

File No. 37313

Loan Policy 37313-m

Owner Policy 37313-0

Documents Attached: MTG 752 796 DEED 509 233

REL _____ ASSN _____

Legal Mountain View Est Lt 1-28

Delivered to: Security State Date: _____

Received by: Karen Boedeker



LOAN POLICY OF TITLE INSURANCE

ISSUED BY

First American Title Insurance Company

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Section 17 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation (the "Company") insures as of Date of Policy and, to the extent stated in Covered Risks 11, 13, and 14, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
 - (a) A defect in the Title caused by
 - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
 - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
 - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (vii) a defective judicial or administrative proceeding.
 - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (a) the occupancy, use, or enjoyment of the Land;
 - (b) the character, dimensions, or location of any improvement erected on the Land;
 - (c) the subdivision of land; or
 - (d) environmental protectionif a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without knowledge.
9. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title. This Covered Risk includes but is not limited to insurance against loss from any of the following impairing the lien of the Insured Mortgage
 - (a) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - (b) failure of any person or Entity to have authorized a transfer or conveyance;
 - (c) the Insured Mortgage not being properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
 - (d) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (e) a document executed under a falsified, expired, or otherwise invalid power of attorney;

(f) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or

(g) a defective judicial or administrative proceeding.

10. The lack of priority of the lien of the Insured Mortgage upon the Title over any other lien or encumbrance.

11. The lack of priority of the lien of the Insured Mortgage upon the Title

(a) as security for each and every advance of proceeds of the loan secured by the Insured Mortgage over any statutory lien for services, labor, or material arising from construction of an improvement or work related to the Land when the improvement or work is either

(i) contracted for or commenced on or before Date of Policy; or

(ii) contracted for, commenced, or continued after Date of Policy if the construction is financed, in whole or in part, by proceeds of the loan secured by the Insured Mortgage that the Insured has advanced or is obligated on Date of Policy to advance; and

(b) over the lien of any assessments for street improvements under construction or completed at Date of Policy.

12. The invalidity or unenforceability of any assignment of the Insured Mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the Insured Mortgage in the named Insured assignee free and clear of all liens.

13. The invalidity, unenforceability, lack of priority, or avoidance of the lien of the Insured Mortgage upon the Title

(a) resulting from the avoidance in whole or in part, or from a court order providing an alternative remedy, of any transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction creating the lien of the Insured Mortgage because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or

(b) because the Insured Mortgage constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records

(i) to be timely, or

(ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.

14. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 13 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the Insured Mortgage in the Public Records.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this policy, but only to the extent provided in the Conditions.

First American Title Insurance Company

BY

Curt B. Johnson

PRESIDENT

ATTEST

Christy K. Kelley

SECRETARY



WILCOX ABSTRACT & TITLE
307 WEST BURKITT
SHERIDAN, WY 82801
(307) 672-0768
EST. 1912

SCHEDULE A
First American Title Insurance Company

Loan No.: 95989793

Policy No.: 37313

Amount of Insurance: \$500,000.00

Premium: \$788.00

Date of Policy: September 23, 2009 at 4:10 P.M. MDT

1. Name of Insured:

Security State Bank

2. The estate or interest in the Land that is encumbered by the Insured Mortgage is:

Fee Simple

3. Title is vested in:

MVE, LLC, a Wyoming limited liability company

4. The Insured Mortgage, and its assignments, if any, are described as follows:

Mortgagor: MVE, LLC, a Wyoming limited liability company
Mortgagee: Security State Bank
Original Amount: \$500,000.00
Dated: September 23, 2009
Recorded: September 23, 2009
Recording No.: Book 752, Page 796

5. The Land referred to in this policy is described as follows:

Lots 1 (One) through 28 (Twenty-eight) inclusive of the Mountain View Estates P.U.D., as recorded October 22, 1996 in Drawer M, Plat Number 46, Sheridan County, Wyoming.

6. This policy incorporates by reference those ALTA endorsements selected below:

- ☐ WY ALTA 4-06 (Condominium)
☐ WY ALTA 4.1-06
☐ WY ALTA 5-06 (Planned Unit Development)
☐ WY ALTA 5.1-06
☐ WY ALTA 6-06 (Variable Rate)
☐ WY ALTA 6.2-06 (Variable Rate--Negative Amortization)
☐ WY ALTA 8.1-06 (Environmental Protection Lien) Paragraph b refers to the following state statute(s): None
☐ WY ALTA 9-06 (Restrictions, Encroachments, Minerals)
☐ WY ALTA 13.1-06 (Leasehold Loan)
☐ WY ALTA 14-06 (Future Advance-Priority)
☐ WY ALTA 14.1-06 (Future Advance-Knowledge)
☐ WY ALTA 14.3-06 (Future Advance-Reverse Mortgage)
☐ WY ALTA 22-06 (Location) The type of improvement is a residential structure , and the street address is shown above.

The coverage of this Mortgage Policy is limited to the interest of the Mortgagee only.

SCHEDULE B

Policy No.: 37313

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

PART I

1. Any facts, rights, interests, or claims that are not shown in the public records but that could be ascertained by an inspection of the land or by making inquiry of persons in possession of the land.
2. Easements, claims of easements or encumbrances that are not shown in the Public Records.
3. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title including discrepancies, conflicts in boundary lines, shortage in area, or any other facts that would be disclosed by an accurate and complete land survey of the Land, and that are not shown in the Public Records.
4. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown in the Public Records.
5. (a) Unpatented mining claims; (b) Reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) Water rights, claims or title to water, (d) Matters imposed or created by tribal government concerning the land and/or the right of access thereto, whether or not the matters excepted under (a), (b) (c) or (d) are shown by the public records.
6. Ownership or title to any mineral interest, and the effect on the surface of the exercise of the mineral rights.
7. The lien of real estate taxes or assessments imposed on the Title by a governmental authority that are not shown as existing liens in the records of the County Treasurer or in the Public Records.
8. Easements, if any, for public utilities or facilities installed in any portion of vacated alleys and streets, herein described prior to the vacation thereof, together with right of ingress and egress to repair, maintain, replace and remove the same.
9. The term "Land" when used herein does not include trailers, mobile homes, or other personal property.
10. Easement, including terms and conditions contained therein: Granted to: City of Sheridan For: Sanitary Sewer Pipeline Recorded: April 12, 1982 Recording Information: Book 265, Page 217.
11. Covenants, conditions, restrictions and/or easements; but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, family status, or national origin to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes, recorded October 22, 1996 in Book 382, Page 527 and Amended Covenants recorded January 21, 2005 in Book 460, Page 199 and Corrective Affidavit to Covenants recorded June 28, 2005 in Book 465, Page 35.

SCHEDULE B

Policy No.: 37313

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:

NONE



OWNER'S POLICY OF TITLE INSURANCE

ISSUED BY

First American Title Insurance Company

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
 - (a) A defect in the Title caused by
 - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
 - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
 - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (vii) a defective judicial or administrative proceeding.
 - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (a) the occupancy, use, or enjoyment of the Land;
 - (b) the character, dimensions, or location of any improvement erected on the Land;
 - (c) the subdivision of land; or
 - (d) environmental protectionif a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental

police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.

7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. Title being vested other than as stated in Schedule A or being defective
 - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
 - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
 - (i) to be timely, or
 - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this policy, but only to the extent provided in the Conditions.

First American Title Insurance Company

BY

Curt S. Johnson

PRESIDENT

ATTEST

Christy K. Kelley

SECRETARY

WILCOX ABSTRACT & TITLE
307 WEST BURKITT
SHERIDAN, WY 82801
(307) 672-0768
EST. 1912



EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risks 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

- (a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.
- (b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.
- (c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.
- (d) "Insured": The Insured named in Schedule A.
 - (i) The term "Insured" also includes
 - (A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
 - (B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;
 - (C) successors to an Insured by its conversion to another kind of Entity;
 - (D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title
 - (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,
 - (2) if the grantee wholly owns the named Insured,
 - (3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or
 - (4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.

- (ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.

- (e) "Insured Claimant": An Insured claiming loss or damage.
- (f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.
- (g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
- (h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.
- (i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.
- (j) "Title": The estate or interest described in Schedule A.
- (k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as Insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as Insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

- (a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.
- (b) The Company shall have the right, in addition to the options contained in

Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as Insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

- (c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

- (a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.
- (b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

- (a) To Pay or Tender Payment of the Amount of Insurance.
To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay. Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.
- (b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.
(i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or
(ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs,

attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

- (a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of
(i) the Amount of Insurance; or
(ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.
- (b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,
(i) the Amount of Insurance shall be increased by 10%, and
(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.
- (c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY

- (a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.
- (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.
- (c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. LIABILITY NONCUMULATIVE

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

- (a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.
If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

- (b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

- (a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
- (b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.
- (c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.

- (d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

16. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

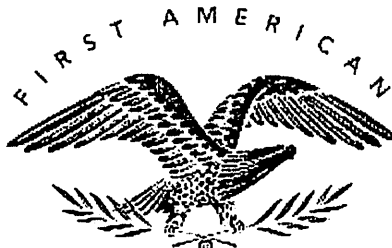
17. CHOICE OF LAW; FORUM

- (a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefore in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located. Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.
- (b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at 1 First American Way, Santa Ana, CA 92707, Attn: Claims Department.

POLICY OF TITLE INSURANCE



SCHEDULE A

First American Title Insurance Company

Amount of Insurance: \$800,000.00

Policy No.: 37313-O

Premium: \$2,175.00

Date of Policy: September 23, 2009 at 4:10 P.M. MDT

1. Name of Insured:

MVE, LLC

2. The estate or interest in the Land that is insured by this policy is:

Fee Simple

3. Title is vested in:

MVE, LLC, a Wyoming limited liability company

4. The Land referred to in this policy is described as follows:

Lots 1 (One) through 28 (Twenty-eight) inclusive of the Mountain View Estates P.U.D., as recorded October 22, 1996 in Drawer M, Plat Number 46, Sheridan County, Wyoming.

SCHEDULE B

Policy No.: 37313

PART I

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

1. Any facts, rights, interests, or claims that are not shown in the public records but that could be ascertained by an inspection of the land or by making inquiry of persons in possession of the land.
2. Easements, claims of easements or encumbrances that are not shown in the Public Records.
3. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title including discrepancies, conflicts in boundary lines, shortage in area, or any other facts that would be disclosed by an accurate and complete land survey of the Land, and that are not shown in the Public Records.
4. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown in the Public Records.
5. (a) Unpatented mining claims; (b) Reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) Water rights, claims or title to water, (d) Matters imposed or created by tribal government concerning the land and/or the right of access thereto, whether or not the matters excepted under (a), (b) (c) or (d) are shown by the public records.
6. Ownership or title to any mineral interest, and the effect on the surface of the exercise of the mineral rights.
7. The lien of real estate taxes or assessments imposed on the Title by a governmental authority that are not shown as existing liens in the records of the County Treasurer or in the Public Records.
8. Easements, if any, for public utilities or facilities installed in any portion of vacated alleys and streets, herein described prior to the vacation thereof, together with right of ingress and egress to repair, maintain, replace and remove the same.
9. The term "Land" when used herein does not include trailers, mobile homes, or other personal property.
10. Easement, including terms and conditions contained therein: Granted to: City of Sheridan For: Sanitary Sewer Pipeline Recorded: April 12, 1982 Recording Information: Book 265, Page 217.

11. Covenants, conditions, restrictions and/or easements; but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, family status, or national origin to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes, recorded October 22, 1996 in Book 382, Page 527 and Amended Covenants recorded January 21, 2005 in Book 460, Page 199 and Corrective Affidavit to Covenants recorded June 28, 2005 in Book 465, Page 35.
12. A Mortgage entitled to secure an indebtedness in the original principal sum of \$500,000.00 and any other amounts and/or obligations secured thereby, recorded September 23, 2009 in Book 752, Page 796, Dated: September 23, 2009, Mortgagor: MVE, LLC, a Wyoming limited liability company, Mortgagee: Security State Bank

SCHEDULE A

1. Commitment Date: **July 7, 2009 at 05:00 PM**

2. Policy (or Policies) to be issued:

- a. Form 1402.06
ALTA OWNER'S POLICY (6-17-06)

Proposed Insured:

MVE, LLC, a Wyoming limited liability company

\$800,000.00

- b. Form 1056.06
ALTA LOAN POLICY (6-17-06)

\$500,000.00

Proposed Insured:

Security State Bank, its successors and assigns as their interests may appear

3. Fee interest in the land described in this Commitment is owned, at the Commitment Date, by **Marcus W. York and Diana L. York.**

4. The Land referred to in this Commitment is described as follows:

Lots 1 (One) through 28 (Twenty-eight) inclusive of the Mountain View Estates P.U.D., as recorded October 22, 1996 in Drawer M, Plat Number 46, Sheridan County, Wyoming.

SCHEDULE B - I

REQUIREMENTS

The following requirements must be met:

- a. Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- b. Pay us the premiums, fees and charges for the policy.
- c. You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the Land or who will make a loan on the Land. We may then make additional requirements or exceptions.
- d. Documents satisfactory to us creating the interest in the Land and/or the Mortgage to be insured must be signed, delivered and recorded.
 1. Release of Paving Lien: Claimant: City of Sheridan, Amount: 37,584.13, Recorded January 15, 1997.
 2. Warranty Deed from Marcus W. York and Diana L. York to MVE, LLC, a Wyoming limited liability company. NOTE: A Statement of Consideration is required with each transfer of Title in the State of Wyoming.
 3. Mortgage executed by MVE, LLC, a Wyoming limited liability company in favor of Security State Bank, to secure an amount of \$500,000.00.
 4. Provide Title Company with evidence that MVE, LLC, a Wyoming limited liability company is currently in good standing with the Wyoming Secretary of State.
 5. Provide Title Company with a copy of amendments, if any, to the articles of organization and operating agreement from MVE, LLC authorizing the Mortgage and signature(s) thereto. NOTE: Upon review of documents provided, additional requirements and/or exceptions may be made.

SCHEDULE B - II

EXCEPTIONS FROM COVERAGE

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

1. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or by making inquiry of the persons in possession of the Land.
2. Easements, claims of easements or encumbrances that are not shown in the Public Records.
3. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title including discrepancies, conflicts in boundary lines, shortage in area, or any other facts that would be disclosed by an accurate and complete land survey of the Land, and that are not shown in the Public Records.
4. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown in the Public Records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Ownership or title to any mineral interest, and the effect on the surface of the exercise of the mineral rights.
7. The lien of real estate taxes or assessments imposed on the Title by a governmental authority that are not shown as existing liens in the records of the County Treasurer or in the Public Records.
8. Taxes for the year 2008 appear to be in the amount of \$2,078.15, Parcel No. 21401, according to the County Treasurer. The first installment is due September 1, and payable on or before November 10. The second installment is due March 1 of the following year, and payable on or before May 10. The first installment is \$1,039.08 and DUE and DELINQUENT. The second installment is \$1,039.07 and DUE.
9. Easements, if any, for public utilities or facilities installed in any portion of vacated alleys and streets, herein described prior to the vacation thereof, together with right of ingress and egress to repair, maintain, replace and remove the same.
10. The term "Land" when used herein does not include trailers, mobile homes, or other personal property.
11. Easement, including terms and conditions contained therein: Granted to: City of Sheridan For: Sanitary Sewer Pipeline Recorded: April 12, 1982 Recording Information: Book 265, Page 217.
12. Covenants, conditions, restrictions and/or easements; but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, family status, or national origin to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes, recorded October 22, 1996 in Book 382, Page 527 and Amended Covenants recorded January 21, 2005 in Book 460, Page 199 and Corrective Affidavit to Covenants recorded June 28, 2005 in Book 465, Page 35.

OWNER'S AFFIDAVIT
to
FIRST AMERICAN TITLE INSURANCE COMPANY

State of Wyoming)
County of Sheridan)ss

The undersigned, being first duly sworn, deposes and says:

1. That they are the owner of following described land in Wyoming:

That has the address of: Mountain View Estates, Sheridan, WY(Mountain View Estates PUD,Lots 1- 28)

That to the best of the Affiant's knowledge:

2. There have been no repairs, works of improvement or materials furnished on the land within the last 180 days, or that could otherwise result in a lien, except:

☒ NONE

☐ Description of Improvement: _____

Was completed on: _____ At a cost of \$ _____

Will be completed on: _____ At a cost of \$ _____

Paid to: _____

3. There are no public improvements affecting the land that would give rise to a special tax or assessment after the date of closing, except:

☒ NONE

☐ OTHER _____

4. That there is no other person(s) in possession of or who have been permitted to use of the land other than:

☐ NONE

☒ OTHER Tenants

5. There are no unrecorded contracts, leases, easements or other agreements or interests relating to the land, except:

☒ NONE

☐ OTHER _____

6. That there are no bankruptcy proceedings or other matters pending in any court that would result in an encumbrance on title, except:

☐ NONE

☐ OTHER _____

7. That affiant has no knowledge of any matters of title which may arise or be recorded against the land between the date of the title insurance commitment and the date of recordation of the documents creating the interest being insured, except:

☒ NONE

☐ OTHER _____

This Affidavit is given for the purpose of inducing First American Title Insurance Company and its agents, offices and subsidiaries to issue its Policy(s) of Title Insurance. The undersigned acknowledges that he has read the foregoing and fully understands the legal aspects of any misrepresentation and/or untrue statements made herein and indemnifies and holds First American Title Insurance Company harmless against liability by reason of its reliance upon the statements and representations made herein.

Dated this 23rd day of September, 2009.

Marcus W York

Marcus W. York

Diana L York

Diana L. York

State of WY)

County of Sheridan)ss

Subscribed and sworn this 23rd day of Sept, 2009.

Witness my hand and official seal.

Notary Public





Wilcox Abstract & Title
Title Insurance Policy Receipt

File No. 23429

Loan Policy 12208-m

Owner Policy _____

Documents Attached: MTG _____ DEED _____

REL _____ ASSN _____

Legal Mountain View

Delivered to: FIB-Sogerland Date: 4/28/99

Received by: Sherry White Bear

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Form of Policy: ALTA LOAN - WYO

Policy No. 3-12208-M

Amount \$167,174.04

Charges \$444.50

SCHEDULE A

Effective Date: November 16, 1998 8:55 AM MST

NAME OF INSURED

First Interstate Bank of Commerce

1. The estate or interest in the land which is encumbered by the insured mortgage is:

FEE

2. Title to the estate or interest in the land is vested in:

Marcus W. York and Diana L. York
husband and wife

3. The insured mortgage and assignments, if any, are described as follows:

A Mortgage to secure an indebtedness in the original principal sum of \$167,174.04 recorded November 16, 1999, in Book 397 at page 400

Dated: August 18, 1998

Mortgagor: Marcus W. York and Diana L. York

Mortgagee: First Interstate Bank of Commerce

4. The land referred to in this policy is described as follows:

All of Blocks 1, 4, and 6, Lots 9, 10, 11, 12, 13, 14, 15, and 16, Block 2, and Lots 1, 2, 3, 9, 10, 11 and 14, Block 5, Mountain View Addition, Sheridan County, Wyoming.

Also, Lots 1 through 40, 42 through 49, 51 through 63 and Lot 67, Mountain View Estates, P.U.D., a subdivision as filed in Drawer M, as Plat #46.

Also, a tract of land located in the Northeast 1/4, Section 35, Township 56 North, Range 84 West, 6th P.M., Sheridan County Wyoming, and more particularly described as follows:

BEGINNING at a point which is located South 89°43'02" West 1316.75 from the Northeast corner of said Section 35;

Thence South 00°03'01" East 647.15 feet to a point;

Thence North 61°40'02" West 646.75 to the PC of a curve to the left with a radius of 84.48 feet, an arc length of 87.72 feet;

Thence leaving said curve North 00°20'06" West 339.08 feet to a point;

Thence North 89°43'02" East 654.50 feet to the point of BEGINNING.

Issuing Agent

SCHEDULE B

PART I

This Policy does not insure against loss or damage (and the Company will not pay costs, attorney's fees or expenses) by reason of the following:

1. Rights or claims of parties in possession not shown by the public records.
2. Easements, liens, or encumbrances, or claims thereof, which are not shown by the public records.
3. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, and any facts which a correct survey and inspection of the premises would disclose and which are not shown by the public records.
4. Any lien, or right to a lien, for services, labor, or material theretofore or hereafter furnished, imposed by law and not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Ownership or title to any mineral interest and the effect on the surface of the exercise of the mineral right.
7. Taxes and assessments not shown by the records of the County Treasurer.

TAXES FOR THE YEAR 1998 AND SUBSEQUENT YEARS.

8. The term "Land" when used herein does not include trailers, mobile homes, or other personal property.
9. Easement as granted to City of Sheridan for the sewer pipeline and incidental purposes as contained in instrument recorded April 12, 1982 in Book 265 of Deeds, Page 217.
10. Covenants, conditions and restrictions, as contained in Instrument recorded October 22, 1996 in Book 382, Page 527, Records of Sheridan County, Wyoming, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent the such covenants, conditions or restriction violate 32 USC 3604(c).
11. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$3,388.02 on January 15, 1997, in Book B, Page 172.
12. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$2,333.02 on January 15, 1997, in Book B, Page 172.
13. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$2,832.91 on January 15, 1997, in Book B, Page 172.
14. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$1,066.83 on January 15, 1997, in Book B, Page 172.
15. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$11,766.11 on January 15, 1997, in Book B, Page 172.

16. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$37,584.13 on January 15, 1997, in Book B, Page 172.
17. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$4,173.85 on January 15, 1997, in Book B, Page 172.
18. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$4,518.48 on January 15, 1997, in Book B, Page 172.
19. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$4,518.48 on January 15, 1997, in Book B, Page 172.
20. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$4,518.48 on January 15, 1997, in Book B, Page 172.
21. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$4,518.48 on January 15, 1997, in Book B, Page 172.
22. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$4,518.48 on January 15, 1997, in Book B, Page 172.
23. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$4,518.48 on January 15, 1997, in Book B, Page 172.
24. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$4,518.48 on January 15, 1997, in Book B, Page 172.
25. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$4,518.48 on January 15, 1997, in Book B, Page 172.
26. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$4,518.48 on January 15, 1997, in Book B, Page 172.
27. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$4,518.48 on January 15, 1997, in Book B, Page 172.
28. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$4,518.48 on January 15, 1997, in Book B, Page 172.
29. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$6,011.88 on January 15, 1997, in Book B, Page 172.
30. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$4,518.48 on January 15, 1997, in Book B, Page 172.
31. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$4,518.48 on January 15, 1997, in Book B, Page 172.
32. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$4,518.48 on January 15, 1997, in Book B, Page 172.
33. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$4,518.48 on January 15, 1997, in Book B, Page 172.
34. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$4,518.48 on January 15, 1997, in Book B, Page 172.

35. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$4,518.48 on January 15, 1997, in Book B, Page 172.
36. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$4,518.48 on January 15, 1997, in Book B, Page 172.
37. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$4,518.48 on January 15, 1997, in Book B, Page 172.
38. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$4,518.48 on January 15, 1997, in Book B, Page 172.
39. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$4,365.31 on January 15, 1997, in Book B, Page 173.
40. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$6,892.60 on January 15, 1997, in Book B, Page 173.
41. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$5,246.03 on January 15, 1997, in Book B, Page 173.
42. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$5,246.03 on January 15, 1997, in Book B, Page 173.
43. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$5,246.03 on January 15, 1997, in Book B, Page 173.
44. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$5,246.03 on January 15, 1997, in Book B, Page 173.
45. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$5,207.74 on January 15, 1997, in Book B, Page 173.
46. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$5,207.74 on January 15, 1997, in Book B, Page 173.
47. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$5,207.74 on January 15, 1997, in Book B, Page 173.
48. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$5,169.45 on January 15, 1997, in Book B, Page 173.
49. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$5,169.45 on January 15, 1997, in Book B, Page 173.
50. Paving Lien, in favor of The City of Sheridan, Wyoming, dated November 12, 1996, recorded in the amount of \$5,671.53 on January 15, 1997, in Book B, Page 173.

SCHEDULE B

Part II

In addition to the matters set forth in Part I of this Schedule, the title to the estate or interest in the land described or referred to in Schedule A is subject to the following matters, if any be shown, but the Company insures that such matters are subordinate to the lien or charge of the insured mortgage upon said estate or interest:

NONE



POLICY OF TITLE INSURANCE



ISSUED BY

First American Title Insurance Company

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land;
5. The invalidity or unenforceability of the lien of the insured mortgage upon the title;
6. The priority of any lien or encumbrance over the lien of the insured mortgage;
7. Lack of priority of the lien of the insured mortgage over any statutory lien for services, labor or material:
 - (a) arising from an improvement or work related to the land which is contracted for or commenced prior to Date of Policy; or
 - (b) arising from an improvement or work related to the land which is contracted for or commenced subsequent to Date of Policy and which is financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance;
8. Any assessments for street improvements under construction or completed at Date of Policy which now have gained or hereafter may gain priority over the insured mortgage; or
9. The invalidity or unenforceability of any assignment of the insured mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the insured mortgage in the named insured assignee free and clear of all liens.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title or the lien of the insured mortgage, as insured, but only to the extent provided in the Conditions and Stipulations.

First American Title Insurance Company

BY

Parker S. Kennedy

PRESIDENT

ATTEST

Mark L. Aronson

SECRETARY

CW 3032064



STATEMENT

Wilcox Abstract & Title Guaranty
307 West Burkitt
Sheridan, WY 82801
Ph. (307) 672-0768

FIRST INTERSTATE BANK/SUGARLAND
P.O. BOX 6499
1613 COFFEEN AVENUE
SHERIDAN WY 82801

NO. 23429

Date: 11/09/98

Time: 3:48pm

Re: YORK/FIB-S % KAY

LEGAL RE: MOUNTAIN VIEW ADN., BLK 1,2,4,5,6 AND
MOUNTIAN VIEW ESTATES PUD L. 1-40,42-49,51-63
& L. 67 & 56/84 SEC. 35: TR IN NE1/4

MORTGAGE COVERAGE 167,174.04
CREDIT FOR PRIOR POLICY

635.00
190.50-

*** Invoice updated 11/10/98 ***

BALANCE DUE \$ 444.50

THANK YOU FOR YOUR BUSINESS!

PLEASE REMIT THIS PORTION WITH YOUR PAYMENT

ACCOUNT: 000017

INVOICE NO. 23429 Date of Payment _____

Commitment for: YORK/FIB-S % KAY

Payment of \$ _____ is enclosed

*Pd.
\$ 444.50
CX H 5511070
11-13-98*

A49034

Old Republic**Schedule A**

File Number: 13754-M **Policy Number:** MM 1851625 **Amount** \$98,500

Policy Date: March 16, 1995 at 5:00 P.M.

Name of Insured: First Interstate Bank of Commerce,
Sugarland Office, Sheridan, Wyoming

The title to the fee simple estate in said land is, at the date hereof, vested in

Marcus W. York and Diana L. York,
husband and wife

The mortgage and assignments, if any, covered by this policy are described as follows:

Mortgage executed by Marcus W. York and Diana L. York, husband and wife, in favor of First Interstate Bank of Commerce, Sugarland Office, Sheridan, Wyoming, dated March 1, 1995 and recorded March 6, 1995, Book 333 of Mortgages, Page 553, given to secure \$98,500.00, which mortgage was re-recorded March 9, 1995, Book 333 of Mortgages, Page 650, which mortgage was re-recorded March 16, 1995, Book 334 of Mortgages, Page 72.

The land referred to in this policy is situated in the County of Sheridan, State of Wyoming and is described as follows:

See Attached Exhibit "A".

This policy valid only if Schedule B is attached.



EXHIBIT "A"

All of Blocks 1, 3, 4, 6; Lots 9, 10, 11, 12, 13, 14, 15 and 16, Block 2; Lots 1, 2, 3, 9, 10, 11, and 14, Block 5; All in Mountain View Addition to the Town, now City of Sheridan; also all that part of Carrington Street lying South of the South line of Gillette Street, projected, and all that part of Catherine Street lying West of the West line of Frank Street, projected in said Mountain View Addition.

Said Addition situated in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 35, Township 56, Range 84 West of the Sixth Principal Meridian, Sheridan County, Wyoming.

All that part of the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 35, Township 56 North, Range 84 West of the 6th P.M. lying South of Gillette's Second Addition to the Town, now City of Sheridan, Sheridan County, Wyoming and East of the right-of-way of the C.B.&Q. Railroad Company's Spur Tract, except the following tract of land described as follows: Beginning at a point 846 feet South and 296 feet West of the North quarter corner of said Section 35, thence on an arc of a 50° curve left for a chord length of 277.13 feet (S. 15°04' E.) to a point; thence South 18°38' East for 47.67 feet, and from said point North 58°45' East for 20.84 feet to a point, and thence from said point South 58°26' East for a distance of 45.72 feet to a point; thence from said point N. 5°32' West 168.76 feet; and thence from said point on an arc of 14° curve right for a chord length of 206.84 feet (N. 38°51' W.) to the point of beginning; ALSO excepting the following described tract of land conveyed to the City of Sheridan, said tract so conveyed to constitute an extension of Carrington Street, to wit: Beginning at the Southeast corner of Block 7.

of said Gillette's Second Addition, thence South on a line parallel with the East side of said Block 7, 160 feet to a point in line with the South line of Gillette Street, extended, of Mountain View Addition to the said City of Sheridan, thence East on a line parallel with the South line of said Gillette Street 30 feet, more or less, to the East boundary line of the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 35, said Township and Range, thence North on said East line 160 feet to a point, thence West 30 feet, more or less, to the point of beginning.

All that part of SE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 35, lying East of the right-of-way of said Railroad Company's Spur tract and North of the center of Little Goose Creek.

All that part of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 35, lying East of the center of said Little Goose Creek and North of a line parallel to and 400 feet South of the North line of said SW $\frac{1}{4}$ NE $\frac{1}{4}$, EXCEPT the East 702.1 feet thereof.

All in Township 56 North, Range 84 West of the Sixth Principal Meridian, in Sheridan County, Wyoming.

Together with all improvements and hereditaments thereon and thereunto appertaining and belonging.

Post-It [™] brand fax transmittal memo 7671		# of pages • <i>2</i>
To <i>Brown</i>	From <i>Nancy/Ken</i>	
Co. <i>Wilcox Chevrolet</i>	Co. <i>F.B. Sugartone</i>	
Dept.	Phone # <i>672-1502</i>	
Fax # <i>672-8838</i>	Fax # <i>672-1505</i>	

A49034

Old I

Schedule A

File Number: 16151-M Policy Number: MM 2081365 Amount \$125,000

Policy Date: July 17, 1996 at 5:00 P.M.

Name of Insured: First Interstate Bank of Commerce,
Sugarland Office, Sheridan, Wyoming

The title to the fee simple estate in said land is, at the date hereof, vested in

Marcus W. York and Diana L. York,
husband and wife

The mortgage and assignments, if any, covered by this policy are described as follows:

Mortgage executed by Marcus W. York and Diana L. York, husband and wife, in favor of First Interstate Bank of Commerce, Sugarland Office, Sheridan, Wyoming, dated June 27, 1996 and recorded July 17, 1996, Book 355 of Mortgages, Page 236, given to secure \$125,000.00.

The land referred to in this policy is situated in the County of Sheridan, State of Wyoming and is described as follows:

All of Blocks 7, 8, 9, 10, 11 and 12, in the Mountain View Addition to the Town, now City of Sheridan, Sheridan County, Wyoming.

This policy valid only if Schedule B is attached.



Schedule B - I

File Number: 16151-M

Policy Number: MM 2081365

This Policy does not insure against loss or damage by reason of the following:

Standard Exceptions:

- (a) Facts which would be disclosed by a comprehensive survey of the premises herein described.
- (b) Rights and claims of parties in possession.
- (c) Mechanics', Contractors' or Materialmen's liens and lien claims, if any, where no notice thereof appears of record.

Special Exceptions:

- (1) Any right, title, or interest in any minerals, mineral rights, or related matters, including but not limited to oil, gas, coal, and other hydrocarbons.
- (2) Taxes for 1996 and subsequent years.
- (3) Right of way easement to City of Sheridan recorded April 12, 1982 in Book 265 of Deeds, Page 217.

Schedule B - II

In addition to the matters set forth in Part I of this Schedule, the title to the estate or interest in the land described or referred to in Schedule A is subject to the following matters, if any be shown, but the Company insures that the lien or charge of the insured mortgage upon said estate or interest is prior to such matters:

NONE

SHERIDAN COUNTY TITLE INSURANCE AGENCY

23 South Main
Sheridan, Wyoming 82801
Tax ID 83-0231061

DATE: June 27, 1996**INVOICE:** 7336

TO: First Interstate Bank of Commerce
Sugarland Office
P.O. Box 6499
Sheridan, WY 82801

FILE NO: 16152-M**REFERENCE:** Marcus W. & Diana L. York**DESCRIPTION:** Lots 7-11, Block 7, Gillette's Second Addition

	<u>DEBIT</u>	<u>CREDIT</u>	<u>BALANCE</u>
POLICY OF TITLE INSURANCE	527.50		
EXTENDED COVERAGE (MTGEE)			
SIMULTANEOUS ISSUE			
DEED PREPARATION			
EPA ENDORSEMENT			
RECORDING			

BALANCE DUE

527.50

THE COVERAGE OF THE MORTGAGE POLICY
ISSUED, OR TO BE ISSUED, IS LIMITED TO
THE INTEREST OF THE MORTGAGEE ONLY.



SCHEDULE A

File No.: 16152-M

1. Effective Date of Commitment: June 25, 1996 at 9:00 A.M.

2. Policy (or Policies) to be issued:

Amount

(a) ALTA OWNER'S POLICY 1987 (Amended 4-6-90)

\$ - - - -

Proposed Insured: - - - -

(b) ALTA LOAN POLICY 1987 (Amended 4-6-90)

\$125,000.00

Proposed Insured: First Interstate Bank of Commerce,
Sugarland Office, Sheridan, Wyoming

3. The estate or interest in the land described or referred to in this Commitment and covered herein is a fee simple, and title thereto is at the effective date hereof vested in:

Marcus W. York and Diana L. York,
husband and wife

4. The land referred to in this Commitment is located in the County of Sheridan, State of Wyoming and described as follows:

Lots 7, 8, 9, 10 and 11, Block 7, Gillette's Second Addition to the City of Sheridan, Sheridan County, Wyoming.

SOLD

THIS IS A MORTGAGE POLICY
WHICH IS LIMITED TO
THE INTEREST OF THE MORTGAGEE ONLY.



SCHEDULE B, Part I**File No. 16152-M****I. The following are the requirements to be complied with:**

1. Instruments necessary to create the estate or interest to be insured must be properly executed, delivered and duly filed for record.
2. Mortgage from Marcus W. York and Diana L. York, husband and wife, in favor of First Interstate Bank of Commerce, Sugarland Office, Sheridan, Wyoming.
3. Cancellation and release of record of Mortgage executed by Marcus W. York and Diana L. York, husband and wife, in favor of First Interstate Bank of Sugarland, Sheridan, Wyoming, dated November 13, 1987, and recorded November 13, 1987, Book 252 of Mortgages, Page 482, given to secure \$162,000.00.

NOTE: 1995 Taxes are DELINQUENT in the amount of \$1,447.18 plus interest on Tax Notice #10967.
P.I.D. #010185.



SCHEDULE B, Part II

File No. 16152-M

II. Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
2. Standard Exceptions:
 - (a) Rights or claims of parties in possession or claiming to be in possession not shown by the public records.
 - (b) Easements, or claims of easements, not shown by the public records.
 - (c) Encroachments, or questions of location, boundary, and area which are dependant upon a correct survey or inspection of the premises for determination.
 - (d) Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
 - (e) Unpatented mining claims; reservations or exceptions in patents or in acts authorizing the issuance thereof; water rights, claims or title to water.
 - (f) Any service, installation or connection charge for sewer, water or electricity.
 - (g) General taxes not now payable; matters relating to special levies or assessments, if any, preceding the same becoming a lien.

Special Exceptions

- (1) Any right, title, or interest in any minerals, mineral rights, or related matters, including but not limited to oil, gas, coal, and other hydrocarbons.
- (2) Taxes for 1995 and subsequent years.

