

EUREKA COUNTY, NV

2018-235528

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JONAH BANK OF WYOMING

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LISA HOEHNE, RECORDER

**ASSIGNMENT OF CREDIT AGREEMENT, PROMISSORY NOTE
AND SECURITY DOCUMENTS**

among

**BANK OF THE WEST,
a State of California chartered bank, as the Assignor**

**JONAH BANK OF WYOMING,
a Wyoming corporation, as the Assignee**

and

**GRANT CANYON OIL & GAS, LLC,
a Colorado limited liability company, as the Borrower**

March 9, 2018

**ASSIGNMENT OF CREDIT AGREEMENT, PROMISSORY NOTE
AND SECURITY DOCUMENTS**

THIS ASSIGNMENT OF CREDIT AGREEMENT, PROMISSORY NOTE AND SECURITY DOCUMENTS (this "Assignment"), is made and entered into to be effective as of March 9, 2018 (the "Effective Date") by and among BANK OF THE WEST, a State of California chartered bank (the "Assignor"), the address of which, for purposes hereof, is 633 Seventeenth Street, Suite 2000, Denver, Colorado 80202, JONAH BANK OF WYOMING, a national banking association (the "Assignee"), the address of which, for purposes hereof, is 205 Storey Blvd., Cheyenne, Wyoming 82009, GRANT CANYON OIL & GAS, LLC, a Colorado limited liability company (the "Borrower"), the address of which, for purposes hereof, is 717 Seventeenth Street, Suite 1400, Denver, Colorado 80202.

W I T N E S S E T H:

WHEREAS, the Borrower and the Assignor are parties to a Credit Agreement dated effective January 14, 2010, as amended to the Effective Date (as so amended, the "Credit Agreement");

WHEREAS, pursuant to the Credit Agreement, the Borrower previously executed and delivered to the Assignor a Promissory Note dated January 14, 2010, payable to the order of the Assignor in the face principal amount of up to Ten Million and No/100 Dollars (\$10,000,000.00) (the "Note");

WHEREAS, the Borrower has previously executed, as security for the Obligations (as defined in the Credit Agreement), the security documents more particularly described on Schedule 1 attached hereto and incorporated herein for all purposes by this reference (collectively, the "Security Documents");

WHEREAS, the Assignor is the owner and holder of the Note and all rights of the mortgagee, beneficiary and secured party under the Security Documents; and

WHEREAS, the Assignor has agreed to assign to the Assignee the Note and the right to payment of the indebtedness of the Borrower evidenced by the Note, all rights of the Assignor under the Credit Agreement and all rights, titles and interests of the Assignor under the Security Documents.

NOW, THEREFORE, in consideration of the foregoing, the payment by the Assignee to the Assignor of valuable consideration and the assumption by the Assignee of all obligations of the Assignor under the Note, the Credit Agreement and the Security Documents from and after the Effective Date (such assumption to be evidenced by execution of counterparts of this Assignment by the Assignee and delivery thereof to the Assignor), the benefits to be derived by the parties hereto and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignment of Interests and Assumption. Subject to the provisions of the last paragraph of this Section 1 and the provisions of Section 2 below, the Assignor has transferred,

granted, assigned, sold, conveyed and delivered, and does hereby transfer, grant, assign, sell, convey and deliver, WITHOUT RECOURSE AND WITHOUT REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, EXCEPT AS EXPRESSLY PROVIDED HEREINAFTER unto the Assignee all of its rights under the Note and the right to payment of the indebtedness of the Borrower evidenced thereby, all of its rights under the Credit Agreement and all of its rights, titles, interests, liens and security interests under the Security Documents including but not limited to all right, title and interest in and to the mortgages, deeds of trust, security agreements, assignments of production, financing statements, fixture filings and other associated instruments as shown on the attached Schedule 1, together with all right, title and interest in and to the notes and obligations specified in the Security Documents and in the debt secured by those Security Documents. Assignor agrees to and authorizes the filing of UCC-3 financing statements assigning each and every one of the UCC-1 financing statements described on Schedule 1 (all of the foregoing being herein collectively referred to as the "Assigned Interests").

TO HAVE AND TO HOLD the Assigned Interests unto the Assignee and its successors and assigns forever.

The Assignee hereby assumes and accepts the Assigned Interests.

2. Representations and Warranties of the Assignor. Except as expressly set forth in the following sentence of this Section 2, the assignments by the Assignor made and evidenced hereby are made WITHOUT RECOURSE AGAINST THE ASSIGNOR OR AGAINST ANY OF THE ASSIGNOR'S OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES, REPRESENTATIVES, AGENTS, ATTORNEYS, TRUSTEES OR AFFILIATES (the Assignor and the other persons and entities described immediately above being herein collectively referred to hereinafter as the "BOTW-Related Parties") and WITHOUT WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, BY ANY OF THE BOTW-RELATED PARTIES, ALL OF WHICH WARRANTIES AND REPRESENTATIONS ARE HEREBY EXPRESSLY DISCLAIMED, including, but not limited to, any representation or warranty as to (a) the validity, enforceability or sufficiency of the Credit Agreement, the Note or the Security Documents, (b) the creation, attachment, perfection or priority of any lien, pledge, security interest, assignment, hypothecation or other security device purported to be created or evidenced by any of the Security Documents or (c) the assets, liabilities, financial condition, results of operations, operations or prospects of the Borrower. Notwithstanding the foregoing, the Assignor represents and warrants to the Assignee that (i) it has not heretofore transferred or assigned to any third party any interest in the Assigned Interests; (ii) it has the full right, power and authority to transfer the Assigned Interests; (iii) it has not executed or delivered any express subordination of any of the Assigned Interests to any obligation of the Borrower owing to any other person or entity; (iv) the execution and delivery by it of this Assignment are within its power and have been duly authorized by all necessary action on its part; and (v) as of the Effective Date, the full amount of principal, interest, fees, costs, expenses and other amounts owing by the Borrower to the Assignor under or in connection with the Credit Agreement is \$4,568,371.93, which amount shall be the purchase price paid by the Assignee to the Assignor contemporaneously with the execution and delivery of this Assignment, as consideration for the sale of the Credit Agreement, the Note and the Security Documents as contemplated hereby.

3. Independent Investigation. The Assignee joins in the execution of this Assignment to, among other things: (a) acknowledge that, in making the decision to extend credit to the Borrower, it has, independently and without reliance upon the Assignor or any of the representatives, officers, directors or employees of the Assignor, and based upon such documents and information as the Assignee has deemed appropriate, made its own appraisal of and investigation into the business, operations, properties, condition and creditworthiness of the Borrower and (b) evidence its assumption of all obligations of the Assignor as set forth hereinabove.

4. Representations and Warranties of Borrower. The Borrower hereby represents, warrants and acknowledges to the Assignee that, as of the Effective Date: (a) there are no offsets, defenses or counterclaims against the enforcement of the Assigned Interests; except those provided by bankruptcy, insolvency or other laws of general application relating to the enforcement of creditors' rights and general principles of equity and (b) to the knowledge of the Borrower, no release or subordination relating to the Assigned Interests has been executed, and all of the Assigned Interests are in full force and effect. Furthermore, the warranties, representations and covenants of the Borrower contained in the Security Documents are hereby remade by the Borrower to the Assignee and are in full force and effect in all material respects as of the date hereof. The Borrower, in consideration of the financial services to be extended to it by the Assignee, agrees to this assignment and amendment of the mortgages, security agreements, deeds of trust, assignments of production, financing statements and fixture filings and ratifies the same. The Borrower agrees that this Assignment will cause the existing Security Documents to now serve to secure and collateralize the loan or other financial service provided by the Assignee to the Borrower and agrees that it will defend the priority of the liens created by the Security Documents and that the Security Documents are effective to place liens on all of the property referenced in the Security Documents.

5. Endorsement and Delivery. The Assignor, to further evidence the transfer of the Note, shall endorse the Note, "Pay to the order of Jonah Bank of Wyoming, without recourse or representation or warranty, express or implied, statutory or otherwise, except as expressly provided in that certain Assignment of Credit Agreement, Note and Security Documents dated as of March 9, 2018, from Bank of the West to Jonah Bank of Wyoming." The Assignor shall deliver to the Assignee the original Note and the original Security Documents in its possession as soon as practicable after the Effective Date.

6. Further Assurances. The Assignor hereby covenants and agrees to execute such other and further instruments of assignment and/or transfer as may be reasonably necessary to effectuate the purposes of this Assignment, at no expense or liability to the Assignor. The Assignor further authorizes the Assignee to file any assignments, amendments, continuation statements and termination statements as to any financing statements filed by the Assignor as secured party covering the collateral securing the Obligations (as defined in the Credit Agreement) as may be reasonably necessary to effectuate the purposes of this Assignment.

7. Reserved Obligations. Notwithstanding any other provision hereof or in any other agreement, the Borrower shall remain fully liable to the Assignor and to any of the officers, directors, shareholders, employees, representatives, agents, trustees, affiliates, successors or assignees of the Assignor with respect to all valid and existing obligations and liabilities, if any,

regarding reimbursement of fees and expenses not constituting a portion of the Assigned Interests and indemnification created by the Credit Agreement or any of the other Loan Documents (as defined in the Credit Agreement) to which the Borrower is a party, to the extent such expressly survive payment of the Note (collectively, the "Reserved Obligations"), and such Reserved Obligations shall be and are hereby excepted and reserved by the Assignor from the rights, titles and interests assigned hereunder; provided, however, that such Reserved Obligations shall not be secured by the Security Documents.

8. Release. The Borrower hereby forever releases, discharges and acquits each of the BOTW-Related Parties and their respective successors and assignees (other than the Assignee) (collectively, the "Released Parties") from any and all claims, demands, actions, remedies, causes of action, debts, liabilities, contracts, damages, costs (including, but not limited to, attorneys' fees and all costs of court or other proceedings), expenses and losses of every kind or nature (INCLUDING, BUT NOT LIMITED TO, OFFSETS, REDUCTIONS, REBATES OR CLAIMS OF USURY AND CLAIMS WITH RESPECT TO THE NEGLIGENCE OF ANY OF THE RELEASED PARTIES) at this time known or unknown, direct or indirect, fixed or contingent, in law, by statute or equity, that the Borrower ever had, now has or hereafter can, shall or may have against any of the Released Parties for, upon or by reason of or arising out of any act, occurrence, transaction or omission occurring from the beginning of time to the Effective Date if related in any way to any of the Assigned Interests.

9. Parties in Interest. This Assignment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

10. Counterparts. For the convenience of the parties, this Assignment may be executed in multiple counterparts. Each of the counterparts hereof so executed shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument and shall be enforceable as of the Effective Date upon the execution of one or more counterparts hereof by each of the parties hereto. In this regard, each of the parties hereto acknowledges that a counterpart of this Agreement containing a set of counterpart execution pages reflecting the execution by each party hereto shall be sufficient to reflect the execution of this Agreement by each party hereto and shall constitute one instrument.

11. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of Wyoming, except to the extent necessarily governed by the laws of the state in which any property subject to the liens and security interests created or evidenced by the Security Documents is located.

12. Waiver of Jury Trial. **EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS ASSIGNMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.**

13. Integration. **THIS ASSIGNMENT CONSTITUTES THE ENTIRE AGREEMENT AMONG THE PARTIES HERETO WITH RESPECT TO THE SUBJECT MATTER HEREOF AND SHALL SUPERSEDE ANY PRIOR AGREEMENT AMONG THE PARTIES HERETO, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF. FURTHERMORE, IN THIS REGARD, THIS**

ASSIGNMENT REPRESENTS THE FINAL AGREEMENT AMONG THE PARTIES HERETO AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF SUCH PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG SUCH PARTIES.

14. Miscellaneous. The Borrower and the Assignee agree that this Assignment shall be considered as an amendment to and ratification of the Security Documents, and the Security Documents are hereby ratified, approved and confirmed in every respect by the Borrower and the Assignee. Furthermore, the Borrower and the Assignee agree that all liens created, extended or renewed by the Security Documents are hereby extended, renewed and carried forward by this Assignment and incorporated herein. All references to the Security Documents in any documents heretofore or hereafter executed shall be deemed to refer to the Security Documents as assigned pursuant to this Assignment.

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IN WITNESS WHEREOF, this Assignment is executed by each party hereto on the date reflected in the notarial acknowledgement for such party appearing below, but to be effective as of the Effective Date.

ASSIGNOR:

BANK OF THE WEST

By: 
Robert J. Likos, Director

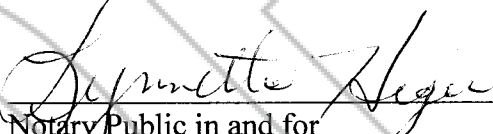
STATE OF COLORADO

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CITY AND COUNTY OF DENVER

The foregoing instrument was acknowledged before me on this 9th day of March, 2018, by Robert J. Likos, as Director of BANK OF THE WEST, a State of California chartered bank, on behalf of such bank. Witness my hand and official seal.

LYNNETTE HIGER
Notary Public
State of Colorado
Notary ID 19944012832
My Commission Expires Aug 28, 2018
(SEAL)


Notary Public in and for
the State of Colorado

ASSIGNEE:

JONAH BANK OF WYOMING

By: *Mike Williams*
Mike Williams,
Vice President

STATE OF COLORADO

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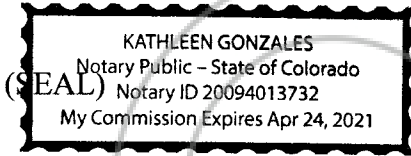
CITY AND COUNTY OF DENVER

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This instrument was acknowledged before me on this 9th day of March, 2018, by Mike Williams, as Vice President of JONAH BANK OF WYOMING, a Wyoming corporation, on behalf of such corporation. Given under my hand and official seal.

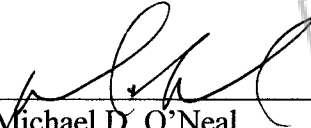
Kathleen Gonzales
Notary Public in and for
the State of Colorado



My commission expires: 4/24, 2021

BORROWER:

GRANT CANYON OIL & GAS, LLC

By: 
Michael D. O'Neal,
President

STATE OF COLORADO

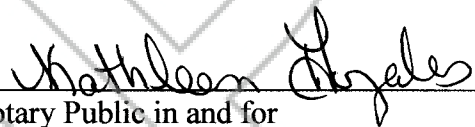
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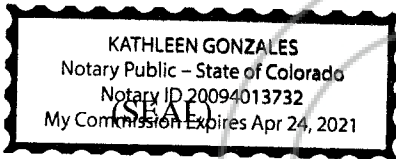
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CITY AND COUNTY OF DENVER

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The foregoing instrument was acknowledged before me on this 9th day of March, 2018, by Michael D. O'Neal, as President of GRANT CANYON OIL & GAS, LLC, a Colorado limited liability company, on behalf of such limited liability company. Witness my hand and official seal.


Notary Public in and for
the State of Colorado



SCHEDULE 1

List of Security Documents

1. Deed of Trust, Mortgage, Security Agreement, Assignment of Production and Proceeds, Financing Statement and Fixture Filing dated as of December 15, 2008, from Grant Canyon Oil & Gas, LLC, as Mortgagor, to First American Title Company of Nevada, as Trustee, and Bank of the West, as Beneficiary and Mortgagee, filed and recorded as follows:

NEVADA COUNTY

FILING DATA

Eureka County

Filed January 25, 2010,
recorded under Doc. #0214523

Nye County

Filed February 2, 2010,
recorded under Doc. #740487

2. First Amendment to Deed of Trust, Mortgage, Security Agreement, Assignment of Production and Proceeds, Financing Statement and Fixture Filing dated as of May 30, 2014, between Grant Canyon Oil & Gas, LLC, as Mortgagor, and Bank of the West, as Beneficiary and Mortgagee, filed and recorded as follows:

NEVADA COUNTY

FILING DATA

Eureka County

Filed June 13, 2014,
recorded under Doc. #0227538

3. Second Amendment to Deed of Trust, Mortgage, Security Agreement, Assignment of Production and Proceeds, Financing Statement and Fixture Filing dated as of March 1, 2016, between Grant Canyon Oil & Gas, LLC, as Mortgagor, and Bank of the West, as Beneficiary and Mortgagee, filed and recorded as follows:

NEVADA COUNTY

FILING DATA

Eureka County

Filed April 4, 2016,
recorded under Doc. #0231063

Nye County

Filed April 5, 2016,
recorded under Doc. #851588

4. The following UCC-1 Financing Statements that name Grant Canyon Oil & Gas, LLC as Debtor and Bank of the West as Secured Party:

FILING OFFICE

FILING DATA

Colorado Secretary of State

Filed January 13, 2010
File #2010F003981

Colorado Secretary of State

Filed March 31, 2017
File #20172029994

