substitutions for the same, and any other parking rights, easements, covenants and other interests in parking facilities acquired by the Mortgagor for the use of tenants or occupants of the Improvements (all of the foregoing estate, right, title, interest and other claim being hereinafter collectively called "Parking Rights"); and

TOGETHER WITH all estate, right, title and interest of the Mortgagor in respect of any and all air rights, development rights, or credits, zoning rights or other similar rights or interests that benefit or are appurtenant to the Property or the Improvements (all of the foregoing estate, right, title and interest being hereinafter collectively called "Air and Development Rights").

All of the foregoing Easements and Rights of Way, Adjacent Rights, Improvements, Fixtures, Minerals and Related Rights, Rents, Damage Rights, Parking Rights and Air and Development Rights being sometimes hereinafter referred to collectively as the "Ancillary Rights and Properties" and the Leases, Property and Ancillary Rights and Properties being sometimes hereinafter referred to collectively as the "Mortgage Estate".

TO HAVE AND TO HOLD the Mortgage Estate with all privileges and appurtenances thereunto belonging, to the Mortgagee and its successors and assigns, forever, upon the terms and conditions and for the uses hereinafter set forth;

PROVIDED ALWAYS, that upon Payment in Full, this Mortgage and the estate hereby granted shall cease, terminate and become void.

This Mortgage, the Credit Agreement, the Note and any other instrument given to evidence or further secure the payment and performance of any Obligations are sometimes hereinafter collectively referred to as the "Loan Instruments".

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TO PROTECT THE SECURITY OF THIS MORTGAGE, THE MORTGAGOR
HEREBY COVENANTS AND AGREES AS FOLLOWS:

ARTICLE 1

Definitions

Section 1.01. Certain Defined Terms. Unless otherwise defined herein, capitalized terms used herein shall have the meanings assigned to them in the Credit Agreement. As used herein, the following terms shall have the following meanings (all terms defined in this Section 1.01 or in other provisions of this Mortgage in the singular to have the same meanings when used in the plural and vice versa):

“Default” shall have the meaning set forth in Section 5.01 hereof.

“Environmental Laws” means any and all present and future Federal, state, local and foreign laws, rules or regulations, and any orders or decrees, in each case as now or hereafter in effect, relating to the regulation or protection of human health, safety or the environment or to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals or toxic or hazardous substances or wastes into the indoor or outdoor environment, including, without limitation, ambient air, soil surface water, ground water, wetlands, land or subsurface strata, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals or toxic or hazardous substances or wastes.

“Good Faith Dispute” shall mean, with respect to the payment of taxes or any other claims or liabilities by any Person, the satisfaction of each of the following conditions: (i) the validity or amount thereof is being diligently contested in good faith by such Person by appropriate proceedings timely instituted, (ii) if the amount in dispute is greater than \$50,000, such Person has posted a bond or other security acceptable to Mortgagee, or established adequate cash reserves with respect to the contested items in accordance with GAAP, (iii) during the period of such contest, the enforcement of any contested item is effectively stayed and (iv) such contest and any resultant failure to pay or discharge the claimed or assessed amount could not reasonably be expected to have a Material Adverse Change.

“Governmental Authority” shall mean any national, state, county, city, town, village, municipal or other local governmental department, commission, board, bureau, agency, authority or instrumentality of the United States of America or any political subdivision thereof, and any Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any of the foregoing entities, including, without limitation, all commissions, boards, bureaus, arbitrators and arbitration panels, and any authority or other Person controlled by any of the foregoing.

“Hazardous Material” means, collectively (a) any petroleum or petroleum products, flammable materials, explosives, radioactive materials, asbestos, urea formaldehyde foam insulation, and transformers or other equipment that contain polychlorinated biphenyls

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("PCB's"), (b) any chemicals or other materials or substances that are now or hereafter become defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "extremely hazardous wastes", "restricted hazardous wastes", "toxic substances", "toxic pollutants", "contaminants", "pollutants" or words of similar import under any Environmental Law and (c) any other chemical or other material or substance, exposure to which is now or hereafter prohibited, limited or regulated under any Environmental Law.

"Lien" means, with respect to the Property, any mortgage, deed of trust, pledge, lien, security interest (including a purchase money security interest), charge or other encumbrance or security arrangement of any nature whatsoever, whether voluntarily or involuntarily given, including any conditional sale or title retention arrangement, and any assignment, deposit arrangement or lease intended as, or having the effect of, security and any filed financing statement or other notice of any of the foregoing (whether or not a lien or other encumbrance is created or exists at the time of the filing).

"Loan" means the loan described in the Credit Agreement and the Note.

"Material Adverse Change" means any set of circumstances or events which (i) has or could reasonably be expected to have any material adverse change whatsoever upon the validity or enforceability of this Mortgage, the Credit Agreement, the Note or any other Loan Document, (ii) is or could reasonably be expected to be material and adverse to the business, properties, assets, financial condition, results of operations, or prospects of the Loan Parties taken as a whole, (iii) impairs materially or could reasonably be expected to impair materially the ability of the Loan Parties taken as a whole to duly and punctually pay or perform any of the Obligations, or (iv) impairs materially or could reasonably be expected to impair materially the ability of the Lender, to the extent permitted, to enforce its legal remedies pursuant to this Mortgage, the Credit Agreement, the Note or any other Loan Document.

"Person" means any individual, corporation, company, voluntary association, partnership, limited liability company, joint venture, trust, unincorporated organization or government (or any agency, instrumentality or political subdivision thereof).

"Post-Default Rate" means the interest rate after Default as set forth in the Note and in Section 2.9 of the Credit Agreement.

"Release" means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment, including, without limitation, the movement of Hazardous Materials through ambient air, soil, surface water, ground water, wetlands, land or subsurface strata.

ARTICLE 2

Particular Covenants and Agreements of the Mortgagor

Section 2.01. Title, Etc. The Mortgagor represents and warrants that it has good and marketable fee simple title in and to the Property, and good and marketable title to the

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related Ancillary Rights and Properties, in each case subject to no mortgage, deed of trust, lien, pledge, charge, security interest or other encumbrance or adverse claim of any nature, except those listed as exceptions to title in the title policy insuring the lien or estate created by this Mortgage.

The Mortgagor represents and warrants that each Lease is in full force and effect and there are no defaults thereunder and no event has occurred and is continuing that with notice or lapse of time or both will result in such a default.

The Mortgagor represents and warrants that it has the full power and lawful authority to grant, bargain, sell, release, convey, warrant, assign, transfer, mortgage, pledge, set over and confirm unto the Mortgagee the Mortgage Estate as hereinabove provided and warrants that it will forever defend the title to the Mortgage Estate and the validity and priority of the lien or estate hereof against the claims and demands of all persons whomsoever.

Section 2.02. Further Assurances; Filing; Re-Filing; Etc.

(a) The Mortgagor shall execute, acknowledge and deliver, from time to time, such further instruments as the Mortgagee may reasonably require to accomplish the purposes of this Mortgage.

(b) The Mortgagor, immediately upon the execution and delivery of this Mortgage, and thereafter from time to time, shall cause this Mortgage, any security agreement or mortgage supplemental hereto and each instrument of further assurance to be filed, registered or recorded and refiled, re-registered or re-recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and perfect the lien or estate of this Mortgage upon the Mortgage Estate.

(c) The Mortgagor shall pay all filing, registration and recording fees, all refiling, re-registration and re-recording fees, and all reasonable expenses incident to the execution, filing, recording and acknowledgment of this Mortgage, any security agreement or mortgage supplemental hereto and any instrument of further assurance, and all Federal, state, county and municipal stamp taxes and other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution, delivery, filing and recording of this Mortgage or any of the other Loan Instruments, any security agreement or mortgage supplemental hereto or any instruments of further assurance.

Section 2.03. Liens. Except as approved by Mortgagee in writing, but without limiting the obligations of the Mortgagor under Section 2.05 of this Mortgage, the Mortgagor shall not create or suffer to be created any lien upon the Mortgage Estate prior to, on a parity with, or subordinate to the Lien of this Mortgage. The Mortgagor shall pay and promptly discharge at the Mortgagor's cost and expense, any such Lien upon the Mortgage Estate or any portion thereof or interest therein.

Section 2.04. Insurance.

(a) The Mortgagor will procure and maintain (or cause to be procured and be maintained) in full force and effect policies of insurance in such form and amounts, covering

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such risks, and issued by such companies, in each case in the manner and to the extent required pursuant to Section 6.6 of the Credit Agreement and in accordance with Section 6.6 of the Credit Agreement shall cause each of such policies to name the Mortgagee as an additional insured. The Mortgagor expressly assumes all risk of loss, including a decrease in the use, enjoyment or value of the Mortgage Estate from any fire or other casualty whatsoever, whether or not insurable or insured against.

(b) In the event of a loss, Mortgagor shall give immediate notice by mail to the Mortgagee, who may make proof of loss if not made promptly by the Mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to the Mortgagee instead of to the Mortgagor and the Mortgagee, jointly, and the insurance proceeds, or any part thereof, may be applied by the Mortgagee at its option either to the reduction of the indebtedness under the Loan Instruments or to the restoration or repair of the Property damaged.

(c) In the event of foreclosure of the lien of this Mortgage or other transfer of title or assignment of the Mortgage Estate in extinguishment, in whole or in part, of the Obligations, all right, title and interest of the Mortgagor in and to all policies of casualty insurance covering all or any part of the Mortgage Estate shall, subject to the rights of the lessee under the Leases, inure to the benefit of and pass to the successors in interest to the Mortgagor or the purchaser or grantee of the Mortgage Estate or any part thereof.

Section 2.05. Impositions.

(a) The Mortgagor shall pay or cause to be paid, before any fine, penalty, interest or cost attaches thereto, all taxes, assessments, water and sewer rates, utility charges and all other governmental or nongovernmental charges or levies now or hereafter assessed or levied against any part of the Mortgage Estate (including, without limitation, nongovernmental levies or assessments such as maintenance charges, owner association dues or charges or fees, levies or charges resulting from covenants, conditions and restrictions affecting the Mortgage Estate) or upon the lien or estate of the Mortgagee therein (collectively, "Impositions"), as well as all claims for labor, materials or supplies that, if unpaid, might by law become a prior lien thereon, and within 10 days after request by the Mortgagee will exhibit receipts showing payment of any of the foregoing; provided, however, that if by law any such Imposition may be paid in installments (whether or not interest shall accrue on the unpaid balance thereof), the Mortgagor may pay the same in installments (together with accrued interest on the unpaid balance thereof) as the same respectively become due, before any fine, penalty or cost attaches thereto.

(b) To the extent not inconsistent with the provisions of the Credit Agreement, the Mortgagor at its expense may, after prior notice to the Mortgagee, contest by appropriate legal, administrative or other proceedings conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any Imposition or lien therefor or any claims of mechanics, materialmen, suppliers or vendors or lien thereof, and may withhold payment of the same pending such proceedings if permitted by law, so long as (i) in the case of any Impositions or lien therefor or any claims of mechanics, materialmen, suppliers or vendors or lien thereof, such proceedings shall suspend the collection thereof from the Mortgage Estate, (ii) neither the Mortgage Estate nor any part thereof or interest therein will be sold, forfeited or



lost if the Mortgagor pays the amount or satisfies the condition being contested, and the Mortgagor would have the opportunity to do so, in the event of the Mortgagor's failure to prevail in the contest, (iii) the Mortgagee would not, by virtue of such permitted contest, be exposed to any risk of any civil liability for which the Mortgagor has not furnished additional security as provided in clause (iv) below, or to any risk of criminal liability, and neither the Mortgage Estate nor any interest therein would be subject to the imposition of any lien for which the Mortgagor has not furnished additional security as provided in clause (iv) below, as a result of the failure to comply with such law or of such proceeding and (iv) the Mortgagor shall have furnished to the Mortgagee additional security in respect of the claim being contested or the loss or damage that may result from the Mortgagor's failure to prevail in such contest in such amount as may be reasonably requested by the Mortgagee.

Section 2.06. Maintenance of the Improvements and Fixtures. The Mortgagor shall not permit the Improvements or Fixtures to be removed or demolished, shall maintain the Mortgage Estate in good repair, working order and condition, except for reasonable wear and use; and, shall restore and repair the Improvements and Fixtures or any part thereof now or hereafter affected by any loss of or damage to the Property, unless the loss or damage is fully covered by a policy of insurance and the insurance proceeds are applied to the reduction of the indebtedness hereby secured.

Section 2.07. Compliance With Laws.

(a) The Mortgagor represents, warrants, covenants and agrees as follows:

- (i) Mortgagor is not aware of any Hazardous Material installed, stored, disposed of or otherwise located on or in the Property;
- (ii) Mortgagor shall not allow any Hazardous Material to be brought onto, installed, used, stored, treated, disposed of, or transported over the Property without prior written consent from Mortgagee.
- (iii) All activities and conditions on the Property are currently in compliance with any applicable law and all activities and conditions on the property shall at all times comply with any applicable law.
- (iv) Five days after receipt or completion of any report, citation, or, other written or oral communication concerning the Property from any government agency empowered to enforce, investigate, or oversee compliance with any applicable law, Mortgagor shall notify Mortgagee in writing of the contents of such communication, and shall provide Mortgagee with a copy of all relevant documents.
- (v) Notwithstanding any other provision of the Mortgage, upon discovery of any Hazardous Material on or in the Property, Mortgagor shall immediately notify Mortgagee thereof. Mortgagor shall immediately take all actions necessary (i) to comply with laws requiring notification of government agencies concerning such Hazardous Material, (ii) to remedy or correct the condition, and (iii) to remove from the Property all such Hazardous Material. Mortgagor shall handle and

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dispose of such substances in accordance with any applicable law. Mortgagor shall take any and all actions necessary to obtain reimbursement or compensation from persons responsible for the presence of any Hazardous Material on the site. Mortgagee shall be subrogated to Mortgagor's rights in all such claims.

- (vi) Mortgagor agrees to indemnify Mortgagee, defend with counsel acceptable to Mortgagee, and hold Mortgagee harmless from and against any claims, legal and administrative proceedings, judgments, damages, punitive damages, penalties, fines, costs, liabilities, interest or losses, attorneys' fees, consultant fees, and expert fees and other expenses that arise directly or indirectly from or in connection the presence, suspected presence, release or suspected release of any Hazardous Material whether into the air, soil, surface water or groundwater at the Property, or any other violation of any applicable law whether by negligent or intentional activities or Mortgagor or any third party; or any breach of the foregoing representations and covenants. The indemnities described above specifically include, but are not limited to, the direct obligation of Mortgagor to promptly perform any remedial or other activities required, ordered or recommended by any administrative agency, government official, or third party, or otherwise necessary to avoid injury or liability to any person or property, or to prevent the spread of any pollution of Hazardous Material.
- (vii) Mortgagee shall have the right to enter and inspect the condition of the Property at any time and to conduct, or to designate a representative to conduct such inspection, testing, environmental audit or other procedures which mortgagee believes are necessary to determine current compliance with the covenants and representations contained herein.
- (viii) Nothing contained in this Mortgage shall obligate Mortgagee to take any action with respect to the Property or to take any action against any person with respect to such substances, condition or activity.

(b) The Mortgagee, at its election and in its sole discretion, may (but shall not be obligated to) upon reasonable prior notice to the Mortgagee (except in an emergency) cure any failure on the part of the Mortgagor to comply with any applicable law or Environmental Laws, and, without limitation, may take any of the following actions:

- (i) arrange for the prevention of any Release or threat of release of Hazardous Materials at the Property, and pay any costs associated with such prevention;
- (ii) arrange for the removal or remediation of Hazardous Materials which may be Released or result from a Release at the Property, and pay any costs associated with such removal and/or remediation;
- (iii) pay, on behalf of the Mortgagor, any costs, fines or penalties imposed on the Mortgagor by any Governmental Authority in connection with such Release or threat of Release of Hazardous Materials; or



(iv) make any other payment or perform any other act which will prevent a Lien in favor of any Governmental Authority from attaching to the Property or the Mortgage Estate.

Any partial exercise by the Mortgagee of the remedies hereinafter set forth, or any partial undertaking on the part of the Mortgagee to cure the Mortgagor's failure to comply with such laws or regulations, shall not obligate the Mortgagee to complete the actions taken or require the Mortgagee to expend further sums to cure the Mortgagor's noncompliance; nor shall the exercise of any such remedies operate to place upon the Mortgagee any responsibility for the operation, control, care, management or repair of the Property or make the Mortgagee the "operator" of the Property within the meaning of any Environmental Laws. Any amount paid or costs incurred by the Mortgagee as a result of the exercise by the Mortgagee of any of the rights hereinabove set forth, together with interest thereon at the Post-Default Rate, shall be immediately due and payable by the Mortgagor to the Mortgagee, and until paid shall be added to and become a part of the Obligations secured hereby; and the Mortgagee, by making any such payment or incurring any such costs, shall be subrogated to any rights of the Mortgagor to seek reimbursement from any third parties, including, without limitation, a predecessor-in-interest to the Mortgagor's title who may be a "responsible party" or otherwise liable under any Environmental Law in connection with any such Release or threat of Release of Hazardous Materials.

(c) If after the occurrence and during the continuance of any Default the Mortgagee desires that an environmental survey and risk assessment with respect to the Property be prepared, the Mortgagor agrees to supply such a survey and risk assessment by an independent engineering firm selected by the Mortgagor and satisfactory to the Mortgagee, in form and detail reasonably satisfactory to the Mortgagee, estimating current liabilities and assessing potential sources of future liabilities of the Mortgagor or any other owner or operator of the Property under applicable Environmental Laws.

(d) The Mortgagor shall indemnify and hold the Mortgagee harmless from and against any and all losses, liabilities, claims, damages or expenses (including any lien filed against the Property or any part of the Mortgage Estate in favor of any governmental entity, but excluding any loss, liability, claim, damage or expense incurred by reason of the gross negligence or willful misconduct of the person to be indemnified) arising under any Environmental Law as a result of the past, present or future operations of the Mortgagor (or any predecessor in interest to the Mortgagor), or the past, present or future condition of the Property, or any Release or threatened Release of any Hazardous Materials from the Property, including any such Release or threatened Release that shall occur during any period when the Mortgagee shall be in possession of the Property following the exercise by the Mortgagee of any of its rights and remedies hereunder.

Section 2.08. Limitations of Use. The Mortgagor shall not initiate, join in or consent to any change in any private restrictive covenant, zoning ordinance or other public or private restrictions limiting or defining the uses that may be made of the Property and the Improvements or any part thereof that would have a Material Adverse Change on the value of the Property or the Improvements. The Mortgagor shall comply with the provisions of all leases, licenses, agreements and private covenants, conditions and restrictions that at any time are



applicable to the Mortgage Estate, except where such compliance is the subject of a Good Faith Dispute.

Section 2.09. Inspection of the Property. The Mortgagor shall permit the Mortgagee and its authorized representatives to enter and inspect the Property during regular business hours and upon reasonable prior notice, to examine the records and books of account of the Mortgagor with respect thereto and make copies or extracts thereof, all at such reasonable times as may be requested by the Mortgagee.

Section 2.10. Actions to Protect Mortgage Estate. If the Mortgagor shall fail to (a) perform and observe any of the terms, covenants or conditions required to be performed or observed by it under the Leases, (b) effect the insurance required by Section 2.04, (c) make the payments required by Section 2.05 or (d) perform or observe any of its other covenants or agreements hereunder, the Mortgagee may, without obligation to do so, and upon notice to the Mortgagor (except in an emergency) effect or pay the same. To the maximum extent permitted by law, all sums, including reasonable attorneys' fees and disbursements, so expended or expended to sustain the lien or estate of this Mortgage or its priority, or to protect or enforce any of the rights hereunder, or to recover any of the Obligations, shall be a lien on the Mortgage Estate, shall be deemed to be added to the Obligations secured hereby, and shall be paid by the Mortgagor within 10 days after demand therefor, together with interest thereon at the Post-Default Rate.

Section 2.11. Condemnation Proceeds.

(a) Should the Mortgage Estate or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding (a "Condemnation"), or should the Mortgagor receive any notice or other information regarding any such proceeding, the Mortgagor shall give prompt notice thereof and such information related thereto to the Mortgagee.

(b) The Mortgagee shall be entitled to all proceeds resulting from any Condemnation relating to the Mortgage Estate or any part thereof (collectively, "Condemnation Proceeds"), and all such Condemnation Proceeds, together with all rights and causes of action relating thereto or arising out of any Condemnation, are hereby assigned to the Mortgagee. The Mortgagor shall execute such further assignments of the Condemnation Proceeds as the Mortgagee may from time to time require. All Condemnation Proceeds shall be applied to the reduction of the indebtedness under the obligations or otherwise applied in accordance with the Credit Agreement.

Section 2.12. Leasehold Interests.

(a) The Mortgagor shall (i) promptly perform and observe all of the terms, covenants and conditions required to be performed and observed by the Mortgagor under the Leases and do all things necessary to preserve and to keep unimpaired its rights thereunder, (ii) promptly notify the Mortgagee of any default by the Mortgagor under the Leases in the performance of any of the terms, covenants or conditions on the part of the Mortgagor to be performed or observed thereunder or of the giving of any notice by a lessee of the Mortgagor of



any default under the Leases or of any lessee's intention to exercise any remedy reserved to a lessee thereunder and (iii) promptly cause a copy of each such notice given by a lessee under the Leases to the Mortgagor to be delivered to the Mortgagee.

(b) If the Mortgagor shall fail promptly to perform or observe any of the terms, covenants or conditions required to be performed by it under the Leases, including, without limitation, payment of all rent, royalties and other charges due thereunder, the Mortgagee may, without obligation to do so, and upon reasonable prior notice to the Mortgagor (except in an emergency), take such action as is appropriate to cause such terms, covenants or conditions to be promptly performed or observed on behalf of the Mortgagor but no such action by the Mortgagee shall release the Mortgagor from any of its obligations under this Mortgage. Upon receipt by the Mortgagee from a lessee under the Leases of any notice of default by the Mortgagor thereunder, the Mortgagee may rely thereon and take any action as aforesaid to cure such default even though the existence of such default or the nature thereof be questioned or denied by the Mortgagor or by any party on behalf of the Mortgagor.

(c) Except in the case of any surrender, termination, cancellation, modification, change, supplement, alteration or amendment permitted under the Credit Agreement, the Mortgagor shall not surrender its leasehold estate and interests under the Leases, nor terminate or cancel the Leases, and the Mortgagor shall not modify, change, supplement, alter or amend the Leases orally or in writing, and the Mortgagor does hereby expressly release, relinquish and surrender unto the Mortgagee all its right, power and authority, if any, to modify, change, supplement, alter or amend the Leases in any way, and any attempt on the part of the Mortgagor to exercise any such right without the consent of the Mortgagee shall be null and void.

(d) No release or forbearance of any of the Mortgagor's obligations under the Leases, pursuant to the terms thereof or otherwise, shall release the Mortgagor from any of its obligations under this Mortgage.

(e) Neither the fee title to the property demised by the Leases nor the leasehold estates created by the Leases shall merge, but shall always remain separate and distinct, notwithstanding the union of the aforesaid estates either in a lessee or the Mortgagor under the Leases or in a third party by purchase or otherwise, unless the Mortgagee shall, at its option, execute and record a document evidencing its intent to merge such estates. The Mortgagor shall promptly notify the Mortgagee of any such acquisition and, on written request by the Mortgagee, shall cause to be executed and recorded all such other and further assurances or other instruments in writing as may in the opinion of the Mortgagee be required to carry out the intent and meaning hereof.

(f) The Mortgagor shall enforce the obligations of the lessees under the Leases to the end that the Mortgagor may enjoy all of the rights granted to it under the Leases and shall promptly notify the Mortgagee of any default by a lessee under the Leases, in the performance or observance of any of the terms, covenants and conditions on the part of a lessee to be performed or observed under the Leases and the Mortgagor shall promptly advise the Mortgagee of the occurrence of any event of default under the Leases.

(g) The Mortgagor shall use its best efforts to obtain from the lessees under the Leases and deliver to the Mortgagee, within 30 days after demand from the Mortgagee, a statement in writing certifying that the Leases are unmodified and in full force and effect and the dates to which the rents, royalties and other charges, if any, have been paid in advance, and stating whether or not, to the best knowledge of the signer of such certificate, the Mortgagor is in default in the performance of any covenant, agreement or condition contained in the Leases, and, if so, specifying each such default of which the signer may have knowledge.

(h) The Mortgagor shall promptly notify the Mortgagee of any change in the rent, royalties or other charges payable under the Leases, except for changes made pursuant to the provisions of the Leases.

(i) In the event that any proceeds of insurance on any part of the Mortgage Estate, or any Condemnation Proceeds, shall be deposited with any person pursuant to the requirements of the Leases, the Mortgagor shall promptly notify the Mortgagee of the name and address of the person with whom such proceeds have been deposited and of the amount so deposited.

ARTICLE 3

Assignment of Rents, Issues and Profits

Section 3.01. Assignment of Rents, Issues and Profits. The Mortgagor hereby assigns and transfers to the Mortgagee, FOR THE PURPOSE OF SECURING the Obligations, all Rents, and hereby gives to and confers upon the Mortgagee the right, power and authority to collect the same and apply them in payment of the Obligations as provided herein. The Mortgagor irrevocably appoints the Mortgagee its true and lawful attorney-in-fact, at its option at any time and from time to time following the occurrence and during the continuance of a Default, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue, in the name of the Mortgagor or otherwise, for Rents and apply the same to the Obligations as provided in paragraph (a) of Section 5.03 hereof; provided, however, that the Mortgagor shall have the right to collect Rents at any time prior to the occurrence of a Default (but not more than one month in advance, except in the case of security deposits).

Section 3.02. Collection Upon Default. To the extent permitted by law, upon the occurrence and continuance of any Default, the Mortgagee may, at any time without notice, either in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the Obligations or the solvency of the Mortgagor, enter upon and take possession of the Property, the Improvements and the Fixtures or any part thereof, in its own name, sue for or otherwise collect Rents including those past due and unpaid, and, apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees and disbursements, to the payment of the Obligations as provided in paragraph (a) of Section 5.03, and in such order as the Mortgagee may determine. The collection of Rents or the entering upon and taking possession of the Property, the Improvements or the Fixtures or any part thereof, or the application thereof as aforesaid, shall not cure or waive any Default or notice thereof or invalidate any act done in response to such Default or pursuant to notice thereof.

Mortgage

ARTICLE 4

Security Agreement

Section 4.01. Creation of Security Interest. The Mortgagor hereby grants to the Mortgagee a security interest in the Fixtures for the purpose of securing the Obligations. The Mortgagee shall have, in addition to all rights and remedies provided herein and in the other Loan Instruments, all the rights and remedies of a secured party under the Uniform Commercial Code of the state in which the applicable portion of the Fixtures is located.

Section 4.02. Warranties, Representations and Covenants. The Mortgagor hereby warrants, represents and covenants that: (a) the Fixtures will be kept on or at the Property and the Mortgagor will not remove any Fixtures from the Property; (b) all covenants and obligations of the Mortgagor contained herein relating to the Mortgage Estate shall be deemed to apply to the Fixtures whether or not expressly referred to herein and (c) this Mortgage constitutes a security agreement and "fixture filing" as those terms are used in the applicable Uniform Commercial Code (the "U.C.C."). The Mortgagee is authorized to file or cause to be filed one or more U.C.C. financing statements or other instruments Mortgagee deems necessary for the perfection of Mortgagee's security interest in the Fixtures or for the protection of the Mortgagee's rights in the Mortgage Estate. Information relative to the security interest created hereby may be obtained by application to the Mortgagee (secured party). The mailing addresses of the Mortgagor and the Mortgagee are set forth on Page 1 hereof.

ARTICLE 5

Defaults; Remedies

Section 5.01. Defaults. If any Event of Default (herein, a "Default") under the Credit Agreement or the Note shall occur, the principal of and accrued interest on, the loans and other indebtedness constituting the Obligations hereunder may be declared, or may become, due and payable, without presentment, demand, protest or other formalities of any kind, all of which have been waived pursuant to the Credit Agreement and the Note.

Section 5.02. Default Remedies.

(a) If a Default shall have occurred, this Mortgage may, to the maximum extent permitted by law, be enforced, and the Mortgagee may exercise any right, power or remedy permitted to it hereunder, under the Credit Agreement or under any of the other Loan Instruments or by law, and, without limiting the generality of the foregoing, the Mortgagee may, personally or by its agents, to the maximum extent permitted by law:

(i) enter into and take possession of the Mortgage Estate or any part thereof, exclude the Mortgagor and all persons claiming under the Mortgagor whose claims are junior to this Mortgage, wholly or partly therefrom, and use, operate, manage and control the same either in the name of the Mortgagor or otherwise as the Mortgagee shall deem best, and upon such entry, from time to time at the expense of the Mortgagor

Mortgage



and the Mortgage Estate, make all such repairs, replacements, alterations, additions or improvements to the Mortgage Estate or any part thereof as the Mortgagee may deem proper and, whether or not the Mortgagee has so entered and taken possession of the Mortgage Estate or any part thereof, collect and receive all Rents and apply the same to the payment of all expenses that the Mortgagee may be authorized to make under this Mortgage, the remainder to be applied to the payment of the Obligations until the same shall have been repaid in full; if the Mortgagee demands or attempts to take possession of the Mortgage Estate or any portion thereof in the exercise of any rights hereunder, the Mortgagor shall promptly turn over and deliver complete possession thereof to the Mortgagee; and

(ii) personally or by agents, with or without entry, if the Mortgagee shall deem it advisable:

(w) foreclose this Mortgage by advertisement and sale of the Mortgage Estate, at public venue, in accordance with Wyoming statutes governing foreclosure by advertisement and sale through a power of sale and cause to be executed and delivered to the purchaser or purchasers at any such sale a certificate of purchase as provided by law;

(x) sell the Mortgage Estate at a sale or sales held at such place or places and time or times and upon such notice and otherwise in such manner as may be required by law, or, in the absence of any such requirement, as the Mortgagee may deem appropriate, and from time to time adjourn any such sale by announcement at the time and place specified for such sale or for such adjourned sale without further notice, except such as may be required by law;

(y) proceed to protect and enforce its rights under this Mortgage, by suit for specific performance of any covenant contained herein or in the Loan Instruments or in aid of the execution of any power granted herein or in the Loan Instruments, or for the foreclosure of this Mortgage (as a mortgage or otherwise) and the sale of the Mortgage Estate under the judgment or decree of a court of competent jurisdiction, or for the enforcement of any other right as the Mortgagee shall deem most effectual for such purpose, provided, that in the event of a sale, by foreclosure or otherwise, of less than all of the Mortgage Estate, this Mortgage shall continue as a lien on, and security interest in, the remaining portion of the Mortgage Estate; or

(z) exercise any or all of the remedies available to a secured party under the applicable Uniform Commercial Code, including, without limitation:

(1) either personally or by means of a court appointed receiver, take possession of all or any of the Fixtures and exclude therefrom the Mortgagor and all persons claiming under the Mortgagor, and thereafter hold, store, use, operate, manage, maintain and control, make repairs, replacements, alterations, additions and improvements to and exercise all rights and powers of the Mortgagor in respect of the Fixtures or any part

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thereof; if the Mortgagee demands or attempts to take possession of the Fixtures in the exercise of any rights hereunder, the Mortgagor shall promptly turn over and deliver complete possession thereof to the Mortgagee;

(2) without notice to or demand upon the Mortgagor, make such payments and do such acts as the Mortgagee may deem necessary to protect its security interest in the Fixtures, including, without limitation, paying, purchasing, contesting or compromising any encumbrance that is prior to or superior to the security interest granted hereunder, and in exercising any such powers or authority paying all expenses incurred in connection therewith;

(3) require the Mortgagor to assemble the Fixtures or any portion thereof, at a place designated by the Mortgagee and reasonably convenient to both parties, and promptly to deliver the Fixtures to the Mortgagee, or an agent or representative designated by it; the Mortgagee, and its agents and representatives, shall have the right to enter upon the premises and property of the Mortgagor to exercise the Mortgagee's rights hereunder; and

(4) sell, lease or otherwise dispose of the Fixtures, with or without having the Fixtures at the place of sale, and upon such terms and in such manner as the Mortgagee may determine (and the Mortgagee may be a purchaser at any such sale).

(b) If a Default shall have occurred, the Mortgagee, to the maximum extent permitted by law, shall be entitled, as a matter of right, to the appointment of a receiver of the Mortgage Estate, without notice or demand, and without regard to the adequacy of the security for the Obligations or the solvency of the Mortgagor. The Mortgagor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases and all the powers and duties of the Mortgagee in case of entry and shall continue as such and exercise all such powers until the date of confirmation of sale of the Mortgage Estate, unless such receivership is sooner terminated.

(c) If a Default shall have occurred, the Mortgagor shall, to the maximum extent permitted by law, pay monthly in advance to the Mortgagee, or to any receiver appointed at the request of the Mortgagee to collect Rents, the fair and reasonable rental value for the use and occupancy of the Property, the Improvements and the Fixtures or of such part thereof as may be in the possession of the Mortgagor. Upon default in the payment thereof, the Mortgagor shall vacate and surrender possession of the Property, the Improvements and the Fixtures to the Mortgagee or such receiver, and upon a failure so to do may be evicted by summary proceedings.

(d) In any sale under any provision of this Mortgage or pursuant to any judgment or decree of court, the Mortgage Estate, to the maximum extent permitted by law, may be sold in one or more parcels or as an entirety and in such order as the Mortgagee may elect, without

Mortgage



regard to the right of the Mortgagor or any person claiming under the Mortgagor to the marshalling of assets. The purchaser at any such sale shall take title to the Mortgage Estate or the part thereof so sold free and discharged of the estate of the Mortgagor therein, the purchaser being hereby discharged from all liability to see to the application of the purchase money. Any person, including Mortgagee, may purchase at any such sale. Upon the completion of any such sale by virtue of this Section 5.02 the Mortgagee shall execute and deliver to the purchaser an appropriate instrument that shall effectively transfer all of the Mortgagor's estate, right, title, interest, property, claim and demand in and to the Mortgage Estate or portion thereof so sold, but without any covenant or warranty, express or implied. The Mortgagee is hereby irrevocably appointed the attorney-in-fact of the Mortgagor in its name and stead to make all appropriate transfers and deliveries of the Mortgage Estate or any portions thereof so sold and, for that purpose, the Mortgagee may execute all appropriate instruments of transfer, and may substitute one or more persons with like power, the Mortgagor hereby ratifying and confirming all that said attorneys or such substitute or substitutes shall lawfully do by virtue hereof. Nevertheless, the Mortgagor shall ratify and confirm, or cause to be ratified and confirmed, any such sale or sales by executing and delivering, or by causing to be executed and delivered, to the Mortgagee or to such purchaser or purchasers all such instruments as may be advisable, in the judgment of the Mortgagee, for such purpose, and as may be designated in such request. Any sale or sales made under or by virtue of this Mortgage, to the extent not prohibited by law, shall operate to divest all the estate, right, title, interest, property, claim and demand whatsoever, whether at law or in equity, of the Mortgagor in, to and under the Mortgage Estate, or any portions thereof so sold, and shall be a perpetual bar both at law and in equity against the Mortgagor and against any and all persons claiming or who may claim the same, or any part thereof, by, through or under the Mortgagor. The powers and agency herein granted are coupled with an interest and are irrevocable.

(e) All rights of action under the Loan Instruments and this Mortgage may be enforced by the Mortgagee without the possession of the Loan Instruments and without the production thereof at any trial or other proceeding relative thereto.

Section 5.03. Application of Proceeds.

(a) The proceeds of any sale made either under the power of sale hereby given or under a judgment, order or decree made in any action to foreclose or to enforce this Mortgage, or of any monies held by the Mortgagee hereunder shall (after reimbursement to the Mortgagee of all costs and expenses of administration collection and realization including, without limitation, actual and reasonable attorney's fees and expenses), to the maximum extent permitted by applicable law, be applied in accordance with the Credit Agreement.

(b) No sale or other disposition of all or any part of the Mortgage Estate pursuant to Section 5.02 shall be deemed to relieve the Mortgagor of its obligations under the Credit Agreement or any other Loan Instrument except to the extent the proceeds thereof are applied to the payment of such obligations. If the proceeds of sale, collection or other realization of or upon the Mortgage Estate are insufficient to cover the costs and expenses of such realization and the payment in full of the Obligations, the Mortgagor shall remain liable for any deficiency.

Section 5.04. Right to Sue. The Mortgagee shall have the right from time to time to sue for any sums required to be paid by the Mortgagor under the terms of this Mortgage as the same become due, without regard to whether or not the Obligations shall be, or have become, due and without prejudice to the right of the Mortgagee thereafter to bring any action or proceeding of foreclosure or any other action upon the occurrence of any Default existing at the time such earlier action was commenced.

Section 5.05. Powers of the Mortgagee. The Mortgagee may at any time or from time to time renew or extend this Mortgage or (with the agreement of the Mortgagor) alter or modify the same in any way, or waive any of the terms, covenants or conditions hereof or thereof, in whole or in part, and may release any portion of the Mortgage Estate or any other security, and grant such extensions and indulgences in relation to the Obligations, or release any person liable therefor as the Mortgagee may determine without the consent of any junior lienor or encumbrancer, without any obligation to give notice of any kind thereto, without in any manner affecting the priority of the lien and estate of this Mortgage on or in any part of the Mortgage Estate, and without affecting the liability of any other person liable for any of the Obligations.

Section 5.06. Remedies Cumulative.

(a) No right or remedy herein conferred upon or reserved to the Mortgagee is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy under this Mortgage, or under applicable law, whether now or hereafter existing; the failure of the Mortgagee to insist at any time upon the strict observance or performance of any of the provisions of this Mortgage or to exercise any right or remedy provided for herein or under applicable law, shall not impair any such right or remedy nor be construed as a waiver or relinquishment thereof.

(b) The Mortgagee shall be entitled to enforce payment and performance of any of the obligations of the Mortgagor and to exercise all rights and powers under this Mortgage or under any Loan Instrument or any laws now or hereafter in force, notwithstanding that some or all of the Obligations may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise; neither the acceptance of this Mortgage nor its enforcement, whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect the Mortgagee's right to realize upon or enforce any other security now or hereafter held by the Mortgagee, it being stipulated that the Mortgagee shall be entitled to enforce this Mortgage and any other security now or hereafter held by the Mortgagee in such order and manner as the Mortgagee, in its sole discretion, may determine; every power or remedy given by the Credit Agreement, this Mortgage or any of the other Loan Instruments to the Mortgagee, or to which the Mortgagee is otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by the Mortgagee, and the Mortgagee may pursue inconsistent remedies.

Section 5.07. Waiver of Stay, Extension, Moratorium Laws; Equity of Redemption. To the maximum extent permitted by law, the Mortgagor shall not at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of any applicable present or future stay, extension or moratorium law, that may affect observance or

performance of the provisions of this Mortgage; nor claim, take or insist upon any benefit or advantage of any present or future law providing for the valuation or appraisal of the Mortgage Estate or any portion thereof prior to any sale or sales thereof that may be made under or by virtue of Section 5.02; and the Mortgagor, to the extent that it lawfully may, hereby waives all benefit or advantage of any such law or laws. The Mortgagor for itself and all who may claim under it, hereby waives, to the maximum extent permitted by applicable law, any and all rights and equities of redemption from sale under the power of sale created hereunder or from sale under any order or decree of foreclosure of this Mortgage and (if a Default shall have occurred) all notice or notices of seizure, and all right to have the Mortgage Estate marshalled upon any foreclosure hereof. The Mortgagee shall not be obligated to pursue or exhaust its rights or remedies as against any other part of the Mortgage Estate and the Mortgagor hereby waives any right or claim of right to have the Mortgagee proceed in any particular order.

ARTICLE 6

Miscellaneous

Section 6.01. Release by Mortgagee. Upon Payment in Full, the Lien of this Mortgage shall terminate and the Mortgagor may request the Mortgagee to, and upon such request and such termination expiration and payment the Mortgagee shall at the Mortgagee's expense promptly (but in any event within 10 Business Days of such request) execute and deliver to the Mortgagee an appropriate written release of the lien of this Mortgage, or upon the request of the Mortgagor, and at the Mortgagor's expense, assign this Mortgage without recourse to the Mortgagor's designee, or to the person or persons legally entitled thereto, by an instrument duly acknowledged in form for recording.

Section 6.02. Notices. All notices, demands, consents, requests or other communications (collectively, "notices") that are permitted or required to be given by any party to the other hereunder shall be in writing and given in the manner specified in the Credit Agreement.

Section 6.03. Amendments; Waivers; Etc. This Mortgage cannot be modified, changed or discharged except by an agreement in writing, duly acknowledged in form for recording, signed by the Mortgagor and the Mortgagee.

Section 6.04. Successors and Assigns. This Mortgage applies to, inures to the benefit of and binds the Mortgagor and the Mortgagee and their respective successors and assigns and shall run with the Property.

Section 6.05. Captions. The captions or headings at the beginning of Articles and Sections hereof are for convenience of reference and are not a part of this Mortgage.

Section 6.06. Severability. If any term or provision of this Mortgage or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Mortgage, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected

Mortgage



thereby, and each term and provision of this Mortgage shall be valid and enforceable to the maximum extent permitted by law. If any portion of the Obligations shall for any reason not be secured by a valid and enforceable lien upon any part of the Mortgage Estate, then any payments made in respect of the Obligations (whether voluntary or under foreclosure or other enforcement action or procedure or otherwise) shall, for purposes of this Mortgage (except to the extent otherwise required by applicable law) be deemed to be made (i) first, in respect of the portion of the Obligations not secured by the lien of this Mortgage, (ii) second, in respect of the portion of the Obligations secured by the lien of this Mortgage, but which lien is on less than all of the Mortgage Estate, and (iii) last, to the portion of the Obligations secured by the lien of this Mortgage, and which lien is on all of the Mortgage Estate.

[Signature page follows]

Mortgage

[SIGNATURE PAGE 1 OF 1 TO WYOMING MORTGAGE]

IN WITNESS WHEREOF, this Mortgage has been duly executed by the Mortgagor as of the day and year first above written.

MORTGAGOR:

CAZA RANCHES LLC, a Texas limited liability company

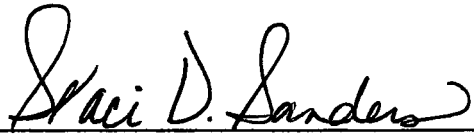
By: 

Title: Manager

STATE OF New Mexico)
COUNTY OF Eddy) ss

The foregoing instrument was acknowledged before me by G. L. Straley this 9th day of March, 2016.

Witness my hand and official seal.


Notary Public

My Commission Expires:

2-15-2017



OFFICIAL SEAL
STACI D. SANDERS
NOTARY PUBLIC - STATE OF NEW MEXICO

My commission expires: 2-15-2017

SCHEDULE I

DESCRIPTION OF REAL PROPERTY

Sheridan County, Wyoming
NCS-756728-PITT

Tract 1

Township 57 North, Range 81 West, 6th P.M. Sheridan County Wyoming

Section 4: All

Section 5: All

Section 6: South1/2NE1/4, SE1/4NW1/4, Lots 8, 9, 10, 11, 12, and that portion of Lot 13 lying North of the following described fence line: Beginning at a point on a fence line on the west line of said Lot 13, said point being S03°52'55"E, 107.69 feet from the East quarter corner of Section 1, T57N, R82W; thence S64°29'35"E, 78.02 feet along said fence line to a fence corner; thence N88°36'02"E, 852.08 feet along said fence line to a fence corner; thence N88°57'49"E, 503.08 feet along said fence line to a fence corner; said point being S85°33'50"E, 1436.83 feet from said east quarter corner of Section 1.

Section 9: East1/2, North1/2,NW1/4

Township 57 North, Range 82 West, 6th P.M. Sheridan County, Wyoming

Section 1: That portion of the North1/2 and NE1/4SE1/4 of said Section 1 lying northeasterly of the following described fence line: Beginning at a point on a fence line on the East line of said Section 1, said point being S03°52'55"E, 107.69 feet from the East quarter corner of said Section 1; thence N64°29'35"W, 492.10 feet along said fence line to a fence corner; thence N70°43'05"W, 3595.45 feet along said fence line to a fence corner; thence N45°34'57"W, 1600.49 feet along said fence line to a fence corner, thence N61°11'33"W, 281.99 feet along said fence line to a point on the approximate West line of said Section 1, said point being S0°48'22"E, 196.22 feet from the Northwest corner of said Section 1.

Section 2: That portion of Lot 1 of said Section 2 lying northeasterly of the following described fence line: Beginning at a point on a fence line and the approximate East line of said Section 2, said point being S0°48'22"E, 196.22 feet from the Northeast corner of said Section 2; thence N61°11'33"W, 384.13 feet along said fence line to a point an the approximate North line of said Section 2, said point being S88°06'37"W, 85.38 feet from the closing corner to the Southwest corner of Section 36, T58N, R82W.

Township 58 North, Range 81 West, 6th P.M., Sheridan County, Wyoming

Section 19: All

Section 20: All

Section 21: All

Section 28: All
Section 29: All
Section 30: All
Section 31: All
Section 32: All
Section 33: All

Township 58 North, Range 82 West, 6th P.M., Sheridan County, Wyoming

Section 22: SE1/4, Sth1/2NE1/4, SE1/4NW1/4, East1/2SW1/4, Lots 1, 2, 3, 4, 5, 6, and that portion of Lot 7 lying northeasterly of the following described fence line: Beginning at a point on a fence line and the approximate South line of said Section 22, said point being N89°33'01"E, 163.21 feet from the closing corner to the Southwest corner of said Section 22; thence N52°02'34"W, 204.49 feet along said fence line to a fence corner; thence leaving said fence line N32°29'53"W, 8.10 feet to a point, said point being the Southeast corner of Section 21, T58N, R82W.

Section 23: All
Section 24: All
Section 25: All
Section 26: All

Section 27: East1/2SE1/4, NE1/4, NE1/4NW1/4, and that portion of the SE1/4NW1/4, NE1/4SW1/4, West1/2SE1/4, Lot 1, and Lot 2 lying northeasterly of the following described fence line: Beginning at a point on the approximate South line of said Section 27, said point being S89°36'36"W, 1949.34 feet from the Southeast corner of said Section 27; thence N06°12'00"W, 1428.98 feet to a point on a fence line; thence N53°56'27"W, 747.62 feet along said fence line to a fence corner; thence N49°58'57"W, 979.91 feet along said fence line to a fence corner; thence N33°00'51"W, 1564.82 feet along said fence line to a fence corner; thence N09°21'02"E, 921.34 feet along said fence line to a fence corner; thence N52°02'34"W, 887.66 feet along said fence line to a fence corner on the approximate North line of said Section 27, said point being N89°33'01"E, 163.21 feet from the closing corner to the Northwest corner of said Section 27;

Section 34: That portion of the NE1/4 lying northeasterly of the following described line: Beginning at a point on a fence line and the East line of said Section 34, said point being S0°20'09"E, 2481.89 feet from the Northeast corner of said Section 34; thence N57°40'59"W, 465.99 feet along said fence line to a fence corner; thence N45°33'49"W, 1577.69 feet along said fence line to a point; thence leaving said fence line S14°30'32"W, 62.38 feet to a point on the centerline of the Badger Creek County Road; thence N49°55'25"W, 404.87 feet along said centerline to a point; thence leaving said centerline of the Badger Creek County Road N06°12'00"W, 910.98 feet to a point on the approximate North line of said Section 34, said point being S89°36'36"W, 1949.34 feet from the Northeast corner of said Section 34;

Section 35: NE1/4, East1/2NW1/4, NW1/4NW1/4, and that portion of the SW1/4NW1/4, North1/2SW1/4, North1/2SE1/4, and Lot 1 lying northeasterly of the following described fence line: Beginning at a point on a fence line and the approximate South line of said Section 35, said



point being S88°06'37"W, 85.38 feet from the closing corner to the Southeast corner of Section 35; thence N61°11'33"W, 173.23 feet along said fence line to a fence corner; thence N53°33'13"W, 735.64 feet along said fence line to a fence corner; thence N18°55'49"W, 845.93 feet along said fence line to a fence corner; thence N89°42'54"W, 2364.28 feet along said fence line to a fence corner; thence N57°40'59"W, 2163.76 feet along said fence line to a point on the West line of said Section 35, said point being S0°20'09"E, 2481.89 feet from the Northwest corner of said Section 35.

Easement 1

Also including as easement 400 feet wide for ingress and egress being 20 feet on each side of a centerline situated in the North1/2SE1/4 of Section 1, T57N, R82W, said centerline described as follows: Beginning at a point on the centerline of the Badger Creek County Road, said point being N54°45'37"W, 2110.88 feet from the Southeast corner of said Section 1; thence N41°51'22"E, 420.25 feet along said centerline to a point; thence N56°24'55"E, 311.60 feet along said centerline to a point; thence N67°24'22"E, 273.91 feet along said centerline to a point; thence N73°07'34"E, 329.38 feet along said centerline to a point; thence N43°01'59"E, 311.92 feet along said centerline to a point; thence N53°23'56"E, 243.93 feet along said centerline to a point; thence N36°14'39"E, 148.93 feet along said centerline to a point on a fence line, said point being S22°03'06"E, 139.05 feet from the East quarter corner of said Section 1.

Easement 2

Also including an easement 40 feet wide for ingress and egress being 20 feet on each side of a centerline situated in the N1/4SW1/4 and Lot 3 of Section 35, T58N, R82W, said centerline described as follows: Beginning at a point on the centerline of the Badger Creek County Road, said point being S24°03'53"E, 4578.14 feet from the Northwest corner of said Section 35; thence N19°15'31"E, 572.62 feet along said centerline to a point on a fence line, said point being S26°27'29"E, 4180.07 feet from said Northwest corner of Section 35.

Easement 3

Also including an easement 40 feet wide for ingress and egress being 20 feet on each side of a centerline situated in the SE1/4NWE1/4, Lot 2, and Lot 3 of Section 27, T58N, R82W; said centerline described as follows: Beginning at a point on the centerline of the Badger Creek County Road, said point being S01°58'01"E, 815.32 from the East quarter corner of Section 28 T58N, R82W; thence N39°29'57"E, 219.23 feet along said centerline of a point; thence N50°32'31"E, 94.43 feet along said centerline to a point; thence N04°20'29"E, 263.19 feet along said centerline to a point; thence N34°06'54"E, 147.77 feet along said centerline to a point; thence N59°22'59"E, 308.69 feet along said centerline to a point; thence N52°32'37"E, 424.12 feet along said centerline to a point; thence N33°44'14"E, 277.21 feet along said centerline to a point on a fence line, said point being N67°58'25"E, 1186.00 feet from said East quarter corner of Section 28.

Tract 2

Township 57 North, Range 80 West, 6th P.M. Sheridan County, Wyoming

Section 6: All

Section 7: All of Section 7 except that portion of the NE1/4NE1/4, SE1/4NE1/4 and NE1/4SE1/4 more particularly described as follows: Beginning at the East quarter corner (G.L.O. Brass Cap) of said Section 7; thence S03°43'12"E, 536.10 feet along the East line of said Section 7 to a point on a fenceline; thence N47°57'54"W, 946.33 feet along said fenceline to a point; thence N21°55'05"E, 1043.10 feet along said fenceline to a point; thence N42°33'33"E, 403.60 feet along said fenceline to a point on said East line of Section 7; thence S0°14'34"E, 1239.62 feet along said East line to the point of beginning.

Section 8: That portion of the SW1/4 more particularly described as follows: Beginning at the Southwest corner (G.L.O. Brass Cap) of said Section 8; thence N87°49'38"E, 1261.90 feet along the South line of said Section 8 to a point on a fenceline; thence N30°08'58"E, 617.67 feet along said fenceline to a point; thence N38°28'12"W, 884.33 feet along said fenceline to a point; thence N57°12'40"W, 867.81 feet along said fenceline to a point; thence N47°57'54"W, 579.16 feet along said fenceline to a point on the West line of said Section 8; thence S03°43'12"E, 2136.58 feet along the West line of said Section 8 to the point of beginning.

Also including That portion of the NW1/4 more particularly described as follows: Beginning at the Northwest corner (G.L.O. Brass Cap) of said Section 8; thence S01°53'00"E, 1302.59 feet along a fenceline to a point; thence S42°33'13"W, 54.89 feet along said fenceline to a point on the West line of said Section 8; thence N0°14'34"W, 1342.33 feet along said west line to the point of beginning.

Section 17: That portion of the NW1/4 more particularly described as follows: Beginning at the Northwest corner of said Section 17 (G.L.O. Brass Cap); thence S02°16'24"E, 1822.84 feet along the West line of said Section 17 to a point on a fenceline; thence N65°25'03"E, 154.22 feet along said fenceline to a point; thence N30°08'58"E, 2087.49 feet along said fenceline to a point on the North line of said Section 17; thence S87°49'38"W, 1261.90 feet along said North line to the point of beginning.

Section 18: All of the North1/2 except that portion more particularly described as follows: Beginning at the East quarter corner (G.L.O. Brass Cap) of said Section 18; thence S88°44'58", 1707.88 feet along the South line of said North½ to a point on a fenceline; thence N65°16'16"E, 740.12 feet along said fenceline to a point; thence N37°11'57"E, 417.93 feet along said fenceline to a point; thence S89°06'23"E, 436.73 feet along said fenceline to a point; thence N65°25'03"E, 347.91 feet along said fenceline to a point on the East line of said Section 18; thence S02°16'24"E, 743.74 feet to the point of beginning.

Also including that portion of the NW1/4SE1/4 and Lots 7, 8, 9 more particularly described as follows: Beginning at the West quarter corner (G.L.O. Brass Cap) of said Section 18; thence S01°57'53"E, 690.59 feet along the West Line of said Section 18 to a point on said fenceline;



thence S81°57'13"E, 1014.31 feet along said fenceline to a point; thence S82°02'18"E, 986.86 feet along said fenceline to a point; thence N65°16'16"E, 2541.12 feet along said fenceline to a point of the North line of said NW1/4 SE1/4; thence S88°44'58"W, 4314.46 feet along the South line of said North½ of Section 18 to the point of beginning.

Township 57 North, Range 81 West, 6th P.M., Sheridan County, Wyoming

Section 1: All

Section 2: All

Section 3: All

Section 10: All

Section 11: All

Section 12: All

Section 13: All of Section 13 and that portion of Tract 48 lying in Section 13 except that portion of Lots 5, 6, and Tract 48 more particularly described as follows: Beginning at the Southwest corner of said Section 13 (G.L.O. Brass Cap); thence N0°28'00"W, 652.96 feet along the West line of said Section 13 to a point on a fenceline; thence S76°35'15"E, 1110.78 feet along said fenceline to a point; thence S87°34'21"E, 2136.12 feet along said fenceline to a point; thence S81°57'13"E, 633.30 feet along said fenceline to a point on the East line of said Section 13; thence S01°57'53"E, 184.75 feet along said East line to the closing corner for the Southeast corner of said Section 13 (G.L.O. Brass Cap); thence S89°31'48"W, 3842.89 feet along the South line of said Section 13 to the point of beginning.

Section 14: West1/2, NE1/4, North1/2SE1/4

Section 15: North1/2, North1/2SE1/4, SE1/4SE1/4

Township 58 North, Range 81 West, 6th P.M. Sheridan County, Wyoming

Section 22: West1/2SW1/4, SE1/4SW1/4, SW1/4NW1/4, Lot 4

Section 25: North1/2SW1/4, SW1/4SW1/4

Section 26: South1/2, SW1/4NW1/4

Section 27: South1/2, NW1/4, West1/2NE1/4, SE1/4NE1/4

Section 34: All

Section 35: All

Total Acres For Tracts 1 & 2 x + or - 21,026 Acres

Note: The above acreage for record sections and aliquot parts was tabulated from resurvey plats received from the B.L.M. in Cheyenne, WY. Acreages for those portions lying northeasterly of the fence line were calculated from a field survey of the fenceline, located resurvey monuments, and record bearings and distances from said resurvey plats. The above acreage is only approximate and may change if a boundary survey is executed in the future.

Basis of Bearings is Wyoming State Plane: East Central Zone

And

Schedule I



A tract of land being that portion of Lot 3, Section 19, Township 58 North, Range 82 West of the Sixth Principal Meridian, Sheridan County, Wyoming, lying South and East of the Lower Prairie Dog County Road (No. 1211); more particularly described as follows:

Beginning at the Northwest Corner of said Lot 3, this point of beginning bears S89°43'E a distance of 2658.98 feet from the Northwest corner of said Section 19, thence N89°43'W for a distance of 13.56 feet; thence S5°35'20"W for a distance of 58.95 feet; thence S87°52'20"W for a distance of 359.73 feet; thence S88°56'W for a distance of 190.96 feet; thence N89°40'20"W for a distance of 645.3 feet; thence S46°34'10"W for a distance of 119.66 feet; thence S14°38'20"E for a distance of 794.45 feet; thence S58°06'45"W for a distance of 209.83 feet to a point on the South line of said Lot 3; thence along said South line on a bearing of N89°42'32"E for a distance of 1283.86 feet to the Southeast corner of said Lot 3; thence N0°15'17"W for a distance of 1027.08 feet to the point of beginning.

And

Township 58 North, Range 82 West, 6th P.M., Sheridan County, Wyoming:

Section 36: Lots 1, 2, 3, 4; N½, N½S½

Township 58 North, Range 81 West, 6th P.M., Sheridan County, Wyoming:

Section 36: NW¼, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11

And

A tract of land situated in the E½NW¼ and NE¼SW¼ of Section 22, Township 58 North, Range 81 West, 6th P.M., Sheridan County, Wyoming; said tract of land being more particularly described as follows:

Commencing at the Northwest corner of said Section 22 (Monumented with a GLO Brass Cap); thence N89°42'30"E, 1317.74 feet along the North line of the W½NW¼ of said Section 22 to the Point of Beginning of said tract, said point lying on a fence line, and being the Northwest corner of said E½NW¼; thence S04°37'40"E, 1579.51 feet along said fence line to a point; thence S18°46'09"E, 276.24 feet along said fence line to a point; thence S18°56'53"E, 940.46 feet along said fence line to a point; thence S35°18'55"E, 801.12 feet along an existing fence line to a point; thence S35°34'45"E, 351.29 feet along said fence line to a point, said point lying on the South line of said NE¼SW¼; thence S89°36'12"W, 1165.68 feet along said South line of said NE¼SW¼ to a point; said point being the Southwest corner of said NE¼SW¼; thence N00°45'24"W, 1325.19 feet along the West line of said NE¼SW¼ to a point; said point being the Southwest corner of said E½NW¼; thence N00°08'51"W, 2347.81 feet along the West line of said E½NW¼ to the Point of Beginning of said tract.

And

A tract of land situated in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 22, Township 58 North, Range 81 West, 6th P.M., Sheridan County, Wyoming; said tract of land being more particularly described as follows:

Beginning at the South quarter corner of said Section 22 (Monumented with a GLO Brass Cap); thence N00°28'36"W, 1097.78 feet along the West line of said SW $\frac{1}{4}$ SE $\frac{1}{4}$ to a point, said point lying on a fence line; thence S35°34'45"E, 292.34 feet along said fence line to a point; thence S35°40'40"E, 1051.38 feet along said fence line to a point, said point lying on the South line of said SW $\frac{1}{4}$ SE $\frac{1}{4}$; thence S89°33'40"W, 774.18 feet along said South line of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ to the Point of Beginning of said tract.

And

A tract of land situated in the NE $\frac{1}{4}$ NE $\frac{1}{4}$, Section 27, Township 58 North, Range 81 West, 6th P.M., Sheridan County, Wyoming; said tract of land being more particularly described as follows: Commencing at the Northeast corner of said Section 27 (Monumented with a GLO Brass Cap); thence S89°33'40"W, 1318.66 feet to a point; said point being the Northwest corner of said NE $\frac{1}{4}$ NE $\frac{1}{4}$; thence S00°30'12"E, 771.95 feet along the West line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ to the Point of Beginning of said tract, said point lying on a fence line; thence S35°40'40"E, 668.10 feet along said fence line to a point, said point lying on the South line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$; thence S89°32'05"W, 384.87 feet to a point; thence N00°30'12"W, 545.85 feet along said West line of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ to the Point of Beginning of said tract.

And

A tract of land situated in the S $\frac{1}{2}$ NE $\frac{1}{4}$, and the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 26, Township 58 North, Range 81 West, 6th P.M., Sheridan County, Wyoming; said tract of land being more particularly described as follows:

Commencing at the East quarter of said Section 26 (Monumented with a GLO Brass Cap); thence S89°26'08"W, 286.99 feet along the South line of said S $\frac{1}{2}$ NE $\frac{1}{4}$ to the Point of Beginning of said tract; thence S89°26'08"W, 2343.18 feet along said South line of the S $\frac{1}{2}$ NE $\frac{1}{4}$ to a point; thence S89°26'08"W, 1318.11 feet along the South line of said SE $\frac{1}{4}$ NW $\frac{1}{4}$ to a point; thence N00°30'19"W, 49.62 feet along the West line of said SE $\frac{1}{4}$ NW $\frac{1}{4}$ to a point, said point lying on a fence line; thence N89°54'28"E, 1737.51 feet along said fence line to a point; thence S89°18'29"E, 845.36 feet along said fence line to a point; thence S89°40'24"E, 1078.77 feet along said fence line to the Point of Beginning of said tract.

Excepting Therefrom that certain parcel of land as conveyed to Philip R. Ogle and Kathy Muller Ogle as contained in the Quitclaim Deed recorded May 20, 2014 in Book 547, Page 88.

SCHEDULE II

LEASES

1. State of Wyoming Grazing and Agricultural Lease No. 2-5300;
2. State of Wyoming Grazing and Agricultural Lease No. 2-5491;
3. State of Wyoming Grazing and Agricultural Lease No. 2-5538;
4. State of Wyoming Grazing and Agricultural Lease No. 2-5540;
5. State of Wyoming Grazing and Agricultural Lease No. 2-5680;
6. USDA Forest Service Term Grazing Permit number 10025 issued to Caza Ranches, LLC for Doyle and Poison Creek C & H Allotments.
7. U.S. Department of the Interior BLM Grazing Permit (Authorization number 4907078) issued to Caza Ranches, LLC for the following:

<u>Allotment Number</u>	<u>Name</u>	<u>Pasture</u>
12045	<u>Forest Tract</u>	
3207	<u>Little Poison Creek</u>	<u>Interstate</u>
3207	<u>Little Poison Creek</u>	<u>Poison Creek</u>
3207	<u>Little Poison Creek</u>	<u>MF Crazy Woman</u>

NO. 2016-725529 MORTGAGE
EDA SCHUNK THOMPSON, SHERIDAN COUNTY CLERK
WILCOX AGENCY
SHERIDAN WY 82801