

## MORTGAGE

THIS MORTGAGE ("Security Instrument") is given this \_\_\_\_ day of April, 2018. The Mortgagor is Reading, LLC, a California limited liability company, of 260 California St., 9th Floor, San Francisco, CA 94111 ("Borrower"). This Security Instrument is given to T.R. and Emily Shelby, husband and wife (the "Lender"), whose mailing address is 9255 North Avalanche Canyon Road, Jackson, WY 83001. Borrower owes, or will owe, Lender the principal sum of One Million Dollars (\$1,000,000.00) or so much thereof as is advanced to the Borrower. This debt is evidenced by Borrower's Promissory Note (with Personal Guaranty) dated the same date as this Security Instrument (which note, together with any renewal, extension, or modification thereof, shall be referred to herein as the "Note"), which provides that the full debt, if not paid earlier, will be due and payable on or before May 1, 2025. This Security Instrument secures to Lender: (a) the payment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications including, but not limited to, that renewal, extension, and/or modification expressly contemplated by the parties as described herein; (b) all other indebtedness of the Borrower to the Lender which exists or may arise in the future for so long as this Security Instrument remains in effect; (c) the payment of all other sums, with interest, advanced hereunder to protect the security of this Security Instrument; (d) all costs and expenses (including but not limited to attorney's fees) reasonably incurred by the Lender as a consequence of the Borrower's default hereunder; and (e) the performance of Borrower's covenants and agreements under this Security Instrument, the Note and any other agreement between these parties. For this purpose, Borrower does hereby mortgage, grant and convey to Lender, with POWER OF SALE, the following described property located in Sheridan County, Wyoming, to wit:

See Exhibit "A"

together with all improvements now or hereafter erected on the property, all construction materials, apparatus, equipment and appliances used in connection with the property whether or not attached or affixed to the property, and all easements, rights and appurtenances which shall be deemed to be and remain a part of the property covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property".

Borrower COVENANTS that Borrower is or shall become lawfully seized of the estate hereby conveyed and have the right to mortgage, grant and convey the Property. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

1. **Payment of Principal and Interest.** Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note.

2. **Insurance.** Borrower shall insure all improvements on the Property, whether now in existence or subsequently erected, against any hazards, casualties, and contingencies, including fire, for at least the fair market value thereof. All insurance shall be carried with companies reasonably acceptable to Lender, and shall name the Lender as an additional insured.

In the event of loss, Borrower shall give Lender immediate notice by mail. Lender may make proof of loss if not made promptly by Borrower. All or any part of the insurance proceeds may be applied by Borrower, at its option, either (a) to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts, and then to prepayment of principal, or (b) to the restoration or repair of the damaged property. Any application of the proceeds to the principal shall not extend or postpone the due date of the payments which are next due or change the amount of such payments. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the party or entity legally entitled thereto.

In addition, Borrower at Borrower's own expense shall maintain at all times during the term of this Security Instrument public liability and property damage insurance providing for limitations of not less than One Million Dollars (\$1,000,000.00) for injury or death to any one person and not less than Three Million Dollars (\$3,000,000.00) for injury or death occurring to more than one person as the result of one accident and not less than Two Hundred Fifty Thousand Dollars (\$250,000.00) for property damage which may occur as a result of Borrower's use of THE PREMISES. Such insurance policies shall be in the form commonly known as "Comprehensive General Liability."

In the event of foreclosure of this Security Instrument or other transfer of title to the Property that extinguishes the indebtedness, all right, title, and interest of Borrower in and to insurance policies in force shall pass to the purchaser.

Borrower further agrees to indemnify and hold Lender harmless from all claims for personal injuries, death and property damages which occur as the result of Borrower's interest in or possession of the Property, or which result from any work done in and about THE PREMISES. Lender shall be a named insured on all such policies carried by Borrower.

**3. Preservation and Maintenance of the Property.** Borrower shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, provided that Borrower may build on the Property or make structural changes to existing buildings, but only with the Sellers prior express written consent. Lender may inspect the Property at all reasonable times. Lender may take reasonable action to protect and preserve the Property.

**4. Compliance with Laws.** Borrower shall (a) comply with all laws, rules, and regulations applicable to the Property and (b) cause all employees, agents, contractors, sub-contractors, and future lessees of Borrower, while such persons are acting within the scope of their relationship with Borrower, to comply with all such laws, rules, and regulations applicable to the Property.

**5. Hazardous Substances Indemnification.** BORROWER INDEMNIFIES AND HOLDS LENDER, INDIVIDUALLY AND AS HUSBAND AND WIFE, AND THEIR EMPLOYEES, AGENTS, SUCCESSORS, AND ASSIGNS HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, LIABILITIES, FINES, PENALTIES, CHARGES, ADMINISTRATIVE AND JUDICIAL PROCEEDINGS AND ORDERS,

JUDGMENTS, REMEDIAL ACTIONS, REQUIREMENTS AND ENFORCEMENT ACTIONS OF ANY KIND, AND ALL COSTS AND EXPENSES INCURRED IN CONNECTION THEREWITH (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES AND EXPENSES), ARISING DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, FROM (A) THE PRESENCE OF ANY HAZARDOUS SUBSTANCES ON, UNDER, OR FROM THE PROPERTY, (B) ANY ACTIVITY CARRIED ON OR OFF THE PROPERTY IN CONNECTION WITH THE HANDLING, TREATMENT, REMOVAL, STORAGE, DECONTAMINATION, CLEANUP, TRANSPORTATION, OR DISPOSAL OF ANY HAZARDOUS SUBSTANCES AT ANY TIME LOCATED OR PRESENT ON OR UNDER THE PROPERTY, (C) ANY RESIDUAL CONTAMINATION OF ANY HAZARDOUS SUBSTANCE ON OR UNDER THE PROPERTY, (D) ANY CONTAMINATION OF THE PROPERTY ARISING IN CONNECTION WITH THE GENERATION, USE, HANDLING, STORAGE, TRANSPORTATION, OR DISPOSAL OF ANY HAZARDOUS SUBSTANCE BY BORROWER OR ANY EMPLOYEE, AGENT, CONTRACTOR, OR SUBCONTRACTOR OF BORROWER WHILE SUCH PERSONS ARE ACTING WITHIN THE SCOPE OF THEIR RELATIONSHIP WITH BORROWER, IRRESPECTIVE OF WHETHER ANY OF SUCH ACTIVITIES WERE OR WILL BE UNDERTAKEN IN ACCORDANCE WITH APPLICABLE REQUIREMENTS OF LAW, OR (E) THE PERFORMANCE AND ENFORCEMENT OF THIS SECURITY INSTRUMENT OR ANY OTHER ACT OR OMISSION IN CONNECTION WITH OR RELATED TO THIS SECURITY INSTRUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY; PROVIDED, HOWEVER, THE FOREGOING CLAUSES (A) THROUGH (E) SHALL NOT APPLY TO ANY CLAIM, LOSS, DAMAGE, LIABILITY, FINE, PENALTY, CHARGE, PROCEEDING, ORDER, JUDGMENT, ACTION OR REQUIREMENT ATTRIBUTABLE TO THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY PERSON TO BE INDEMNIFIED. THE FOREGOING INDEMNITY SHALL SURVIVE SATISFACTION OF THE INDEBTEDNESS AND THE RELEASE OF THIS SECURITY INSTRUMENT.

"Hazardous Substances" shall mean flammables, explosives, radioactive materials, hazardous wastes, asbestos or any material containing asbestos, polychlorinated biphenyls (PCBs), petroleum, petroleum products, associated oil or natural gas exploration, production, and development wastes, or any substances defined as "hazardous substances," "hazardous materials," "hazardous wastes," or "toxic substances" under any law, rule, or regulation applicable to the Property

**6. Charges to Borrower and Protection of Lender's Rights in the Property.** Borrower shall pay all: (a) taxes and special assessments levied or to be levied against the Property; (b) leasehold payments or ground rents on the Property; (c) governmental or municipal charges, fines and impositions; (d) improvement district charges; (e) subdivision fees and charges; (f) water district, irrigation district, or ditch company charges; (g) premiums for insurance required herein; and (h) other costs or charges which may affect the Property or the Lender's interest therein. Borrower shall pay these obligations on time directly to the entity which is owed the payment. At Lender's request Borrower shall promptly furnish to Lender receipts evidencing these payments.

If Borrower fails to make these payments or the payments required pursuant to the Note, or if the Borrower fails to perform any other covenant and agreement contained in this Security Instrument, or if there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, for condemnation, or to enforce laws or regulations),

then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property. Any amounts disbursed by Lender under this Paragraph shall become an additional debt of Borrower and be secured by this Security Instrument. These amounts shall bear interest from the date of disbursement at the Note rate and at the option of the Lender shall be immediately due and payable.

7. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in place of condemnation, are hereby assigned and shall be paid to Lender to the extent of the full amount of the indebtedness that remains unpaid under the Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness under the Note and this Security Instrument first to any delinquent amounts, and then to prepayment of principal. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments which are next due or change the amount of such payments. Any excess proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the persons or entity legally entitled thereto.

8. **Renewal, Extension and/or Modification.** Nothing contained herein shall be construed so as to require the Borrower to request, or require the Lender to consent to, any renewal, extension, and/or modification of the debt secured hereby. In the event the Borrower and the Lender mutually agree to effect any renewal, extension, and/or modification of the Note, this Security Instrument shall continue in full force and effect, without interruption or impairment of priority, to secure all debts and obligations of the Borrower to the Lender until all such debts and obligations have been satisfied in full and completely and fully discharged.

9. **Grounds for Acceleration of Debt.** Lender may require immediate payment in full of all sums secured by this Security Instrument if:

- (a) Borrower fails to pay in full any amount required to be paid by the Note or this Security Instrument when due; or
- (b) Borrower fails to perform any other obligation contained in: (i) the Note; (ii) this Security Instrument; or (iii) any other loan document or agreement between Borrower and Lender; or
- (c) Borrower breaches any warranty, covenant, or representation contained in: (i) the Note; (ii) this Security Instrument; or (iii) any other loan document or agreement between Borrower and Lender; or
- (d) All or part of the Property is sold, mortgaged, encumbered or otherwise transferred by the Borrower without approval of the Lender; or
- (e) Any member, shareholder, or other equity owner of Borrower dies; or
- (f) If any guarantor of the Note is an individual, the death of such guarantor; unless within ninety (90) days after such event, one or more substitute guarantors acceptable



to the Lender (in Lender's sole and absolute discretion) shall have executed a replacement guaranty equivalent to the guaranty in the Note.

**10. Remedies on Default.** If the Borrower defaults hereon, the Lender may foreclose upon the Property by advertisement and sale or any other procedure permitted by applicable law. If the Lender does elect to foreclose upon the Property, the Lender may purchase the Property at any sale. The proceeds of sale shall be applied, first, to all reasonable costs and expenses of the sale, including, but not limited to, reasonable attorney's fees and costs of title insurance; second, to all sums secured by this Security Instrument, and the excess, if any, to the person or persons legally entitled thereto. In the event proceedings be commenced for the foreclosure of this Security Instrument, either under the power of sale herein, or by judicial action, then the rents, issues and profits of the Property and appurtenances thereon from the time of default and during the period of redemption shall be held and applied to the payment of the indebtedness hereby secured, and the costs, attorney's fees and other disbursements made under the terms of this Security Instrument, and any court of competent jurisdiction, upon application by the Lender may appoint the Lender, its nominee, or any other suitable person as receiver of the Property and the rents, profits and issues thereof. Upon default, Lender may proceed, at its election, against part or all of the Property, at the same time or from time to time.

**11. Borrower Not Released; Forbearance by Lender Not a Waiver.** Extension of time of payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower shall not operate to release the liability of the Borrower, any co-debtors, or Borrower's successor in interest. Lender shall not be required to commence proceedings against any co-debtor or successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by Borrower, any co-debtor, or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

**12. Successors and Assigns Bound.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower.

**13. Notices.** Any notice to the Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail. If mailed, the notice shall be directed to the Borrower at Reading LLC, 260 California St., 9th Floor, San Francisco, CA 94111, or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

**14. Governing Law; Severability.** This Security Instrument shall be governed by the laws of the State of Wyoming. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provisions. To this end the provision of this Security Instrument and the Note are declared to be severable.

15. **Release.** Upon payment of all sums secured by this Security Instrument, and upon demand by Borrower, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

16. **Waivers.** Borrower waives all rights of homestead exemption in the Property and relinquish all rights of courtesy and dower in the Property.

BY SIGNING BELOW, Borrower accepts and agrees to the terms contained in this Security Instrument.

**READING, LLC**

By: \_\_\_\_\_

**Michael Scott Stone**

Title: Member and Authorized Signer

STATE OF California )  
COUNTY OF San Francisco : ss.

This Instrument was acknowledged before me this 11<sup>th</sup> day of April, 2018, by Michael Scott Stone, as member and authorized signer, of Reading, LLC

Given under my hand and notarial seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

*See Attached.*

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of San Francisco

On 4/11/18

Date

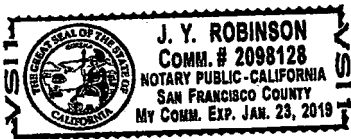
before me, J. Y. Robinson

Here Insert Name and Title of the Officer

personally appeared Michael Scott Stone

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: [Signature]

Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_

Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

☐ Corporate Officer — Title(s): \_\_\_\_\_

☐ Individual

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

RIGHT THUMBPRINT  
OF SIGNER  
Top of thumb here

Signer's Name: \_\_\_\_\_

☐ Corporate Officer — Title(s): \_\_\_\_\_

☐ Individual

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

RIGHT THUMBPRINT  
OF SIGNER  
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**EXHBIT A**

A PORTION OF Tract Two (2), Anderson Minor Subdivision, Sheridan County, Wyoming, located in the NW/4 of the SW/4 of Section 25, Township 56 North, Range 84 West of the 6<sup>th</sup> P.M., being more particularly described as follows:

Commencing at the NE corner of said Anderson Minor Subdivision, also accepted as being the West Center 1/16 of said Section 25, per L.S. 567; thence S45°19'36"W, a distance of 42.86 feet to a point on the south right-of-way of KROE Lane; thence along said south right-of-way and parallel to the north line of said subdivision S89°44'50"W, a distance of 427.48 feet to the true point of beginning of this survey; thence parallel to the east line of said subdivision, S0°54'22"W, a distance of 407.60 feet to a point; thence S89°44'50"W, a distance of 60.01 feet to a point; thence S0°54'22"W, a distance of 361.52 feet to a point; thence S89°44'51"W, a distance of 801.99 feet to a point on the west boundary of said subdivision; thence along said west line N0°10'31"W, a distance of 349.60 feet to a point; thence N89°17'03"E, a distance of 415.47 feet to a point; thence N0°08'24"W, a distance of 228.19 feet to a point; thence N89°44'50"E, a distance of 200.00 feet to a point; thence N0°08'24"W, a distance of 187.81 feet to a point on the south right-of-way line of KROE Lane; thence along said south right-of-way and parallel to the north line of said subdivision, N89°44'50"E, a distance of 260.81 feet to the true point of beginning of this survey, together with all buildings, fixtures, and improvements thereon.

**NO. 2018-741634 MORTGAGE**  
EDA SCHUNK THOMPSON, SHERIDAN COUNTY CLERK  
WILCOX AGENCY  
SHERIDAN WY 82801