

MORTGAGE

THIS MORTGAGE is made this _____ day of _____, 20____, between the Mortgagor, _____ (hereinafter "Borrower"), and the Mortgagee, Grow Hays, Inc. (hereinafter "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of \$_____, which indebtedness is evidenced by a Promissory Note dated _____, 20____, (hereafter "the Note"); and

WHEREAS, Borrower and Lender have entered into a Developer Agreement whereby Lender is advancing the amount evidenced by the Note in exchange for the promises made by Borrower in this Mortgage, the Note and the Development Agreement;

NOW, THEREFORE, in consideration of the mutual promises contained herein and other valuable consideration, the receipt of which is acknowledged, the parties agree as follows:

1. To SECURE to Lender the repayment of the indebtedness evidenced by the Note, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower herein contained and contained in the Developer Agreement and Note, Borrower does hereby mortgage, grant and convey to Lender a secured interest on the following described real property:

<INSERT LEGAL DESCRIPTION>

commonly known as _____ (street address);

TOGETHER with all the improvements now or hereafter to be erected thereon, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said real property are herein referred to as "the Property."

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, and the Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

2. Payment of Amount Due. Borrower shall promptly pay when due the indebtedness evidenced by the Note.

3. Insurance. At all times, Borrower shall procure and/or maintain and keep in force (i) a builder's risk insurance policy (with a mortgagee's loss payable clause in favor of Lender and with a physical loss form endorsement) in an amount not less than the total indebtedness as evidenced by the Note; (ii) public liability insurance with limits of liability equal to at least \$500,000 per occurrence; (iii) worker's compensation insurance as required by applicable law; and (iv) fire and casualty insurance with a coverage amount sufficient to replace the Property in the event of loss (and with mortgagee's loss payable clause in favor of Lender). Should borrower fail to procure the required coverages, Lender may obtain the same and Borrower shall be in default and Lender shall be entitled to recover from Borrower the costs of such coverage.
4. Charges; Liens. Borrower shall pay all real estate taxes and other taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage. If requested by Lender, Borrower shall promptly discharge any lien which has priority over this Mortgage; provided that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.
5. Acceleration; Remedies, Right to Cure. This Mortgage and the Note is being made pursuant to a Developer Agreement, the terms of which are incorporated herein by reference, and which has been agreed to by Borrower and Lender. Borrower shall be in default of this Mortgage if any of the following occur:
 - (i) Borrower fails to make any payment as described in the Note; or
 - (ii) Borrower fails to fulfill any other obligations under this Mortgage, the Developer Agreement or Note.

Upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, or Borrower is breach of the Development Agreement or Note, the terms of which are incorporated herein as if fully set forth, Lender shall deliver written notice of the default and Borrower's opportunity to cure the default within fifteen (15) days after the notice has been issued. If the default has not been cured within said (15) days, Lender at Lender's option may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, costs of documentary evidence, abstracts, title reports and reasonable attorneys' fees. In the event of said breach, and if the same is not cured as described herein, Lender may take any action in the event of default described in the Developer Agreement and/or Note. Nothing in this Mortgage shall limit Lender's rights and remedies available in the Developer Agreement or Note, or as allowed by law.

6. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this paragraph shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender or when the indebtedness is due from Borrower to Lender pursuant to the Note.

7. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.
8. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Mortgage such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Mortgage immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds at Lender's option, either to restoration or repair of the Property or to the sums secured by this Mortgage.

9. Borrower Not Released. Extension of the time for payment of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest.
10. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the

payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

11. Remedies Cumulative. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or the Development Agreement or the Note or those afforded by law or equity, and may be exercised concurrently, independently or successively.
12. Notices. All notices required or permitted hereunder shall be in writing and shall be served on the parties at the following addresses:

To the Borrower: _____

To the Holder: Grow Hays, Inc.
 219 West 10th
 Hays, KS 67601

Any such notices shall be either: (i) sent by certified mail, return receipt requested, in which case notice shall be deemed delivered three (3) business days after deposit, postage prepaid in the U.S. Mail; (ii) sent by overnight delivery using a nationally recognized overnight courier, in which case it shall be deemed delivered one (1) business day after deposit with such courier; or (iii) given by personal delivery. The above addresses may be changed by prior written notice to the other party/parties; provided, however, that no notice of a change of address shall be effective until receipt of such notice. Copies of notices are for informational purposes only, and a failure to give or receive copies of any notice shall not be deemed a failure to give notice.

13. Transfer of the Property. If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, then Lender may, at Lender's option, take any action or pursue any remedies described in paragraph 5.
14. Release. Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage.

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IN WITNESS WHEREOF, Borrower has executed this Mortgage.

Name of Company (if any): _____

Title (if any): _____

STATE OF KANSAS)
) ss
COUNTY OF ELLIS)

BE IT REMEMBERED, that on this _____ day of _____, 20____, before me, the undersigned, a Notary Public in and for the County and State aforesaid, personally appeared _____ to me personally known to be the same persons who executed the above and foregoing instrument of writing, and duly acknowledged the execution of same.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal on the day and year last above written.

Notary Public

My Commission Expires: _____