

AMENDED, SUPPLEMENTED AND RESTATED SUPPLEMENTAL  
MORTGAGE, ASSIGNMENT AND SECURITY AGREEMENT  
[GEOTHERMAL]

THE STATE OF OREGON )  
COUNTY OF KLAMATH )

KNOW ALL MEN BY THESE PRESENTS:

This Amended, Supplemented and Restated Supplemental Mortgage, Assignment and Security Agreement dated as of the 22nd day of May, 1980 (this "Mortgage") from W. H. Hunt, also known as W. Herbert Hunt and William Herbert Hunt, a married man and a resident of Dallas County, Texas, whose mailing address is 1401 Elm Street, 2500 First National Bank Building, Dallas, Texas 75202 (hereinafter sometimes called "Mortgagor"), to Placid Oil Company, a Delaware corporation, whose address is 1401 Elm Street, 1600 First National Bank Building, Dallas, Texas 75202 (hereinafter sometimes called "Placid"), Placid Investments, Ltd., a Texas Limited Partnership, whose address is 1401 Elm Street, 1600 First National Bank Building, Dallas, Texas 75202 (hereinafter sometimes called the "Partnership"), and Placid Investment Company, a Delaware corporation, whose address is 1401 Elm Street, 1600 First National Bank Building, Dallas, Texas 75202 (hereinafter sometimes called the "General Partner"), Placid, the Partnership and the General Partner hereafter sometimes collectively referred to as "Mortgagee", whether one or more;

WITNESSETH:

WHEREAS, Mortgagor did execute and deliver unto Placid that certain Mortgage, Assignment and Security Agreement, dated as of March 11, 1980 (the "March Mortgage"), covering certain property described therein owned by Mortgagor located in the above captioned State, a counterpart of which is recorded in the public records in the above referenced County as more fully set forth in Schedule I -- Recording Data attached hereto and incorporated by reference herein for all purposes; and

WHEREAS, N. B. Hunt, acting by and through W. H. Hunt, his duly authorized attorney-in-fact, and W. H. Hunt did jointly and severally execute and deliver to the order of Placid their Promissory Note dated as of March 11, 1980 in the original aggregate principal amount of \$250,000,000 (the "Note"); and

WHEREAS, the March Mortgage was executed and delivered to Placid as security for all indebtedness owing and to be owing by Mortgagor to Placid pursuant to the terms of said Note, and any renewals and extensions thereof, and all other indebtedness defined and described therein; and

WHEREAS, N. B. Hunt, W. H. Hunt, Lamar Hunt and Placid entered into that certain Loan Agreement dated April 5, 1980 (the "Loan Agreement") pursuant to which and upon the terms and conditions therein provided, Placid agreed to renew, extend and increase the amount that it would loan or advance to Mortgagor and others under the terms and provisions of said Loan Agreement; and

45 2 14 5 JUN 08

WHEREAS, the indebtedness owed by Mortgagor to Placid under the Note was renewed, extended and increased by that certain Master Note dated April 5, 1980 in the original aggregate principal amount of \$800,000,000 from N. B. Hunt, W. H. Hunt and Lamar Hunt, jointly and severally, to the order of Placid (the "Master Note"); and

WHEREAS, Mortgagor did execute and deliver to Placid that certain Supplemental Mortgage, Assignment and Security Agreement, dated as of April 5, 1980 (the "April Mortgage"), covering certain property described therein owned by Mortgagor located in the above captioned State, including the property described in the March Mortgage, a counterpart of which is recorded in the public records in the above referenced County as more fully set forth in Schedule I -- Recording Data attached hereto and incorporated by reference herein for all purposes; and

WHEREAS, the April Mortgage was executed and delivered to Placid as security for all indebtedness owing and to be owing to Placid pursuant to the Master Note, and any and all renewals and extensions thereof, and all other indebtedness defined and described therein; and

WHEREAS, the Loan Agreement was amended and restated by the parties thereto through execution of an Amended and Restated Loan Agreement dated as of April 28, 1980 among N. B. Hunt, W. H. Hunt and Lamar Hunt, as borrowers, and Placid (the "Restated Agreement"), pursuant to which the terms and conditions under which Placid agreed to loan or advance amounts to or for the account of Mortgagor and others were amended and restated; and

WHEREAS, all advances and loans made to or for the account of Mortgagor or others made pursuant to the Loan Agreement and to be made to or for the account of Mortgagor or others pursuant to the Restated Agreement are and shall be evidenced by the Master Note; and

WHEREAS, Nelson Bunker Hunt, W. Herbert Hunt, the Mortgagor herein, Lamar Hunt, as limited partners (hereinafter sometimes collectively called "Limited Partners"), and the General Partner entered into that certain Agreement of Limited Partnership of Placid Investments, Ltd. dated as of April 28, 1980 (the "Agreement"), pursuant to which and upon the terms and conditions therein provided, the General Partner and the Limited Partners created the Partnership as a Texas limited partnership under and pursuant to the Texas Uniform Limited Partnership Act; and

WHEREAS, pursuant to Section 6.1 of the Agreement, the Limited Partners have contributed to the capital of the Partnership a promissory note dated May 22, 1980 (the "Partnership Note"), executed by the Limited Partners, and payable to the order of the Partnership in the principal amount of \$10,000, as more particularly described herein; and

WHEREAS, pursuant to Section 6.3 of the Agreement, the Limited Partners, jointly and severally, agreed to make additional contributions to the capital of the Partnership at the times and in the amounts set forth therein [such agreement to make additional contributions to the capital of the Partnership being hereinafter called the "Hunt Commitment," and being more particularly described in the Certificate of Limited Partnership of Placid Investments, Ltd. (the "Certificate") filed with the Secretary of State of the State of Texas on May 22, 1980, said Certificate being incorporated by reference herein for all purposes as if fully set forth herein]; and

WHEREAS, in order to confirm and secure his obligations under the Master Note and the Partnership Note and to make the contributions to the capital of the Partnership required by the Hunt Commitment as well as all other obligations of Mortgagor to the Mortgagee hereafter described, Mortgagor has agreed to execute, acknowledge and deliver this Mortgage to Placid, the Partnership and the General Partner;

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and to ratably secure and enforce the indebtedness of Mortgagor to the Partnership, the General Partner and/or Placid now or hereafter existing, Mortgagor does hereby grant, bargain, sell, assign, transfer, pledge, convey, mortgage and grant a security interest in the following described property to Mortgagee with power of sale, as Mortgagee and secured party:

(A) All of Mortgagor's right, title and interest in and to the geothermal leases and other interests and property of every kind and character described and set forth in Exhibit "A" attached hereto and made a part hereof for all purposes (hereinafter sometimes called the "Leases"), subject, however, to whatever restrictions, exceptions, conditions, limitations, and other matters, if any, as may be set forth in the specific descriptions of said interests and properties in Exhibit "A" and further subject to all presently existing encumbrances of record, if any, against the interests set forth in Exhibit "A";

(B) All of the Mortgagor's right, title and interest in, to and under, or derived from, any and all operating agreements, unitization agreements, pooling agreements and orders of regulatory agencies providing for pooling and unitization, whether now or hereafter made, and the units created thereby, which relate to any of the properties and interests described in Exhibit "A" hereto, whether or not such agreements and orders be described in said Exhibit "A";

(C) All of the Mortgagor's right, title and interest in and to all personal property, fixtures, hereditaments, physical property, improvements, easements, permits, licenses, servitudes and rights-of-way situated upon or used or useful or held for use in connection with the exploration, development or operation of the foregoing properties and interests, or the production, treating, storing or transportation of steam, hot water and associated geothermal resources therefrom, including, but not by way of limitation, casing, connections, tanks, separators, lines, pumps, buildings, sheds, wells, fixtures, tools, machinery and other equipment, power lines, telephone and telegraph lines, and other appurtenances, whether or not the same be described in said Exhibit "A" attached; and

(D) All of the Mortgagor's right, title and interest in, to and under, or derived from, steam, hot water and associated geothermal resources sales, purchase, exchange and processing contracts and agreements, and all other contracts, agreements and instruments, whether now in existence or hereafter made, which relate to any of the properties and interests described in said Exhibit "A" hereto, whether or not such contracts and agreements be described in Exhibit "A," together with all rights, title and interest of the Mortgagor in and to all steam, hot water and associated geothermal resources and the proceeds thereof, produced and to be produced from and which accrue or are attributable to any of such properties and interests (the "Production").

All of the properties and interests described in Subparagraphs (A), (B), (C), and (D) above are referred to herein at times collectively as the "Mortgaged Property."

TO HAVE AND TO HOLD the Mortgaged Property, and every part thereof, including every part thereof and interest therein, intended, agreed or covenanted to be conveyed hereby but not described, or inadequately described, in Exhibit "A," together with all rights, privileges and appurtenances now or hereafter at any time before the release hereof in anywise belonging or appertaining to the Mortgaged Property, unto the Mortgagee and its successors and assigns, forever.

10263

This conveyance is intended as a mortgage, however, against the above described Mortgaged Property, and the same is executed and delivered to secure and enforce the payment by Mortgagor of the Secured Indebtedness, as hereinafter defined, as well as all other indebtedness from Mortgagor to Mortgagee, hereinafter mentioned, as well as for other purposes, as hereinafter set forth.

ARTICLE I  
WARRANTY

Mortgagor hereby agrees to warrant and forever defend, all and singular, all or any portion of Mortgaged Property from which Production is being obtained or is capable of being obtained in commercial quantities (the "Producing Properties") unto Mortgagee, its successors and assigns, forever, against any person whomsoever lawfully claiming or to claim the same or any part thereof; and Mortgagor hereby covenants with Mortgagee, its successors and assigns, that the Leases described or to which reference is made in Exhibit "A" are valid and subsisting insofar as they cover the tracts of land therein described included within the Producing Properties; that Mortgagor has good right, title and authority to mortgage the Producing Properties, and that the Producing Properties are free and clear of all liens and encumbrances, except those prior liens and encumbrances presently existing of record and liens of operators of any of the Producing Properties which are operated by operators other than Mortgagor (i) for services or materials for which payment is not yet due, or (ii) which are being contested in good faith and by appropriate and lawful proceedings and as to which levy and execution thereon have been stayed and continue to be stayed; that all rentals and royalties due and payable under the Leases, and each of them, have been duly paid, and that all gross production, severance and excise taxes in respect of Mortgagor's interest in the Production from the Mortgaged Property have been paid or are being contested in good faith and by appropriate and lawful proceedings and as to which levy and execution thereon have been stayed and continue to be stayed. It is understood and agreed that the covenants and conditions of this Article I shall at all times be construed to be covenants for the benefit of the Mortgagee, and that such covenants shall remain in full force and effect, notwithstanding the assignment hereof, or the payment of all indebtedness secured by this instrument, and the release, either partially or wholly, of the lien hereof, or any foreclosure hereof.

ARTICLE II  
INDEBTEDNESS SECURED

This Mortgage is given to secure the payment of the following described indebtedness, to-wit:

(A) That certain Master Note executed by N. B. Hunt, Lamar Hunt and W. H. Hunt, jointly and severally, payable to the order of Placid at its offices in Dallas, Texas, which note bears interest as provided in the Restated Agreement at the rate of eighteen percent (18%) per annum, provides for attorneys' fees and is further identified as follows:

<u>Date of Note</u>	<u>Original Principal Amount</u>	<u>Maturity Date</u>
April 5, 1980	\$800,000,000	Payable on Demand;

(B) The following described promissory notes, of which Placid is on the date hereof the owner and holder, said promissory notes having been purchased from First National Bank of Chicago, Chicago, Illinois, on April 8, 1980:

(i) Promissory note dated March 2, 1979, executed by N. B. Hunt, bearing interest at the rate specified therein, and payable On Demand to the order of First National Bank of Chicago in the original principal amount of \$35,000,000;

(ii) Promissory note dated March 2, 1979, executed by W. H. Hunt, bearing interest at the rate specified therein, and payable On Demand to the order of First National Bank of Chicago in the original principal amount of \$15,000,000;

(ii) Promissory Note dated February 4, 1980, executed by Lamar Hunt, bearing interest at the rate specified therein, and payable On Demand to the order of First National Bank of Chicago in the original principal amount of \$50,000,000;

(C) All indebtedness of Mortgagor to Placid arising pursuant to the provisions of this Mortgage and any and all security agreements, mortgages, deeds of trust, collateral pledge agreements, contracts or assignments of any kind now or hereafter existing as security for the Placid Debt, or any part thereof;

(D) All loans and advances which Placid may hereafter make to the Mortgagor, it being contemplated that such loans and advances may hereafter be made and expressly intended that all such loans and advances be secured by this Mortgage, and any and all sums loaned or advanced from time to time by Placid for the protection or preservation of this Mortgage or for all or any portion of the Mortgaged Property or any other property in which Placid shall have an interest as collateral security for all or any part of the indebtedness secured hereby, of for the protection or preservation of any interest of Placid in any such property; it being understood that any sums so loaned or advanced for any of the aforesaid purposes shall be added to the Placid Debt secured hereby, shall be payable upon demand, shall bear interest until paid at the maximum interest rate permitted by applicable law, and if not paid upon demand, with interest, such nonpayment shall constitute an Event of Default hereunder;

(E) All other and additional debts, obligations and liabilities of every kind and character of Mortgagor to Placid, now existing or hereafter arising, absolute or contingent, joint or several, secured or unsecured, contractual or tortious, liquidated or unliquidated, direct or indirect, arising by operation of law or otherwise, and regardless of whether such present or future debts, obligations and liabilities may, prior to their acquisition by Placid, be or have been payable to, or be or have been in favor of, some other person or have been acquired by Placid in a transaction with one other than Mortgagor;

(F) Any and all renewals and extensions of all or any part of the debts, obligations and liabilities described or referred to in clauses (A) through (E), inclusive, of this Article II;

(G) That certain promissory note executed by N. B. Hunt, W. H. Hunt and Lamar Hunt, jointly and severally, payable to the order of the Partnership at its offices in Dallas, Texas, which note bears no interest, provides for attorneys' fees and is further identified as follows:

<u>Date of Note</u>	<u>Original Principal Amount</u>	<u>Maturity Date</u>
May 22, 1980	\$10,000.00	March 1, 1991;

(H) Any and all amounts, funds, monies and other indebtedness of every type and nature whatsoever now or hereafter owing by Mortgagor to the Partnership pursuant to the Hunt Commitment as set forth in the Agreement, it being contemplated that such indebtedness shall accrue and be owing to the Partnership from time to time from and after

10285

the date of this Mortgage, and any and all other amounts, funds, monies and other indebtedness of every type and nature whatsoever now or hereafter owing by Mortgagor to the Partnership and/or to the General Partner pursuant to or by reason of the Agreement or any obligation or undertaking of the Grantor set forth in the Agreement, and Mortgagor agrees that all such indebtedness shall be secured by this Mortgage;

(I) All loans and advances which the Partnership and/or the General Partner may hereafter make to the Mortgagor, it being contemplated that such loans and advances may hereafter be made and expressly intended that all such loans and advances be secured by this Mortgage, and any and all sums loaned or advanced from time to time by the Partnership and/or the General Partner for the protection or preservation of this Mortgage or for all or any portion of the Mortgaged Property or any other property in which the Partnership and/or the General Partner shall have an interest as collateral security for all or any part of the indebtedness secured hereby, or for the protection or preservation of any interest by the Partnership and/or the General Partner in any such property; it being understood that any sums so loaned or advanced for any of the aforesaid purposes shall be added to the indebtedness secured hereby, shall be payable upon demand, shall bear interest until paid at the maximum interest rate permitted by applicable law, and if not paid upon demand, with interest, such nonpayment shall constitute an Event of Default hereunder;

(J) All indebtedness of Mortgagor to the Partnership and/or the General Partner arising pursuant to the provisions of this Mortgage and any and all other security agreements, mortgages, deeds of trust, collateral pledge agreements, contracts or assignments of any kind now or hereafter existing as security for the Partnership Debt, or any part thereof;

(K) All other and additional debts, obligations and liabilities of every kind and character of Mortgagor to the Partnership and/or the General Partner, now existing or hereafter arising, absolute or contingent, joint or several, secured or unsecured, contractual or tortious, liquidated or unliquidated, direct or indirect, arising by operation of law or otherwise, and regardless of whether such present or future debts, obligations and liabilities may, prior to their acquisition by to the Partnership and/or the General Partner, be or have been payable to, or be or have been in favor of, some other person or have been acquired by to the Partnership and/or the General Partner, in a transaction with one other than Mortgagor; and

(L) Any and all renewals and extensions of all or any part of the indebtedness and obligations described in the foregoing paragraphs (G) through (K), inclusive, of this Article II.

The words "Secured Indebtedness," as used herein, shall mean any and all of the indebtedness, obligations and liabilities described or referred to above in clauses (A) through (L), inclusive of this Article II. Secured Indebtedness is also hereinafter sometimes referred to as the "indebtedness secured hereby" and the "indebtedness hereby secured". The words "placid Debt", as used herein, shall mean any and all of the indebtedness, obligations and liabilities described or referred to above in clauses (A) through (F), inclusive, of this Article II; the words "Partnership Debt," as used herein, shall mean any and all indebtedness, obligations and liabilities described or referred to above in clauses (G) through (L), inclusive, of this Article II. The word "Mortgagee" as used herein shall mean Placid, the Partnership and the General Partner, as well as any subsequent holder or holders of the Secured Indebtedness, or any part thereof, whether one or more.

Following the execution and delivery of this instrument, the rights of any other entity which may acquire any rights, title, lien or interest in and to the Mortgaged Property, or any part thereof, except as otherwise provided in Article VIII hereof, shall be subordinate and inferior to the rights of Mortgagee, its successors and assigns, securing each, every and all of the indebtedness hereinbefore referred to, including not only the notes evidencing the advances made by Mortgagee to Mortgagor, but also all future advances and other liabilities of Mortgagor to Mortgagee; and Mortgagee shall be fully authorized to extend further credit to Mortgagor upon the prior security of this instrument, without the consent of any other entity which may possess or acquire such subordinate rights last mentioned.

### ARTICLE III SPECIAL COVENANTS

Mortgagor covenants and agrees specifically as follows:

- (1) That Mortgagor will keep in full force and effect any Lease at any time constituting part of the Mortgaged Property so long as any well situated thereon or on lands pooled or unitized therewith is capable of Production in paying quantities and will perform all covenants and conditions imposed upon the original lessee, or his or its assigns or successors, or upon Mortgagor, and expressly contained in such Leases, or any assignment thereof, or any agreement in connection therewith, as well as all implied covenants or obligations imposed in connection with such Leases, and will do all things and perform all acts necessary or proper to maintain such Leases, assignments and/or agreements in full force and effect, and will not amend or terminate any of such Leases, assignments or agreements nor surrender, abandon or release same in whole or in part so long as any well situated thereon or on lands pooled or unitized therewith is capable of Production in paying quantities.
- (2) That Mortgagor will cause to be operated, in a good and workmanlike manner, the wells now or hereafter existing on the Producing Properties, and will faithfully comply with the proration and conservation laws of the State where the properties listed on Exhibit "A" are located and all rules and regulations of any governmental agency, either state or federal, from time to time lawfully constituted to regulate the operation of the Mortgaged Property.
- (3) That all wells situated upon the lands and Leases hereinabove described, which are currently producing Production are legally drilled and located and are not deviated from the vertical more than the maximum allowed by applicable law, rule, regulation or order, and that all such wells are properly bottomed, completed and producing from the Mortgaged Property or property pooled or unitized therewith.
- (4) That Mortgagor will not at any time, in any manner, encumber the Mortgaged Property, or the personal property used in connection therewith, or permit same to be encumbered, by any lien other than the one created hereunder and those presently existing of record (or to which reference is made in Article VIII hereof), and that in connection with the development, operation and equipping of the Mortgaged Property, Mortgagor will promptly pay all laborers and materialmen for labor, supplies or material furnished in connection therewith, and will not permit any such obligation to become a lien against the Mortgaged Property, even though junior hereto; but nothing herein shall be deemed a waiver of the priority of the lien hereof as against the claims of any laborer or materialman, or to give to laborer or materialmen any rights hereunder, or any right of action upon this covenant against the Mortgagor.

- (5) That Mortgagor will pay, or cause to be paid, prior to delinquency, all lawful taxes and assessments upon the Mortgaged Property, as well as all taxes and assessments incident to or in connection with the operation and development of the above described Leases, and the Production therefrom, except to the extent that the validity or amount of any of the foregoing is being contested in good faith and by appropriate and lawful proceedings, and so long as levy and execution thereon have been stayed and continue to be stayed and such security or reserve as Mortgagee may reasonably deem appropriate, has been furnished or established.
- (6) That Mortgagor will keep and maintain, or cause to be kept and maintained, all buildings, improvements, equipment, machinery and personal property situated on or used in connection with the operation of the Mortgaged Property in a good state of repair, and will not suffer or permit any of the same to be removed or torn down, without first obtaining the written consent of the Mortgagee.
- (7) That Mortgagor will keep or cause to be kept in full force and effect such insurance covering such buildings, improvements, equipment, machinery and personal property included within the Mortgaged Property, insuring such property in such amounts and against such hazards and risks as may be required from time to time (i) by applicable law, or (ii) pursuant to the Guaranty Agreement (as defined in paragraph (1) of Article VIII hereof). Said property so insured shall be insured with insurers of good standing and satisfactory to Mortgagee, and all policies covering said properties so insured shall carry a loss payable clause in favor of Mortgagee as its interest may appear. Said policies or proper certificates thereof shall be delivered to Mortgagee. Mortgagee shall have the right to collect, and Mortgagor hereby assigns to Mortgagee, any and all monies that may become payable under any such policies of insurance by reason of damage, loss or destruction of the Mortgaged Property or any part thereof, at and Mortgagee may apply all such sums or any part thereof, at its election, toward the payment of the Secured Indebtedness, whether the same be then due or not, application to be made in accordance with the provisions of paragraph (4) of Article IV hereof.
- (8) That in the event Mortgagor fails and refuses to pay or discharge, before the same become delinquent, any and all taxes, liens, assessments or other charges against the Mortgaged Property, Mortgagee shall have the right, but shall not be obligated, to pay said charges against said property, and, in such event, shall be subrogated to the rights, liens, and equities thereof, and the amount so paid, together with interest thereon at the maximum rate permitted by applicable law from the date of such payment, shall be added to the Secured Indebtedness.
- (9) That no other or additional security now existing, or hereafter taken to secure the payment of the Secured Indebtedness hereby secured, shall be impaired or affected, in any manner, by the execution of this instrument, and all additional security that may be taken as security for the payment of said indebtedness shall be considered and held as cumulative and shall not in anywise release, diminish or impair any of the rights or security hereby granted; that the Mortgagee may at any time release all or any part of the Mortgaged Property from the lien hereof, and may at any time release or surrender any other security, or any part thereof, which may have been given to the Mortgagee to secure the payment of the indebtedness hereby secured; and any such release or surrender may be given or made without notice to or the consent of the owner(s) of or any person having any interest in or lien upon all or any part of the Mortgaged Property, or any other person bound hereby, without affecting the personal liability of any person for the payment of said indebtedness, and without in anywise altering, varying or diminishing the force, effect or lien of this instrument.



(10) That Mortgagor will keep accurate books and records in accordance with sound accounting principles in which full, true and correct entries shall promptly be made as to all operations on the Mortgaged Property, and all such books and records shall at all times during reasonable business hours be subject to inspection by Mortgagee and its duly accredited representatives.

(11) That Mortgagor will pay, to the extent not prohibited by applicable law, all appraisal fees, recording fees, taxes, abstract fees, attorneys' fees, and all other costs and expenses of every character incurred by Mortgagor or Mortgagee in connection with the execution, delivery, performance and enforcement of this Mortgage, and will reimburse Mortgagee for all expenses incurred by it, and will indemnify and hold harmless the Mortgagee from and against all claims, demands, liabilities and causes of action asserted against it on account of any act performed or omitted to be performed hereunder or on account of any transaction arising out of or in any way connected with the Mortgaged Property or this Mortgage or any of the Secured Indebtedness, save and except for its willful misconduct.

(12) In case of default in the payment of any indebtedness hereby secured, or the failure to perform any of the covenants or conditions hereof, the holder of said indebtedness shall have the right, but shall not be required, to enter upon the Mortgaged Property and take possession and operate the same in any manner deemed by it advisable, or designate some firm, person or corporation to operate the same, without being liable to Mortgagor for any act or thing done or caused to be done, in good faith, in connection with such operation and management of said property, and in case of any such default the holder of said indebtedness, or the person, firm or corporation designated to operate said property, shall have the right to collect, receive and receipt for all Production from the Mortgaged Property under and by virtue of the leases and/or contracts under and by virtue of which Mortgagor now owns or owns and operates said property.

(13) It is understood and agreed that if, during the pendency of the Secured Indebtedness, the title of Mortgagor to the Mortgaged Property, or any part thereof, or the priority of the lien of this Mortgage covering the property herein mortgaged for the security of said debt, is questioned or attacked, directly or indirectly, by suit or other judicial proceeding, or in any other manner, or a controversy of any nature arises relative to such title, or the priority of such lien, the undersigned Mortgagor agrees to protect and save harmless the holder of the indebtedness hereby secured from any and all costs, loss, damage or claim by reason of such title being questioned, or such priority of this lien being questioned, and the owner of said indebtedness is hereby authorized and instrumented, at the cost and expense of said Mortgagor, to take such steps as in its judgment may be necessary or proper for the defense of said title, and the establishment of the priority of said lien, including the employment of counsel, the prosecution or defense of litigation, and the compromise or discharge of such claims, assessments or charges made against such title, lien or land; and the expenses incurred in such proceedings, including all sums paid in compromise or discharge of such charges or claims, attorneys' fees, court costs, and all other expenses, of any kind and nature, shall become an additional part of the indebtedness secured hereby, bearing the maximum rate of interest permitted by applicable law, be payable upon demand, and be secured by the lien of this Mortgage upon the property herein mortgaged, and be subrogated to all the rights, liens, remedies, equities, superior title, and benefits held, owned, possessed, and enjoyed at any time by any owner or holder of any claim, lien, assessment, charge or expense so paid. The holder of said indebtedness is hereby authorized to employ attorneys of its own selection to represent it in any and all suits or proceedings, of any character, involving the title to the security or the lien of this Mortgage, and this right of the holder to so employ such attorneys, and make such advancements as may be necessary, shall exist regardless of whether the indebtedness secured hereby be then due or not.

10289

(14) That Mortgagor will pay when due the indebtedness secured hereby as and when the same becomes due.

(15) Anything in this Article III hereof to the contrary notwithstanding, Mortgagor, with respect to any of the Mortgaged Property which is operated by operators other than Mortgagor, shall not be obligated himself to perform undertakings performable only by such other operators and which are beyond the control of Mortgagor. In each such case, however, Mortgagor will promptly take all actions available to him, under applicable operating arrangements or otherwise, to bring about the performance of any such undertakings required to be performed by others.

#### ARTICLE IV EVENTS OF DEFAULT

(1) It is understood and agreed that if one or more of the following events (herein called "Events of Default") should happen, to-wit:

(A) Default shall be made in the payment when due of all or any part of the Secured Indebtedness, or any part thereof, as the same becomes due and payable; or

(B) Default shall be made in the observance or performance of any term, covenant, condition, provision or obligation contained herein or in the Restated Agreement or the Agreement, or in any other mortgage, deed of trust, collateral pledge agreement, security agreement, assignment, loan agreement or contract of any kind relating to the Secured Indebtedness, or any part thereof; or

(C) Mortgagor shall become insolvent or make an assignment for the benefit of creditors; or a receiver shall be appointed for all or a major portion of the properties of Mortgagor or any of the Mortgaged Property; or Mortgagor shall request either by way of petition or answer the entry of an Order for Relief under the Bankruptcy Code, as now enacted or hereafter amended, or for any composition, rearrangement, extension, reorganization, or other relief under any bankruptcy law or under any other law for the relief of debtors now or hereafter existing, or if any proceeding seeking any such relief is instituted against Mortgagor by any other person and such proceeding is not discharged or dismissed within sixty (60) days from the commencement of such proceeding; or

(D) If any representation made by a Mortgagor herein proves untrue in any material respect; or

(E) The title of Mortgagor to the Producing Properties, or any substantial part thereof, shall become the subject matter of litigation which would or might upon final determination and final judgment, result in substantial impairment or loss of the security provided by this instrument; or

(F) If Mortgagor shall sell or transfer the title to the Mortgaged Property, or a substantial portion thereof, and either all indebtedness hereby secured shall not be paid at the time of such sale or transfer, or the Mortgagee's written approval to such sale or transfer shall not be first had or obtained;

then, and in any such event, Mortgagor shall be in default hereunder, and all the indebtedness secured hereby shall, at the option of the Mortgagee, without notice of any kind, thereupon become immediately due and payable, and Mortgagee may thereupon avail itself of any of its legal and equitable rights and remedies, either by the institution of a suit, or suits, in equity or at law, or in bankruptcy, in any court, or courts, of competent jurisdiction, whether for the specific performance of any covenant or agreement

herein contained or in the aid of any execution of any powers herein granted, or for any foreclosure hereof or hereunder, or for any sale of Mortgaged Property, or any part thereof, so far as may be authorized by law, or for the enforcement of such other or additional appropriate legal or equitable remedies as the Mortgagee may deem most effectual to protect and enforce the rights aforesaid.

(2) It is further understood and agreed that if one or more of the Events of Default set forth above shall occur, then, and in every such event, Mortgagee, its successors and assigns, shall have the right (but shall not be required) to take possession of all lands, leases, leasehold estates and property hereby mortgaged, and thereafter maintain, operate and control the Mortgaged Property, with full right to the Production therefrom, and to market and sell any and all of same so produced and saved, at the then prevailing prices, with the right of the Mortgagee, its successors and assigns, to purchase such Production, the proceeds of any such sales to be applied, first to the payment of any and all costs, charges and expenses incurred in operating such property, or producing or taking care of or marketing the Production therefrom, and then to payment of the indebtedness secured by this Mortgage, and any surplus then remaining to be paid to Mortgagor as its interests may appear; or, if one or more Events of Default shall occur, Mortgagee, its successors and assigns, may institute proceedings in any court, or courts, of competent jurisdiction for the foreclosure of this Mortgage, and as a matter of right and without proof of either insolvency, fraud, insecurity or mismanagement on the part of Mortgagor, Mortgagee and its successors and assigns shall be entitled to the appointment of a receiver or receivers to take possession of, manage and operate the Mortgaged Property, and to market and sell all Production produced therefrom and to collect and receive the proceeds thereof for application, first, to the costs, charges and expenses incurred by such receiver, or receivers, and then to the payment of the indebtedness secured by this Mortgage, it being mutually agreed that the sale of the Production from any of the Mortgaged Property after an Event of Default shall have occurred will be considered as disposing of a part of the corpus of the Mortgaged Property.

(3) In addition to all rights, privileges and options specified above, it is mutually agreed that if one or more Events of Default shall occur, and if permitted by the laws of the State in which the properties listed on Exhibit "A" are located, Mortgagee, acting by and through any one or more designated agents or representatives, shall have the right (but not the obligation) and is hereby authorized and empowered to sell the Mortgaged Property, or any part or parts thereof, either as a whole or in parts, at public or private sale, in whatever manner and upon whatever terms the Mortgagee may specify, and to convey same to the purchaser or purchasers, provided, however, that the Mortgagee may exercise the authority thus granted only after first having complied fully with all applicable laws of the State in which the properties listed on Exhibit "A" are located, including but not limited to such laws as pertain to the foreclosure of mortgages or deeds of trust, the giving of notice of the time, place and terms of sale or sales, and the exercise of any of the rights, privileges and options hereby granted. Any holder of any indebtedness secured hereby shall have the right to become the purchaser at any such sale.

(4) The proceeds of any foreclosure sale hereunder shall be applied: first, to the payment of all necessary costs and expenses incident to such foreclosure sale, including but not limited to all court costs and charges for every character in event foreclosure is by suit; second, to the payment in full of the Partnership Debt in such order as the holder of the Partnership Debt may elect until the Partnership Debt is paid in full; third, to the payment of the Placid Debt in such order as the holder of the Placid Debt shall elect until the Placid Debt is paid in full; and fourth, the remainder, if any, shall be paid to Mortgagor or his successors or assigns, or to whomsoever may be lawfully entitled to the same, or as a court of competent jurisdiction may direct.

10274

(5) In the event of a foreclosure hereunder, either through judicial proceedings or in exercise of Mortgagee's power of sale, the Mortgagee shall have discretion and control as to whether the Mortgaged Property shall be sold as an entirety or in separate parcels and tracts, and the Mortgagee's judgment shall be final as to such question. Mortgagor, and all entities hereafter claiming by, through or under it, or who may at any time hereafter become Mortgagees of liens junior to the lien of this instrument, hereby specifically waive and release all right to have any or all of the Mortgaged Property marshaled upon any foreclosure or other enforcement of the terms hereof. To the full extent permitted by law, Mortgagor waives any and all rights of redemption.

(6) If an Event of Default occurs by reason of non-payment of any part of the indebtedness secured hereby, Mortgagee may proceed with foreclosure of the lien of this Mortgage in satisfaction of such matured portion of the indebtedness secured hereby either through judicial proceedings, or, if and to the extent permitted by applicable law, by public or private sale hereunder as if under a full foreclosure, conducting the sale as herein provided, and proceed with foreclosure of the security interest created hereby, all without declaring the whole of the indebtedness secured hereby due, and provided that if sale of the Mortgaged Property, or any portion thereof, is made because of an Event of Default occurring by reason of non-payment of a part of the indebtedness secured hereby, such sale may be made subject to the unmatured part of the indebtedness secured hereby, and it is agreed that such sale, if so made, shall not in any manner affect the unmatured part of the indebtedness secured hereby, but as to the unmatured part of the indebtedness secured hereby this Mortgage shall remain in full force and effect just as though no sale had been made under the provisions of this paragraph (6) of Article IV. And it is further agreed that several sales may be made hereunder without exhausting the right of sale for any unmatured part of the indebtedness secured hereby, it being the purpose to provide for a foreclosure and sale of the Mortgaged Property, or any part thereof, for any matured portion of the indebtedness secured hereby without exhausting the power to foreclose and to sell the Mortgaged Property, or any part thereof, for any other part of the indebtedness secured hereby whether matured at the time or subsequently maturing.

#### ARTICLE V ASSIGNMENT OF PRODUCTION

(1) In order further to secure the payment of the indebtedness secured hereby, Mortgagor does hereby TRANSFER, ASSIGN and CONVEY unto and in favor of the Mortgagee all of the interest of the Mortgagor in the Production, in and under, or which may be produced from, the Mortgaged Property, or allocated thereto pursuant to pooling or unitization of the leases or otherwise, together with all proceeds derived from the sale of such Production on and after the date of the execution of this Mortgage.

(2) The foregoing assignment is made upon, and subject to, the following terms:

(a) Unless and until an Event of Default (as defined hereinbefore) shall have occurred, the Mortgagor shall be entitled, to the extent permitted by law, to use, consume, sell or otherwise dispose of the Production produced and to be produced from or allocated to the Mortgaged Property, or any portion thereof, and to collect and obtain all such proceeds and to require and enforce the performance of any and all contracts relating to such Production or proceeds, without further consent of or action by the Mortgagee; but the Mortgagee shall, if the Mortgagor shall so request in writing, deliver to Mortgagor suitable orders in favor of Mortgagor or its nominee or nominees for the receipt of such Production and such proceeds and the performance of all

10272

acts and things under such contracts. If an Event of Default occurs, such orders shall be recoverable by the Mortgagee by written notice to the parties affected thereby.

(b) Promptly after an occurrence of an Event of Default, the Mortgagee may give written or telegraphic notice to all of the parties producing, purchasing, taking, possessing, processing or receiving any such Production, or having in their possession any such Production belonging to Mortgagor or such proceeds for which they or others are accountable to the Mortgagee by virtue of the provisions of this Article V(2), to hold and dispose of such Production for the account of the Mortgagee and to make payment of such proceeds direct to the Mortgagee at its principal office, and the Mortgagee shall thereafter receive, collect and retain, as part of the Mortgaged Property, all such Production, all for the benefit and further security of the indebtedness secured hereby.

(c) All parties producing, purchasing, taking, possessing, processing or receiving any such Production, or having in their possession any such Production or such proceeds for which they or others are accountable to the Mortgagee by virtue of the provisions of this Article V(2), are authorized and directed by the Mortgagor, upon receipt of notice by the Mortgagee given pursuant to the above subparagraph V(2)(b), to treat and regard the Mortgagee as the assignee and transferee of the Mortgagor and entitled in its place and stead to receive such Production and proceeds; and such parties and each of them shall be fully protected in so treating and regarding the Mortgagee and shall be under no obligation to see to the application by the Mortgagee of any such proceeds received by it or to ascertain or verify that an Event of Default has occurred so as to authorize the giving of a notice by the Mortgagee pursuant to the above subparagraph V(2)(b). Without in any way limiting the effectiveness of the authorization and direction in the next preceding sentence, if the Mortgagee shall receive any such proceeds which under this Article V(2) are receivable by the Mortgagee, Mortgagor will hold the same in trust and will remit such proceeds, or cause such proceeds to be remitted, immediately, to the Mortgagee.

(d) Without limiting the foregoing provisions of this Article V, the Mortgagor stipulates that this Article V is intended to and does grant to the Mortgagee a security interest in Mortgagor's interest in the Production to be extracted from or attributable to the Mortgaged Property, and in and to the proceeds resulting from the sale thereof at the wellhead.

(3) The Mortgagor covenants and agrees, and undertakes hereby, to cause after an Event of Default shall have occurred and the Mortgagee shall have so requested, all purchasers of the Production produced from the Mortgaged Property to pay promptly to the Mortgagee at its principal office, the Mortgagor's interest in the proceeds derived from the sale thereof, in accordance with the terms of this assignment, and forthwith to execute, acknowledge and deliver to said such further and proper divisions orders, transfer orders, certificates and other documents as may be necessary or proper to effect the intent of these presents; and the Mortgagee shall not be required at any time, as a condition to its right to obtain the proceeds of such Production, to warrant its title thereto or to make any guaranty whatsoever. In addition, and without limitation, the Mortgagor covenants and agrees, and undertakes hereby, to provide to the Mortgagee the name and address of every purchaser of the Production from the Mortgaged Property when determined, together with a copy of the applicable sales contracts. All expenses incurred by the Mortgagee in the collection of said proceeds shall be repaid promptly by the Mortgagor; and prior to such repayment, such expenses shall be a part of the indebtedness secured hereby.

(4) Without limitation upon any of the foregoing and effective only if an Event of Default occurs and then during the period such default continues, and if the Mortgagee has given Mortgagor notice of such Event of Default, the Mortgagor hereby designates and appoints the Mortgagee as the Mortgagor's true and lawful agent and attorney-in-fact (with full power of substitution, either generally or for such periods or purposes as the Mortgagee may from time to time prescribe), with full power and authority, for and on behalf of and in the name of the Mortgagor, to execute, acknowledge and deliver all such division orders, transfer orders, certificates and other documents of every nature, with such provisions as may be from time to time, in the opinion of the Mortgagee, necessary or proper to effect the intent and purpose of the assignment contained in this Article V; and the Mortgagor shall be bound thereby as fully and effectively as if the Mortgagor had personally executed, acknowledged and delivered any of the foregoing certificates or documents. The powers and authorities herein conferred on the Mortgagee may be exercised on behalf of the Mortgagee by any person who is then the president or a vice president of Mortgagee or of the corporation acting in its capacity as a general partner of Mortgagee, as the case may be. The power of attorney conferred by this Article V(4) is granted for valuable consideration and coupled with an interest and is irrevocable so long as the indebtedness secured hereby, or any portion thereof, shall remain unpaid. All persons dealing with the Mortgagee, or any substitute, shall be fully protected in treating the powers and authorities conferred by this Article V(4) as continuing in full force and effect until advised by the Mortgagee that the indebtedness secured hereby is fully and finally paid.

(5) The Mortgagee shall never be under any obligation to enforce the collection of the funds assigned to it hereunder, nor shall it ever be liable for failure to exercise diligence in the collection of such funds, but it shall only be accountable for the sums that it shall actually receive.

#### ARTICLE VI SECURITY AGREEMENT

(1) This instrument is intended to be a mortgage covering real and personal property, and also a security agreement and an assignment of Production. This instrument covers proceeds and fixtures. Counterparts of this instrument may be filed as financing statements under the Uniform Commercial Code.

(2) With respect to all personal property and fixtures and minerals and the like (including oil and gas) constituting a part of the Mortgaged Property, Mortgagor hereby grants to Mortgagee a security interest in all such personal property, fixtures and minerals and the like (including oil and gas) constituting a part of the Mortgaged Property including but not limited to all of Mortgagor's rights now owned and at any time hereafter acquired in all (i) Production from or allocated to the Mortgaged Property, (ii) accounts and general intangibles arising in connection with the sale or other disposition of such Production, and (iii) equipment, other personal property, and fixtures at any time used on the Mortgaged Property or in connection with such Production. The above goods which are to become fixtures will be on the Mortgaged Property. This instrument may be filed for record as a Financing Statement in any appropriate public records. If an Event of Default shall occur hereunder, Mortgagee shall be entitled to all the rights, powers and remedies afforded a secured party by the Uniform Commercial Code with reference to the personal property, fixtures and minerals and the like (including oil and gas) in which Mortgagee has been granted a security interest by this instrument, or Mortgagee may proceed as to both the real and personal property covered hereby in accordance with the rights and remedies granted hereunder in respect to the real property covered hereby.

(3) Mortgagor is the record lessee of the real estate covered by this instrument.

(4) The address of Mortgagee, as secured party hereunder, from which information concerning the security interest granted hereby may be obtained is 1600 First National Bank Building, Dallas, Texas 75202.

ARTICLE VII  
MISCELLANEOUS PROVISIONS

(1) It is further understood and agreed that if any provision hereof is invalid or unenforceable in any jurisdiction the other provisions hereof shall remain in full force and effect in such jurisdiction and the remaining provisions hereof shall be liberally construed in favor of the Mortgagee in order to effectuate the provisions hereof, and the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of any such provision in any other jurisdiction.

(2) Mortgagor further covenants and agrees, at the request of Mortgagee, to execute such other and further mortgages, deeds of trust, assignments, security agreements, financing statements and any other instruments or documents as may be necessary or desirable to confirm and perfect in Mortgagee each and every lien and right herein mentioned.

(3) Appraisal of the Mortgaged Property is hereby expressly waived or not waived, at the option of Mortgagee, its successors and assigns, such option to be exercised, however, as to each portion or portions of the Mortgaged Property, prior to or at the time foreclosure sale thereof takes place or judgment is rendered in any foreclosure suit, whichever occurs first.

(4) In the event of foreclosure hereof, Mortgagor agrees to pay all costs and expenses, including reasonable attorneys' fees, incurred by Mortgagee in connection with such foreclosure, whether by suit or under power of sale, and the payment of sale shall be secured by the lien of this Mortgage.

(5) All options and rights of election herein provided for the benefit of Mortgagee are continuing, and the failure to exercise any such option or right upon a particular default or breach or upon any subsequent default or breach shall not be construed as waiving the right to exercise same at a later date. No exercise of the rights and powers herein granted, shall be held to exhaust the same or be construed as a waiver thereof, and every such right and power may be exercised at any time and from time to time.

(6) The lien and other security rights of Mortgagee shall not be impaired by any indulgence including but not limited to (a) any renewal, extension or modification granted with respect to any Secured Indebtedness, or (b) any surrender, compromise, release, renewal, extension, exchange or substitution which Mortgagee may grant in respect to any item of the Mortgaged Property or any part thereof or interest therein, or any of the proceeds of runs, or (c) any release or indulgence granted to any endorser, guarantor or surety of any Secured Indebtedness.

(7) This instrument may be foreclosed as to any of the Mortgaged Property in any manner permitted by the laws of the State in which the properties listed in Exhibit "A" hereto are located. All remedies herein expressly provided are cumulative of any and all other remedies existing at law or in equity, and Mortgagee shall, in addition to the remedies herein provided, be entitled to avail itself of all such other remedies as may now or hereafter exist at law or in equity for the collection of the Secured Indebtedness and the enforcement of the covenants herein and the foreclosure of the liens evidenced hereby, and the resort to any remedy provided for this instrument or by any other security now existing or hereafter given or by any law to secure or enforce payment of the Secured Indebtedness, in whole or in part, shall not prevent the concurrent or subsequent employment of any other appropriate

remedy or remedies, and no such action shall in any wise be considered a waiver of any of the rights, benefits or liens evidenced by this instrument or by any other security. 10275

(8) This instrument is being executed in numerous counterparts, each and all of which shall be deemed originals, and all counterparts together shall constitute one and the same document.

(9) This Mortgage shall be binding upon Mortgagor, its successors and assigns, and shall inure to the benefit of Mortgagee, or any other holder of the indebtedness hereby secured, its successors and assigns. Whenever used, the singular number shall include the plural and the singular, and the use of any gender shall be applicable to all genders.

(10) No provision herein or in any instrument or any other document executed by Mortgagor evidencing or relating to any indebtedness secured hereby shall require the payment or permit the collection of interest in excess of the maximum permitted by applicable law. If any excess of interest in such respect is provided for herein or in any such instrument or other document, the provisions of this paragraph shall govern, and Mortgagor shall not be obligated to pay the amount of such interest to the extent that it is in excess of the amount permitted by applicable law. This intention of the parties being to conform strictly to the applicable usury laws, all instruments and other documents executed by Mortgagor evidencing or relating to any indebtedness secured hereby shall be held subject to reduction to the amount allowed under said applicable usury laws as now or hereafter construed by the courts having jurisdiction.

(11) It is understood and agreed that the proceeds of the Master Note or any other part of the Secured Indebtedness, to the extent the same are or were utilized to renew or extend and indebtedness to take up any outstanding liens against the Mortgaged Property, or any portion thereof, have been advanced by Mortgagee at Mortgagor's request and upon Mortgagor's representation that such amounts are due and payable, Mortgagor shall be subrogated to any and all rights and liens owned or claimed by any owner or holder of said outstanding rights and liens, however remote, regardless of whether said rights and liens are acquired by assignment or are released by the holder thereof upon payment.

## ARTICLE VIII

### SUBORDINATION

(1) This Mortgage and the liens and security interests created hereby and all other liens, security interests, charges, encumbrances which the Partnership, the General Partner and/or Placid now or hereafter have or to which they may now or hereafter be entitled against the Mortgaged Property, or any part or portion thereof, and any and all proceeds and products thereof, are, shall be and shall remain subject, subordinate and inferior to any and all liens, security interests, charges and encumbrances now or at any time hereafter existing against or otherwise affecting the Mortgaged Property, or any part or portion thereof, and created or granted or evidenced by any current or future mortgage, deed of trust, security agreement, financing statement, other filing or registration, assignment, pledge agreement or any other document or writing of any name or nature whatsoever affecting, encumbering or relating in any way to the Mortgaged Property, or any part or portion thereof, and any and all of the proceeds and products thereof, executed by Mortgagor to, or to any trustee for the benefit of, First National Bank in Dallas and Morgan Guaranty Trust Company of New York, as agents ("Agents") for themselves and the eleven other banks (the Agents and such banks together, the "Banks") parties to the Revolving Credit Agreement dated as of April 28, 1980 (hereinafter, as the same may be renewed, extended, amended, modified, supplemented or restated from time to time the "Revolving Credit Agreement"), among the Banks and Placid, as



security for the payment and performance of any and all indebtedness, obligations and liabilities (i) of Placid to any one or more of the Banks under the Revolving Credit Agreement, whether now existing or hereafter arising, and (ii) of Mortgagor to any one or more of the Banks, under that certain Guaranty Agreement dated as of April 28, 1980 (the "Guaranty Agreement") among the Limited Partners and the Agents, for themselves and for the Banks, whether now existing or hereafter arising (all of said indebtedness, obligations and liabilities of Placid under the Revolving Credit Agreement and/or Mortgagor under the Guaranty Agreement to any one or more of the Banks being hereinafter called the "Bank Obligations"), until all of the Bank Obligations have been paid and performed in full, all as more fully set forth in that certain Agreement Among Creditors entered into as of April 28, 1980 (the "Creditors Agreement"), among the Agents, for themselves and for the Banks, Placid, the General Partner and the Partnership, and acknowledged and agreed to by the Limited Partners.

(2) To the extent permitted by applicable law, the Revolving Credit Agreement, the Guaranty Agreement, the Creditors Agreement and the Agreement (defined in the preambles to this instrument) are incorporated by reference herein as if fully set forth herein; copies of the foregoing instruments are on file at and may be obtained from: First National Bank in Dallas, 1401 Elm Street, Dallas, Texas 75202, Attention: Mr. John P. Lewis.

(3) Nothing contained in the foregoing Article VIII(1) shall impair, as between Mortgagor and Mortgagee, the obligation of Mortgagor, which is and shall continue to be unconditional and absolute, to pay the full amount of the indebtedness hereby secured as and when the same is or shall become due, whether by passage of time, acceleration, or otherwise.

IN WITNESS WHEREOF, this instrument is executed by the Mortgagor and Mortgagee effective as of May 22, 1980.

MORTGAGOR-DEBTOR

W. H. Hunt  
W. H. HUNT

MORTGAGEE-SECURED PARTY

PLACID INVESTMENTS, LTD.,  
a Texas Limited Partnership

BY: PLACID INVESTMENT COMPANY,  
General Partner

By Walter Fraker  
Walter Fraker,

Its Vice President  
PLACID INVESTMENT COMPANY,  
a Delaware Corporation

BY: Walter Fraker  
Walter Fraker,  
Its Vice President

PLACID OIL COMPANY, a Delaware  
Corporation

BY: Walter Fraker  
Walter Fraker,  
Its Vice President

Attest:

R. M. Weddle  
Assistant Secretary

R. M. Weddle

Attest:

R. M. Weddle  
Assistant Secretary

R. M. Weddle

Attest:

R. M. Weddle  
Assistant Secretary

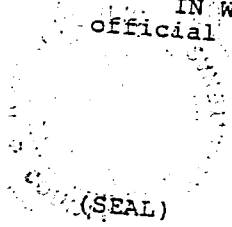
R. M. Weddle

STATE OF TEXAS       §  
                             §  
COUNTY OF DALLAS   §

10277

BEFORE ME, the undersigned authority, on this the 22<sup>nd</sup> day of May, 1980, personally appeared W. H. HUNT, who acknowledged to me that he executed the foregoing instrument for the purposes and consideration therein expressed.

IN WITNESS WHEREOF, I have hereto set my hand and affixed my official seal the day and year above written.

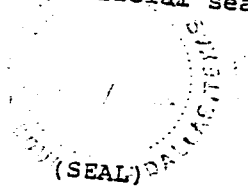


Caroline S. Crick  
Notary Public in and for  
Dallas County, Texas  
My Commission Expires: 10-10-81

STATE OF TEXAS       §  
                             §  
COUNTY OF DALLAS   §

BE IT REMEMBERED that on this 22<sup>nd</sup> day of May, 1980, before me, the undersigned authority, a Notary Public in and for said County and State, personally appeared WALTER FRAKER, the Vice President of PLACID INVESTMENT COMPANY, a Delaware corporation, the general partner of PLACID INVESTMENTS, LTD., a Texas Limited Partnership, who is personally known to me and known to me to be the President of said corporation, and the same person who executed the foregoing instrument, and he duly acknowledged the execution of the same for and on behalf of and as the act and deed of said corporation, acting on behalf of said limited partnership, for the purposes and consideration therein expressed and in the capacity therein stated, and he further stated on his oath that he was fully authorized so to do.

IN WITNESS WHEREOF, I have hereto set my hand and affixed my official seal the day and year above written.

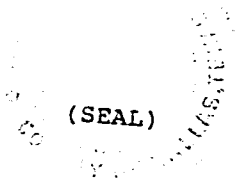


Caroline S. Crick  
Notary Public in and for  
Dallas County, Texas  
My Commission Expires: 10-10-81

STATE OF TEXAS       )  
                             )  
COUNTY OF DALLAS   )

BE IT REMEMBERED that on this 22<sup>nd</sup> day of May, 1980, before me, the undersigned authority, a Notary Public, in and for said County and State, personally appeared WALTER FRAKER, who is personally known to me and known to me to be the Vice President of Placid Investment Company, a Delaware Corporation, and the same person who executed the foregoing instrument, and he duly acknowledged the execution of the same for and on behalf of and as the act and deed of said corporation, for the purposes and consideration therein expressed and in the capacity therein stated, and he further stated on his oath that he was fully authorized so to do.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.



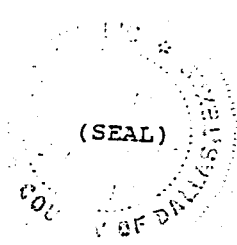
Caroline S. Crick  
Notary Public in and for  
Dallas County, Texas  
My Commission Expires: 10-10-81

STATE OF TEXAS       )  
                              )  
COUNTY OF DALLAS    )

10278

BE IT REMEMBERED that on this 22<sup>nd</sup> day of May, 1980, before me, the undersigned authority, a Notary Public, in and for said County and State, personally appeared WALTER FRAKER, who is personally known to me and known to me to be the Vice President of Placid Oil Company, a Delaware Corporation, and the same person who executed the foregoing instrument, and he duly acknowledged the execution of the same for and on behalf of and as the act and deed of said corporation, for the purposes and consideration therein expressed and in the capacity therein stated, and he further stated on his oath that he was fully authorized so to do.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.



Caroline S. Crick  
Notary Public in and for  
Dallas County, Texas  
Caroline S. Crick  
My commission expires: 10-16-89

ADDENDUM

Attached to and made a part  
of that certain

10279

AMENDED, SUPPLEMENTED AND RESTATED  
SUPPLEMENTAL MORTGAGE, ASSIGNMENT AND SECURITY AGREEMENT  
[GEOTHERMAL]

with effective date of  
May 22, 1980 from

W. H. Hunt to Placid Oil Company, a Delaware corporation,  
Placid Investments, Ltd., a Texas Limited Partnership, and  
Placid Investment Company, a Delaware corporation

I, Nancy Hunt, wife of W. H. Hunt, also known as W. Herbert Hunt and William Herbert Hunt, named in the above-captioned instrument, by my execution hereof, for the consideration recited in said instrument and contemporaneously with the execution of said instrument do hereby convey, warrant, grant, mortgage, grant a security interest, remise, release and quit claim unto the Mortgagee named in said instrument all my right, title and interest, whether choate or inchoate, arising in me by virtue of my marriage to the said W. H. Hunt, including but not limited to dower, elective share, community interest, or the operation of any statute or law of any jurisdiction which may affect the properties covered by said instrument, as to any and all of the properties and interests set forth in Exhibit "A", attached to and made a part of said instrument.

It is my desire and intention that my interest in said properties, whether vested or contingent, choate, or inchoate, be incumbered, granted, conveyed, mortgaged, or otherwise bound, according to the terms of the above-captioned instrument, but the execution thereof by my husband, W. H. Hunt.

It is my desire and intention that this Addendum be filed of record with the proper official of the jurisdiction in which the properties covered by the above captioned instrument are situated, for the purpose of giving notice to the world of my act and intention as set forth herein.

Upon the full and final payment of all indebtedness secured by the above-captioned instrument, the release and mortgage of my interest as set forth herein shall ipso facto terminate and be of no further force and effect.

IN WITNESS WHEREOF, I have executed this Addendum as of the 22nd day of May, 1980.

WITNESSES:

Darlene Andrews  
Darlene Andrews

Nancy B. Hunt  
Nancy Hunt

Michael Dillard  
Michael Dillard

STATE OF TEXAS )  
COUNTY OF DALLAS )

Before me, the undersigned authority, on this the 22nd day of May, 1980, personally appeared NANCY HUNT, to me known, who acknowledged to me that she executed the foregoing Addendum as her free act and deed, for the purposes and consideration therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

Caroline S. Crick  
Notary Public in and for  
Dallas County, Texas

My Commission Expires: 10-16-80

(SEAL)

10280

SCHEDULE I  
Recording Data

(a) The within defined March Deed of Trust was recorded in the public records of Klamath County, Oregon, as follows:

<u>File Number</u>	<u>Records</u>	<u>Volume/ Book/ Liber</u>	<u>Commencing at Page</u>	<u>Date of Recordation</u>
	Deed of Trust	M80	5734	3/27/80

(b) The within defined April Deed of Trust was recorded in the public records of Klamath County, Oregon, as follows:

<u>File Number</u>	<u>Records</u>	<u>Volume/ Book/ Liber</u>	<u>Commencing at Page</u>	<u>Date of Filing</u>
	County Clerk Records	M80	8570	5/9/80

