

**SCHEDULE A: Part One**

1. The Maximum Debt Limit referred to in Section 1.01 is \$50,000,000.00
2. The state referred to in Section 1.04 is Colorado.
3. The addresses of the parties referred to in Sections 1.05 and 6.05 are as follows:

As to the Mortgagor:

Empire Electric Association, Inc.  
801 North Broadway  
Cortez, Colorado 81321

As to the Mortgagees:

Rural Utilities Service  
United States Department of Agriculture  
Washington, DC 20250-1500

National Rural Utilities  
Cooperative Finance Corporation  
2201 Cooperative Way  
Herndon, Virginia 20171-3025

4. The Original Mortgage as referred to in the first WHEREAS clause above is more particularly described as follows:

Instrument Title

Instrument Date

Restated Mortgage and Security Agreement

December 1, 1999

5. The outstanding secured obligations of the Mortgagor referred to in the fourth WHEREAS clause above are evidenced by the Original Notes described below:

**ORIGINAL NOTES issued to the Government<sup>1</sup>**

<u>Loan Designation</u>	<u>Face Amount</u>	<u>Date</u>	<u>Final Maturity</u>	<u>% Rate<sup>2</sup></u>
X6	\$2,229,000.00	13 Aug 1984	13 Aug 2019	5.00
Z61	\$4,766,000.00	15 Dec 1995	15 Dec 2030	V
AA8 <sup>3</sup>	\$9,429,000.00	1 Dec 1999	31 Dec 2033	V
AB44	\$9,680,000.00	1 Aug 2007	1 Aug 2042	V

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<sup>1</sup>"Government" as used in this listing refers to the United States of America acting through the Administrator of the Rural Utilities Service (RUS) or its predecessor agency, the Rural Electrification Administration (REA). Any Notes which are payable to a third party and which either RUS or REA has guaranteed as to payment are also described in this listing as being issued to the Government. Such guaranteed Notes are typically issued to the Federal Financing Bank (FFB), an instrumentality of the United States Department of Treasury, and held by RUS, but may also be issued to non-governmental entities.

<sup>2</sup>V=variable interest rate calculated by RUS pursuant to title 7 of the Code of Federal Regulations or by the Secretary of Treasury. CFC=an interest rate which may be fixed or variable from time to time as provided in the CFC Loan Agreement pertaining to a loan which has been made by CFC and guaranteed by RUS. CoBank=an interest rate which may be fixed or variable from time to time as provided in the CoBank Loan Agreement pertaining to a loan which has been made by CoBank and guaranteed by RUS.

<sup>3</sup>In addition to this note which the Mortgagor has issued to FFB, the Mortgagor has also issued a corresponding promissory note to RUS designated as the certain "Reimbursement Note" bearing even date therewith. Such Reimbursement Note is payable to the Government on demand and evidences the Mortgagor's obligation immediately to repay RUS, any payment which RUS may make pursuant to the RUS guarantee of such FFB note, together with interest, expenses and penalties (all as described in such Reimbursement Note). Such Reimbursement Note is an "ORIGINAL NOTE issued to the Government" for purposes of this Part One of Schedule A and this Mortgage and is entitled to all of the benefits and security of this Mortgage.

**SCHEDULE A: Part Two**

The outstanding secured obligations of the Mortgagor referred to in the fourth WHEREAS clause above are evidenced by the Original Notes described below:

**ORIGINAL NOTES issued to CFC**

<u>CFC Loan Designation</u>	<u>Face Amount of Note</u>	<u>Note Date</u>	<u>Maturity Date</u>
9001	\$214,000.00	02/22/1974	02/22/2009
9003	\$184,000.00	06/18/1976	06/18/2011
9004	\$275,000.00	05/06/1977	05/06/2012
9007	\$231,000.00	11/13/1978	11/13/2013
9009	\$1,629,000.00	11/20/1979	11/20/2014
9010	\$632,000.00	04/01/1980	04/01/2015
9011	\$1,006,000.00	08/13/1984	08/13/2019
9014	\$2,042,000.00	12/15/1995	12/15/2030
9015	\$7,861,224.00	05/08/2001	05/08/2021
9016	\$3,111,965.00	10/01/2003	12/31/2014
9017	\$3,000,000.00	11/18/2005	11/18/2045

## **SCHEDULE B**

### **Property Schedule**

The fee and leasehold interests in real property referred to in Subclause A of Granting Clause First are described on the attached pages designated 1 through 5 of this Schedule B.

The recording jurisdictions referred to in Subclause B of Granting Clause First are: the Counties of Dolores, Montezuma and San Miguel in the State of Colorado, and the County of San Juan in the State of Utah.

The contracts referred to in Subclause C of Granting Clause First include without limitation the Wholesale Power Contract, dated as of November 1, 2001, between the Mortgagor and Tri-State Generation and Transmission Association, Inc.

1. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED DECEMBER 23, 1958, BY A. W. DENNY AND JACK HAWKINS, NOT RELATED, AS GRANTORS, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF MONTEZUMA COUNTY IN THE STATE OF COLORADO, IN DEED BOOK 265 AT PAGE 296
2. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED SEPTEMBER 25, 1946, BY CORTEZ LAND AND SECURITIES COMPANY, INC. AS GRANTOR, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF MONTEZUMA COUNTY, IN THE STATE OF COLORADO, IN DEED BOOK 176, PAGE 350
3. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED OCTOBER 1, 1965, BY L. R. PETERSON AS GRANTOR, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF MONTEZUMA COUNTY IN THE STATE OF COLORADO, IN DEED BOOK 353 PAGE 124
4. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED SEPTEMBER 14, 1956, BY NORMAN BUTLER AS GRANTOR, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF MONTEZUMA COUNTY, IN THE STATE OF COLORADO, IN DEED BOOK 227 PAGE 224
6. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED SEPTEMBER 11, 1950, BY C. H. MORROW AND GRACE I. MORROW, HIS

WIFE, AS GRANTORS, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF DOLORES COUNTY, IN THE STATE OF COLORADO, IN DEED BOOK 71 PAGE 67

7. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED APRIL 6, 1949, BY RALPH SMITH AS GRANTOR, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF MONTEZUMA COUNTY, IN THE STATE OF COLORADO, IN DEED BOOK 140 PAGE 313
9. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED JANUARY 18, 1947, BY ADELBERT GUILLET AS GRANTOR, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF MONTEZUMA COUNTY, IN THE STATE OF COLORADO IN DEED BOOK 178 PAGE 78
10. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED DECEMBER 14, 1962, BY H. C. RETHERFORD AND MARY ELIZABETH RETHERFORD, HIS WIFE, AS GRANTORS, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF MONTEZUMA COUNTY, IN THE STATE OF COLORADO, IN DEED BOOK 314 PAGE 254
11. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED SEPTEMBER 29, 1959, BY EMERY SABO AND STELLA SABO, HIS WIFE, AS GRANTORS, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF DOLORES COUNTY, IN THE STATE OF COLORADO, IN DEED BOOK 93 PAGE 494
12. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED OCTOBER 31, 1955, BY GORHAM F. STEERMAN AND HELEN M. STEERMAN, HIS WIFE, AS GRANTORS, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF MONTEZUMA COUNTY, IN THE STATE OF COLORADO, IN DEED BOOK 215 PAGE 364
13. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED JULY 27, 1967, BY WARREN PYLE AS GRANTOR, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF MONTEZUMA COUNTY, IN THE STATE OF COLORADO, IN DEED BOOK 373 PAGE 210

14. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED JANUARY 4, 1973, BY GLEN E. WILSON, SR. AND MARY J. WILSON, HIS WIFE, AS GRANTORS, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF MONTEZUMA COUNTY, IN THE STATE OF COLORADO, IN DEED BOOK 438 PAGE 123
15. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED OCTOBER 11, 1958, BY CLYDE DEREMO AND ELOISE DEREMO, HIS WIFE, AS GRANTORS, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF SAN MIGUEL COUNTY, IN THE STATE OF COLORADO, IN DEED BOOK 215 PAGE 307
16. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED MARCH 21, 1969, BY LUCILLE COLE AS GRANTOR, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF MONTEZUMA COUNTY, IN THE STATE OF COLORADO, IN DEED BOOK 392 PAGE 152
18. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED MARCH 1, 1976, BY EDWARD SAUL AND BERNICE SAUL AS GRANTORS TO THE MORTGAGOR, AS GRANTEE AND RECORDED IN THE OFFICE OF THE RECORDER OF SAN JUAN COUNTY, IN THE STATE OF UTAH, IN DEED BOOK 556 PAGE 64
19. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED APRIL 18, 1980, BY LEWIS W. AND LORENA O. FULBRIGHT AS GRANTORS, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF MONTEZUMA COUNTY, IN THE STATE OF COLORADO, IN DEED BOOK 513 PAGE 83
20. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED FEBRUARY 11, 1981, BY UTAH POWER AND LIGHT COMPANY AS GRANTORS TO THE MORTGAGOR, AS GRANTEE AND RECORDED IN THE OFFICE OF THE RECORDER OF SAN JUAN COUNTY IN THE STATE OF UTAH, IN DEED BOOK 626 PAGE 79
21. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED JULY 30, 1981, BY MOUNTAIN VIEW PRIMITIVE BAPTIST CHURCH, INC., AS GRANTORS, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF MONTEZUMA COUNTY, IN THE STATE OF COLORADO, IN DEED BOOK 528 PAGE 292

22. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED JANUARY 10, 1983, BY YOUNG'S MACHINE COMPANY, A UTAH CORPORATION, AS GRANTORS, TO THE MORTGAGOR, AS GRANTEE AND RECORDED IN THE OFFICE OF THE RECORDER OF SAN JUAN COUNTY IN THE STATE OF UTAH, IN DEED BOOK 645, PAGE 259-260
23. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED MARCH 24, 1982, BY SHELL OIL COMPANY, AS GRANTOR, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF MONTEZUMA COUNTY, IN THE STATE OF COLORADO, IN DEED BOOK 540 PAGE 702-704
24. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED MARCH 24, 1982, BY SHELL OIL COMPANY, AS GRANTOR, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF DOLORES COUNTY, IN THE STATE OF COLORADO, IN DEED BOOK 206 PAGE 207-209
25. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED MARCH 24, 1982, BY SHELL OIL COMPANY, AS GRANTOR, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF MONTEZUMA COUNTY, IN THE STATE OF COLORADO, IN DEED BOOK 540 PAGE 708-710
26. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED MARCH 24, 1982, BY SHELL OIL COMPANY, AS GRANTOR, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF MONTEZUMA COUNTY, IN THE STATE OF COLORADO, IN DEED BOOK 540 PAGE 705-707
27. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED MARCH 24, 1982, BY SHELL OIL COMPANY, AS GRANTOR, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF MONTEZUMA COUNTY, IN THE STATE OF COLORADO, IN DEED BOOK 540 PAGE 699-701
28. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED DECEMBER 27, 1983, BY PAUL H. MARSELL AND BILLIE W. MARSELL, AS GRANTORS, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF MONTEZUMA COUNTY, IN THE STATE OF COLORADO, IN DEED BOOK 558 PAGE 595



29. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED FEBRUARY 24, 1995, BY HIGH COUNTRY TRANSPORTATION, AS GRANTOR, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF MONTEZUMA COUNTY, IN THE STATE OF COLORADO, IN DEED BOOK 0704 PAGE 151
30. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED JANUARY 23, 1996 by ROBERT L. LEIGHTON, AS GRANTOR, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF MONTEZUMA COUNTY, IN THE STATE OF COLORADO, IN DEED BOOK 0721 PAGE 579.

**Property Sold or otherwise disposed of since last loan application, 1999.**

5. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED DECEMBER 10, 1952, BY NORMAN BUTLER AS GRANTOR, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF MONTEZUMA COUNTY, IN THE STATE OF COLORADO, IN DEED BOOK 177 PAGE 243.  *sold by partial release 7/8/2004 to Montezuma County*
8. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED FEBRUARY 29, 1944, BY HIGHLAND UTILITIES COMPANY, AS GRANTOR, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF MONTEZUMA COUNTY, IN THE STATE OF COLORADO, IN DEED BOOK 122 PAGE 164 –  *sold 12/15/2005 to Mancos Library*
17. A CERTAIN TRACT OF LAND DESCRIBED IN A CERTAIN DEED, DATED MARCH 8, 1950, BY MONTEZUMA COUNTY AS GRANTOR, TO THE MORTGAGOR, AS GRANTEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF MONTEZUMA COUNTY, IN THE STATE OF COLORADO, IN DEED BOOK 150 PAGE 373 –  *W 100 feet of Lots 13, 14, 15, Block 10 – Bauer’s Second Subdivision, Mancos, Colorado sold to Town of Mancos for skateboard park – partial release dated 12/10/2004*

**SCHEDULE C  
Excepted Property**

None.



**Exhibit B**

**Form of Supplemental Mortgage**

Supplemental Mortgage and Security Agreement, dated as of \_\_\_\_\_, (hereinafter sometimes called this "Supplemental Mortgage") is made by and among \_\_\_\_\_ (hereinafter called the "Mortgagor"), a corporation existing under the laws of the State of \_\_\_\_\_, and the UNITED STATES OF AMERICA acting by and through the Administrator of the Rural Utilities Service (hereinafter called the "Government"), \_\_\_\_\_ (Supplemental Lender) (hereinafter called \_\_\_\_\_), a \_\_\_\_\_ existing under the laws of \_\_\_\_\_, and intended to confer rights and benefits on both the Government and \_\_\_\_\_ and \_\_\_\_\_ in accordance with this Supplemental Mortgage and the Original Mortgage (hereinafter defined) (the Government and the Supplemental Lenders being hereinafter sometimes collectively referred to as the "Mortgagees").

**Recitals**

Whereas, the Mortgagor, the Government and \_\_\_\_\_ are parties to that certain Restated Mortgage and Security Agreement (the "Original Mortgage" as identified in Schedule "A" of this Supplemental Mortgage) originally entered into between the Mortgagor, the Government acting by and through the Administrator of the Rural Utilities Service (hereinafter called "RUS"), and \_\_\_\_\_; and

Whereas, the Original Mortgage as the same may have been previously supplemented, amended or restated is hereinafter referred to as the "Existing Mortgage"; and

Whereas, the Mortgagor deems it necessary to borrow money for its corporate purposes and to issue its promissory notes and other debt obligations therefor, and to mortgage and pledge its property hereinafter described or mentioned to secure the payment of the same, and to enter into this Supplemental Mortgage pursuant to which all secured debt of the Mortgagor hereunder shall be secured on parity, and to add \_\_\_\_\_ as a Mortgagee and secured party hereunder and under the Existing Mortgage (the Supplemental Mortgage and the Existing Mortgage, hereinafter sometimes collectively referred to the "Mortgage"); and

Whereas, all of the Mortgagor's Outstanding Notes listed in Schedule "A" hereto is secured pari passu by the Existing Mortgage for the benefit of all of the Mortgagees under the Existing Mortgage; and

Whereas, the Existing Mortgage provides the terms by which additional pari passu obligations may be issued thereunder and further provides that the Existing Mortgage may be supplemented from time to time to evidence that such obligations are entitled to the security of the Existing Mortgage and to add additional Mortgagees; and

Whereas, by their execution and delivery of this Supplemental Mortgage the parties hereto do hereby secure the Additional Notes listed in Schedule "A" pari passu with the Outstanding Notes under the Existing Mortgage { and do hereby add \_\_\_\_\_ as a Mortgagee and a secured party under the Existing Mortgage }; and

Whereas, all acts necessary to make this Supplemental Mortgage a valid and binding legal instrument for the security of such notes and related obligations under the terms of the Mortgage, have been in all respects duly authorized:

Now, Therefore, This Supplemental Mortgage Witnesseth: That to secure the payment of the principal of (and premium, if any) and interest on all Notes issued hereunder according to their tenor and effect, and

the performance of all provisions therein and herein contained, and in consideration of the covenants herein contained and the purchase or guarantee of Notes by the guarantors or holders thereof, the Mortgagor has mortgaged, pledged and granted a continuing security interest in, and by these presents does hereby grant, bargain, sell, alienate, remise, release, convey, assign, transfer, hypothecate, pledge, set over and confirm, pledge and grant a continuing security interest in for the purposes hereinafter expressed, unto the Mortgagees all property, rights, privileges and franchises of the Mortgagor of every kind and description, real, personal or mixed, tangible and intangible, of the kind or nature specifically mentioned herein or any other kind or nature, except any Excepted Property set forth on Schedule "C" hereof owned or hereafter acquired by the Mortgagor (by purchase, consolidation, merger, donation, construction, erection or in any other way) wherever located, including (without limitation) all and singular the following:

- A. all of those fee and leasehold interests in real property set forth in Schedule "B" hereto, subject in each case to those matters set forth in such Schedule; and
- B. all of those fee and leasehold interests in real property set forth in Schedule "B" of the Existing Mortgage or in any restatement, amendment or supplement thereto, subject in each case to those matters set forth in such Schedule; and
- C. all of the kinds, types or items of property, now owned or hereafter acquired, described as Mortgaged Property in the Existing Mortgage or in any restatement, amendment to supplement thereto as Mortgaged Property.

It is Further Agreed and Covenanted That the Original Mortgage, as previously restated, amended or supplemented, and this Supplement shall constitute one agreement and the parties hereto shall be bound by all of the terms thereof and, without limiting the foregoing.

- 1. All capitalized terms not defined herein shall have the meaning given in Article I of the Existing Mortgage.
- 2. This Supplemental Mortgage is one of the Supplemental Mortgages contemplated by Article II of the Original Mortgage.
- 3. The Maximum Debt Limit for the Mortgage shall be as set forth in Schedule "A" hereto.

In Witness Whereof, \_\_\_\_\_ as Mortgagor

[ACKNOWLEDGMENTS]

**SAMPLE - NOT FOR EXECUTION**



**Supplemental Mortgage Schedule B**

**Property Schedule**

The fee and leasehold interests in real property referred to in clause A of the Granting Clause are described on the attached pages designated through of this Schedule B.