

58132

Wilcox Abstract & Title
Title Insurance Policy Receipt

File No. 38224

Loan Policy 38224-m

Owner Policy _____

Documents Attached: MTG _____ DEED _____

REL _____ ASSN _____

Legal Coffeen 2nd Bld 7 pt

Delivered to: FFSB Date: 9-29-09

Received by: Hernandez



11



11-11-11

11-11-11

11-11-11





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 H. Hillyer

SECRETARY



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

SCHEDULE A

First American Title Insurance Company

Policy No.: 38224

Address Reference: 535 King Street, Sheridan, WY

Amount of Insurance: \$52,000.00

Premium: \$433.00

Date of Policy: June 30, 2009 at 3:26 P.M. MDT

1. Name of Insured:

First Federal Savings Bank

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

Fee Simple

3. Title is vested in:

Maynard L. Lockhart, a single person

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

Mortgagor: Maynard L. Lockhart, a single person
Mortgagee: First Federal Savings Bank
Original Amount: \$52,000.00
Dated: June 24, 2009
Recorded: June 30, 2009
Recording No.: Book 745, Page 717

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

The South 121.5 feet of the West 100 feet of the East 166 feet of Block Seven (7), Coffeen's Second Addition to the Town, now City of Sheridan, Sheridan County, Wyoming

6. This policy incorporates by reference those WY-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.: 38224

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. (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.
2. Ownership or title to any mineral interest, and the effect on the surface of the exercise of the mineral rights.
3. 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.
4. Easement, including terms and conditions contained therein: Granted to: Montana Dakota Utilities, Co. For: Transmission Line Recorded: September 21, 1956 Recording Information: Book 107, Page 416.

SCHEDULE B

Policy No.: 38224

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

ENDORSEMENT

Issued by

First American Title Insurance Company

Date of Endorsement: June 30, 2009 at 3:26 P.M. MDT

Premium: \$n/a

The insurance afforded by this endorsement is only effective if the Land is used or is to be used primarily for residential purposes.

The Company insures against loss or damage sustained by the Insured by reason of lack of priority of the lien of the Insured Mortgage over

- (a) any environmental protection lien that, at Date of Policy, is recorded in those 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, or is filed in the records of the clerk of the United States district court for the district in which the Land is located, except as set forth in Schedule B; or
- (b) any environmental protection lien provided by any state statute in effect at Date of Policy, except environmental protection liens provided by the following state statutes:
None

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

American Land Title Association
WY - ALTA 8.1-06 (Environmental Protection Lien)
Adopted 6/17/06

First American Title Insurance Company

BY



PRESIDENT

ATTEST



SECRETARY



ENDORSEMENT

Issued by

First American Title Insurance Company

Date of Endorsement: June 30, 2009 at 3:26 P.M. MDT

Premium: \$n/a

The Company insures the owner of the Indebtedness secured by the Insured Mortgage against loss or damage sustained by reason of:

1. The existence, at Date of Policy, of any of the following:
 - a. Covenants, conditions, or restrictions under which the lien of the Insured Mortgage can be divested, subordinated, or extinguished, or its validity, priority, or enforceability impaired.
 - b. Unless expressly excepted in Schedule B
 - i. Present violations on the Land of any enforceable covenants, conditions, or restrictions, or existing improvements on the land described in Schedule A that violate any building setback lines shown on a plat of subdivision recorded or filed in the Public Records.
 - ii. Any instrument referred to in Schedule B as containing covenants, conditions, or restrictions on the Land that, in addition, (A) establishes an easement on the Land, (B) provides a lien for liquidated damages, (C) provides for a private charge or assessment, (D) provides for an option to purchase, a right of first refusal, or the prior approval of a future purchaser or occupant.
 - iii. Any encroachment of existing improvements located on the Land onto adjoining land, or any encroachment onto the Land of existing improvements located on adjoining land.
 - iv. Any encroachment of existing improvements located on the Land onto that portion of the Land subject to any easement excepted in Schedule B.
 - v. Any notices of violation of covenants, conditions, or restrictions relating to environmental protection recorded or filed in the Public Records.
2. Any future violation on the Land of any existing covenants, conditions, or restrictions occurring prior to the acquisition of title to the estate or interest in the Land by the Insured, provided the violation results in:
 - a. the invalidity, loss of priority, or unenforceability of the lien of the Insured Mortgage; or
 - b. the loss of Title if the Insured shall acquire Title in satisfaction of the Indebtedness secured by the Insured Mortgage.
3. Damage to existing improvements, including lawns, shrubbery, or trees:
 - a. that are located on or encroach upon that portion of the Land subject to any easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved;
 - b. resulting from the future exercise of any right to use the surface of the Land for the extraction or development of minerals excepted from the description of the Land or excepted in Schedule B.
4. Any final court order or judgment requiring the removal from any land adjoining the Land of any encroachment excepted in Schedule B.
5. Any final court order or judgment denying the right to maintain any existing improvements on the Land because of any violation of covenants, conditions, or restrictions, or building setback lines shown on a plat of subdivision recorded or filed in the Public Records.

Wherever in this endorsement the words "covenants, conditions, or restrictions" appear, they shall not be deemed to refer to or include the terms, covenants, conditions, or limitations contained in an instrument creating a lease.

As used in paragraphs 1.b.i. and 5, the words "covenants, conditions, or restrictions" do not include any covenants, conditions, or restrictions (a) relating to obligations of any type to perform maintenance, repair, or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded or filed in the Public Records at Date of Policy and is not excepted in Schedule B.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

American Land Title Association
WY - ALTA 9-06 (Restrictions, Encroachments, Minerals)
Adopted 6/17/06

First American Title Insurance Company

BY

Carl B. Johnson

PRESIDENT

ATTEST

Marilyn H. Hays

SECRETARY



First American Title Insurance Company

ENDORSEMENT

Issued by

First American Title Insurance Company

Date of Endorsement: June 30, 2009 at 3:26 P.M. MDT

Premium: \$n/a

The Company insures against loss or damage sustained by the Insured by reason of the failure of a residential structure, known as 535 King Street, Sheridan, WY, to be located on the Land at Date of Policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

American Land Title Association
WY - ALTA 22-06 (Location)
Adopted 6/17/06

First American Title Insurance Company

BY

Curt B. Johnson

PRESIDENT

ATTEST

Misty H. Kelley

SECRETARY



Wilcox Abstract and Title Co.

307 West Burkitt
Sheridan, WY 82801

Phone: 307-672-0768
Fax: 307-672-8838
Closing Fax: 307-673-2851
www.wilcoxabstract.com



Invoice

Date: 06/08/09		Commitment #: 38224		
ORDERED BY: First Federal Savings Bank 46 West Brundage Sheridan, WY 82801		DELIVERED TO: First Federal Savings Bank (307)672-0605		
Reference: Maynard L. Lockhart		Property: 535 King Street, Sheridan Coffeen 2nd, Blk 7 pt		
Description:	Policy Amount	Base Premium	Adjustments	Amount:
Lender's Title Policy Lien & Survey	\$52,000.00	433.00		433.00 N/C
Total:				\$433.00

*pd 433.00
direct deposit
6/30/09*

Thank you for your business!

SCHEDULE A

1. Commitment Date: **05/07/09 at 05:00 PM**

2. Policy (or Policies) to be issued:

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

38224
\$52,000.00 433-

Proposed Insured:

First Federal Savings 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 **Maynard L. Lockhart, a single person.**

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

The South 121.5 feet of the West 100 feet of the East 166 feet of Block Seven (7), Coffeen's Second Addition to the Town, now City of Sheridan, 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. *746-517* Release of the Mortgage: Mortgagor: Maynard L. Lockhart, a single person Mortgagee: First Federal Savings Bank Amount: \$57,000.00 Recorded May 31, 2000 in Book 428, Page 482
 2. *745-717* Mortgage executed by Maynard L. Lockhart, a single person in favor of First Federal Savings Bank, to secure an amount of \$52,000.00. Provide Title Company with Owner's Affidavit, Borrower's Affidavit, sufficient in Title Company's opinion to delete Exceptions 1, 2, 3, and 4 from Loan Policy when issued and to attach Endorsements WY-ALTA 8.1-06, WY-ALTA 9-06, and WY-ALTA 22-06.

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 \$1,241.67, Parcel No. 5301, 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 \$620.84 and PAID. The second installment is \$620.83 and PAID.
9. Easement, including terms and conditions contained therein: Granted to: Montana Dakota Utilities, Co. For: Transmission Line Recorded: September 21, 1956 Recording Information: Book 107, Page 416.

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: 535 King Street, Sheridan, WY (Coffeen 2nd, Blk 7 pt)

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 _____

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 24th day of June, 2009.

Maynard Lockhart
Maynard L. Lockhart

State of WY)
County of Sheridan)ss

Subscribed and sworn this 24th day of June, 2009.

Witness my hand and official seal.



[Signature]
Notary Public

Form No. 1402 (6/87)
ALTA Owner's Policy
[3/92]

Form of Policy: ALTA OWNER'S - WYO.

Policy No. 3-13025-O

Amount \$57,000.00

Charges \$329.50

SCHEDULE A

Effective Date: May 31, 2000 2:30 P.M. MDT

NAME OF INSURED

Maynard L. Lockhart

1. The estate or interest in the land described or referred to in this schedule covered by this Policy is:

FEE

2. Title to the estate or interest covered by this policy at the date hereof is vested in the insured.

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

The South 121.5 feet of the West 100 feet of the East 166 feet of Block Seven (7), Coffeen's Second Addition to the Town, now City of Sheridan, Sheridan County, Wyoming.

Issuing Agent

Policy No. 3-13025-O

SCHEDULE B

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 2000 AND SUBSEQUENT YEARS.

8. Right of Way Easement as granted to Montana-Dakota Utilities Co. for the electrical transmission line and incidental purposes as contained in instrument recorded September 21, 1956 in Book 107 of Deeds, Page 416.
9. Paving Lien in favor of the City of Sheridan, recorded in the amount of \$974.96 on January 1, 1997, in Book B, Page 71.
10. A Mortgage entitled to secure an indebtedness in the original principal sum of \$57,000.00 and any other amounts and/or obligations secured thereby, recorded May 31, 2000, in Book 428 at page 482
Dated: May 31, 2000
Mortgagor: Maynard L. Lockhart, a single person
Mortgagee: First Federal Savings Bank

Form No. 1402.92
(10/17/92)
ALTA Owner's Policy



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.

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

First American Title Insurance Company

BY

Gary L. Keruott

PRESIDENT

ATTEST

Mark A. Arnesen

SECRETARY

J 1213222

Form of Policy: ALTA LOAN - WYO

Policy No. 3-13025-M

Amount \$57,000.00

Charges \$118.85

SCHEDULE A

Effective Date: May 31, 2000 2:30 P.M. MDT

NAME OF INSURED

First Federal Savings Bank

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:

Maynard L. Lockhart
a single person

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

A Mortgage to secure an indebtedness in the original principal sum of \$57,000.00 recorded May 31, 2000, in Book 428 at page 482

Dated: May 31, 2000

Mortgagor: Maynard L. Lockhart, a single person

Mortgagee: First Federal Savings Bank

4. The land referred to in this policy is described as set forth in the above mortgage and is identified as follows:

The South 121.5 feet of the West 100 feet of the East 166 feet of Block Seven (7), Coffeen's Second Addition to the Town, now City of Sheridan, Sheridan County, Wyoming.

Also,

The East 34½ feet of Lot 9, Block 19, Thurmond Second Addition to the Town, now City of Sheridan, Sheridan County, Wyoming.

Issuing Agent

SCHEDULE B

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. (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.
2. Ownership or title to any mineral interest and the effect on the surface of the exercise of the mineral right.
3. Taxes and assessments not shown by the records of the County Treasurer.

TAXES FOR THE YEAR 2000 AND SUBSEQUENT YEARS.

4. Right of Way Easement as granted to Montana-Dakota Utilities Co. for the electrical transmission line and incidental purposes as contained in instrument recorded September 21, 1956 in Book 107 of Deeds, Page 416.
5. Paving Lien in favor of the City of Sheridan, recorded in the amount of \$974.96 on January 1, 1997, in Book B, Page 71.

Policy No. 3-13025-M

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

MEINHOLD, STAWIARSKI, SHAPIRO & CODILIS, L.L.P.
Attorneys at Law
9200 East Mineral Avenue, Suite 350
Englewood, Colorado 80112
Telephone: (303) 799-0083
Fax: (303) 799-3950

January 10, 2000

UPDATE REQUEST

To:
Wilcox Abstract Company
307 West Burkitt
Sheridan, WY 82801
Fax No. 307-672-8838

From: AMY GARLOCK

MSS&C No.: 99-7696

Your File No.: 24472

Property Address: 535 KING STREET, SHERIDAN, WY 82801

Name: KINNAMON, PATRICK K. & MARILYNN S.

FAXED

1-11-00

5p

~~X~~ We will need a FAXED update as soon as possible with a CERTIFICATION DATE OF NO MORE THAN 29 DAYS PRIOR TO THE SALE DATE. The sale is scheduled for January 25, 2000.

We are specifically looking for the recorded Notice of Election and Demand for Sale ("NED"). However, please fax us an update even if the NED is not showing of record yet. Upon receipt of this update, we will request another update for the NED.

Please fax an update on this file as it has been on hold and now we are ready to proceed with foreclosure.

We need a final update showing the Certificate of Purchase and Public Trustee's Deed. However, please fax us an update even if the Certificate of Purchase and Public Trustee's Deed are not showing of record yet. Upon receipt of this update, we will request another update for these documents.

Other: _____

If there is a charge for this update, please include your invoice with the update.
Thank you.

REKED

MEINHOLD, STAWIARSKI, SHAPIRO & CODILIS, L.L.P.
Attorneys at Law
9200 East Mineral Avenue, Suite 350
Englewood, Colorado 80112
Telephone: (303) 799-0083
Fax: (303) 799-3950

DATE: December 15, 1999

TO: Wilcox Abstract Company FAX 307-672-8838
307 West Burkitt
Sheridan, WY 82801

FROM: AMY GARLOCK

RE: KINNAMON, PATRICK K. & MARILYNN S.
Property Address: 535 KING STREET, SHERIDAN, WY
Policy #24472
Our File #99-7696

We request your assistance in representing our office at the foreclosure sale scheduled on January 25, 2000 for the above-referenced matter. Prior to the actual sale date, I will forward our bidding instructions as well as an original Certificate of Purchase, attorney affidavit and affidavit of publication from the newspaper. Enclosed please find a copy of the Notice of Sale.

If you have any questions or should you require anything further, please do not hesitate to contact me. Thank you.

Enclosure

File #99-7696 Client #2906758 CON #N/A

NOTICE OF FORECLOSURE

A default has occurred through Mortgagor's and/or subsequent owner's failure to pay that Promissory Note in the original amount of \$40,000.00, secured by a Mortgage dated January 25, 1997; recorded February 25, 1997, Book 365, Page 338, Reception No. 249098 (re-recording info.: N/A), in SHERIDAN County, Wyoming; given by PATRICK K. KINNAMON, SR. AND MARILYNN S. KINNAMON, mortgagors, to T.A.R. PREFERRED MORTGAGE CORPORATION, as mortgagee; and subsequently, through one or more recorded assignments, assigned to BANKERS TRUST COMPANY, AS TRUSTEE, ON BEHALF OF THE CERTIFICATE HOLDERS AND THE CERTIFICATE INSURER OF THE PREFERRED CREDIT ASSET-BACKED CERTIFICATES, SERIES 1997-1.;

securing property described as:

THE SOUTH 121.5 FEET OF THE WEST 100 FEET OF THE EAST 166 FEET OF BLOCK SEVEN (7), COFFEEN'S SECOND ADDITION TO THE TOWN, NOW CITY OF SHERIDAN, SHERIDAN COUNTY, WYOMING.

PURPORTED COMMON ADDRESS: 535 KING STREET, SHERIDAN, WYOMING

Mortgagee has declared the unpaid balance of \$37,747.06, PLUS interest, advances, fees and costs, due and payable in full, and is advertising to sell said property to satisfy the same; and WHEREAS, no suit or proceeding has been instituted at Law to recover any part of the debt remaining; and WHEREAS, the Mortgagee has given notice of its intention to foreclose, NOW, THEREFORE, NOTICE IS HEREBY GIVEN that the property will be offered for sale and sold by the Sheriff's office of SHERIDAN County, Wyoming, to the highest bidder, for cash at public venue at the front door of the Courthouse in SHERIDAN County, Wyoming at 10:00 a.m. on January 25, 2000.

The Sheriff is not authorized to sell the property without a written bid from our office, and an authorized representative in attendance on the lender's behalf.

BANKERS TRUST COMPANY, AS TRUSTEE, ON BEHALF OF THE
CERTIFICATE HOLDERS AND THE CERTIFICATE INSURER OF THE PREFERRED
CREDIT ASSET-BACKED CERTIFICATES, SERIES 1997-1., Mortgagee
Meinhold, Stawiariski, Shapiro, & Codilis, LLP
Attorney for Mortgagee
9200 East Mineral Avenue, Suite 350
Englewood, CO 80112
(303) 799-0083

Publish: December 21, 1999, December 28, 1999, January 4, 2000
January 11, 2000

Foreclosure Guarantee (11/91)

Policy No. 3-12694-O-FG

SCHEDULE A

1. Title to said estate or interest at the date hereof is vested in:

Patrick K. Kinnamon, Sr. and Marilyn S. Kinnamon

2. The estate or interest in the land hereinafter described or referred to covered by this Guarantee is:

FEE

3. The land referred to in this Guarantee is situated in the State of WYOMING, County of Sheridan, and is described as follows:

The South 121.5 feet of the West 100 feet of the East 166 feet of Block Seven (7), Coffeen's Second Addition to the Town, now City of Sheridan, Sheridan County, Wyoming.

Foreclosure Guarantee (11/91)

Policy No. 3-12694-O-FG

SCHEDULE B

This policy does not insure against loss or damage, nor against costs, attorney's fees or expenses, any or all of which arise by reason of the following:

Part One:

1. Rights or claims of parties in possession.
2. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
3. Facts which would be disclosed by a comprehensive survey of the premises herein described.
4. Covenants, Conditions, Restrictions, and Reservations.
5. Ownership of minerals and mineral rights.
6. Easements, Reservations, and Servitudes imposed by operation of law or contained in instruments of record.
7. Any defect or invalidity in the title to said land occasioned by any claim or allegation as to a fraudulent transfer arising from any bankruptcy proceedings filed by or on behalf of Patrick K. Kinnamon, Sr. and Marilyn S. Kinnamon.
8. All General Taxes and Special Assessments.

Foreclosure Guarantee (11/91)

Part Two: Subject to the following Mortgages, Liens, and Monetary Encumbrances of record, if any:

1. A Mortgage entitled to secure an indebtedness in the original principal sum of \$34,400.00 and any other amounts and/or obligations secured thereby, recorded June 9, 1992, in Book 291, Page 72.
Dated: June 8, 1992
Mortgagor: Patrick K. Kinnamon, Sr. and Marilyn S. Kinnamon,
husband and wife
Mortgagee: First Federal Savings Bank
2. Paving Assessment Lien in favor of City of Sheridan, recorded in the amount of \$974.96 on January 6, 1997, in Book B, Page 71.
3. A Mortgage entitled to secure an indebtedness in the original principal sum of \$40,000.00 and any other amounts and/or obligations secured thereby, recorded February 25, 1997, in Book 365, Page 338.
Dated: January 25, 1997
Mortgagor: Patrick K. Kinnamon, Sr. and Marilyn S. Kinnamon,
husband and wife
Mortgagee: T.A.R. Preferred Mortgage Corporation
4. A Mortgage entitled to secure an indebtedness in the original principal sum of \$4,900.00 and any other amounts and/or obligations secured thereby, recorded February 9, 1998, in Book 381, Page 336.
Dated: January 19, 1998
Mortgagor: Patrick K. Kinnamon and Marilyn S. Kinnamon
Mortgagee: The Pacesetter Corporation

FOR INFORMATIONAL PURPOSES ONLY:

Taxes for the year 1999, Account No. 99008983, appear to be Paid in the amount of \$386.24.

INFORMATION FOR INSURED

1. The names of the mortgagors in the Mortgage and all persons who appear to be subsequent mortgagors of record under the Mortgage are:

Patrick K. Kinnamon, Sr. and Marilyn S. Kinnamon

2. The names of persons, other than those listed in 1 above, who appear to have acquired an interest in record affecting the title to the herein described property are:
3. Attention is called to Soldiers' and Sailors' Civil Relief Act of 1940 and amendments thereto which contain certain notice requirements regarding the sale of land under a deed of trust if the owner is entitled to the benefits of said Act.
4. Attention is called to the Federal Tax Lien Act of 1966, which among other things, provides for the giving of written notice of sale in a specified manner to the Secretary of Treasury or his delegates as a requirement for the discharge or divestment of a Federal Tax Lien in a non-judicial sale, and established with respect to such lien a right in the United States to redeem the property within a period of 120 days from the date of any such sale.
5. The Company assumes no liability for loss or damage by reason of defects, liens, encumbrances, adverse claims, or other matters: (a) not known by the Company and not shown by the public records, (b) or attaching subsequent to the effective date of this Guarantee.

FORECLOSURE GUARANTEE

Liability \$ 37,747.06

Policy No. 3-12694-0-FG

Fee \$ 128.50

Your Ref. 3-24472

Subject to the exclusions from coverage, the limits of liability and other provisions of the conditions and stipulations hereto annexed and made a part of this guarantee.

First American Title Insurance Company

a corporation, herein called the Company

GUARANTEES

Bankers Trust Company, as Trustee, on behalf of the Certificateholders and the Certificate insurer of the ~~Preferred Credit Asset-backed Certificates, Series 1997-1~~ herein called the Insured, against loss not exceeding the liability amount stated above which the Insured shall sustain by reason of any incorrectness in the assurance which the Company hereby gives that, according to the public records, on the date stated below;

1. The title to the herein described estate or interest was vested in the vestee in the vestee named, subject to the matters shown as Exceptions herein, which Exceptions are not necessarily shown in order of their priority;
2. The names of the persons who appear to have acquired an interest of record affecting the title to the herein described land are as shown herein.

Dated: November 22, 1999

Issuing Agent:



First American Title Insurance Company

BY

A handwritten signature in dark ink, appearing to read "William C. Zaenker".

PRESIDENT

ATTEST

A handwritten signature in dark ink, appearing to read "William C. Zaenker".

SECRETARY

Authorized Signature

No 09115

FROM: BRIAN T. KINNISON
WILCOX TITLE AGENCY, INC.
307 W. BURKITT
SHERIDAN, WYOMING 82801

PHONE 307-672-0768
FAX 307-672-8838

FILE # 24472

TO: MIENHOLD, STAWAIRSKI, SHAPIRO, CODILIS
ATTEN: SONJIA ENCK
9200 EAST MINERAL AVE., STE. 350
ENGLEWOOD, CO 80112

DATE: February 1, 2000

SUBJECT: PLEASE FIND ENCLOSED

-
1. SHERIFF'S CERTIFICATE OF PURCHASE RECORDED JANUARY 25, 2000 IN
BOOK 412, PAGE 210.

ENDORSEMENT

Premium \$NA

Attached to and forming a part of Policy No. 3-12694-0-FG

Date of Endorsement: DECEMBER 29, 1999

The Company hereby insures the Insured that, subsequent to the date of the Guarantee issued under the above number, no matters are shown by the public records which would affect the insurances in said Guarantee other than the following:

**KINNAMON/BANKER TRUST
COFFEN 2ND PART BLK 7
#99-7696 - #24472**

PART TWO, PARAGRAPH 3 IS HEREBY AMENDED TO INCLUDE:

**ASSIGNMENT OF DEED OF TRUST RECORDED IN BOOK 421, PAGE 236 ATTACHED
HERETO AND MADE A PART OF SAID FORECLOSURE.**

**CIVIL NO. #CV9807-0032 AND C99-5-197 ATTACHED HERETO AND MADE A PART OF SAID
FORECLOSURE.**

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the amount thereof.

Wilcox Abstract & Title
307 West Burkitt
Sheridan, WY 82801



First American Title Insurance Company

BY *Parker S. Kennedy* PRESIDENT

ATTEST *William C. Ziegler Jr.* SECRETARY

By: 

Authorized Signatory

MEINHOLD, STAWIARSKI, SHAPIRO & CODILIS, L.L.P.
Attorneys at Law
9200 East Mineral Avenue, Suite 350
Englewood, Colorado 80112
Telephone: (303) 799-0083
Fax : (303) 799-3950

DATE: January 20, 2000

TO: Brian
Wilcox Abstract Company
307 West Burkitt
Sheridan, WY 82801

FROM: SONJIA ENCK x 323

RE: BIDDING INSTRUCTIONS
KINNAMON, PATRICK K. & MARILYNN S.
Property Address: 535 KING STREET, SHERIDAN, WY
Loan #2906758
Our File #99-7696

Please bid the amount of \$42,756.75 preserving a deficiency of \$0.00 on behalf of BANKERS TRUST COMPANY, AS TRUSTEE, ON BEHALF OF THE CERTIFICATE HOLDERS AND THE CERTIFICATE INSURER OF THE PREFERRED CREDIT ASSET-BACKED CERTIFICATES, SERIES 1997-1 at the foreclosure sale scheduled for January 25, 2000. A full breakdown of our bid is attached. Enclosed are three checks to cover the sale attendance fee, the sheriff fee, and the recording fee for the Certificate of Purchase. The affidavit of Publication is included in this package.

In case of a third party bidder, I have enclosed a blank page for the Certificate of Purchase. Please fill in the name of the successful bidder and bid. Provide the successful bidder with the completed Certificate of Purchase and attachments, and the check for recording. Please make sure the Sheriff receives his fee, and that you retain yours. We require certified funds at the time of the sale, and expect the sale proceeds to be forwarded to us the same day as the sale.

Please call our office with the sale results immediately after the sale so that we may notify our client. Should our client be the successful bidder, record the Certificate of Purchase as soon as possible. Thank you.

MEMORANDUM OF BID

Sale Date: January 25, 2000; Name: KINNAMON, PATRICK K. & MARILYNN
File #99-7696; Client #2906758; CON #N/A

TO THE SHERIFF OF THE COUNTY OF SHERIDAN, STATE OF WYOMING

The total indebtedness including interest and costs is itemized as follows:

Principal Balance	\$37,747.06	
Interest to Date of Sale	\$3,256.50	
Escrow Advance	\$0.00	
Less Positive Escrow Balance/Suspense	\$0.00	
Accrued Late Charges	\$314.74	
Appraisal	\$110.00	
NSF Check Charge	\$0.00	
Property Inspection/Property Preservation	\$7.75	
Subtotal Due Current Beneficiary		\$41,436.05
Abstract Charges	\$148.50	
Rule 120 Filing Fee	\$0.00	
Service of Notice by Mail	\$65.00	
Subtotal of Attorney's Costs		\$213.50
Attorney's Fees		\$750.00
Other: (contested/bank/doc prep/title clearance certified copies or recording)		\$357.20
TOTAL		\$42,756.75
Amount of Bid		\$42,756.75
Deficiency		\$0.00

BIDDING WILL BE IN THE NAME OF BANKERS TRUST COMPANY, AS TRUSTEE, ON BEHALF OF THE CERTIFICATE HOLDERS AND THE CERTIFICATE INSURER OF THE PREFERRED CREDIT ASSET-BACKED CERTIFICATES, SERIES 1997-1.

ATTORNEY FOR THE BENEFICIARY:
Meinhold, Stawiariski, Shapiro &
Codilis, LLP
9200 E. Mineral Ave., Suite 350
Englewood, CO (303)799-0083

Lynn M. Janeway

By: 

Note: Pursuant to the Fair Debt Collection Practices Act you are advised that Meinhold, Stawiariski, Shapiro & Codilis, LLP is deemed to be a debt collector attempting to collect a debt and any information obtained will be used for that purpose.

SHERIFF'S CERTIFICATE OF PURCHASE

STATE OF WYOMING

) ss.

COUNTY OF SHERIDAN

I, the undersigned Sheriff, Deputy Sheriff, or Undersheriff of SHERIDAN County, certify that pursuant to the power and authority vested in me by law and by the Mortgage described as follows:

Original Mortgagor: PATRICK K. KINNAMON, SR. AND MARILYNN S. KINNAMON
Original Mortgagee: T.A.R. PREFERRED MORTGAGE CORPORATION
Current Mortgagee: BANKERS TRUST COMPANY, AS TRUSTEE, ON BEHALF OF THE
CERTIFICATE HOLDERS AND THE CERTIFICATE INSURER OF THE PREFERRED CREDIT
ASSET-BACKED CERTIFICATES, SERIES 1997-1.
Date of Note and Mortgage: January 25, 1997
Recording Date of Mortgage: February 25, 1997
Recording Information: Book No. 365, Page No. 338, Reception No. 249098
Rerecorded: N/A
Original Principal Amount of Mortgage: \$40,000.00
Current Unpaid Principal: \$37,747.06

On January 25, 2000, at 10:00 a.m., the date and time specified in the Notice of Sale or Notice of Postponement if applicable, I exposed to sale at public venue the property described as follows:

THE SOUTH 121.5 FEET OF THE WEST 100 FEET OF THE EAST 166 FEET OF BLOCK SEVEN (7), COFFEEN'S SECOND ADDITION TO THE TOWN, NOW CITY OF SHERIDAN, SHERIDAN COUNTY, WYOMING.

PURPORTED COMMON ADDRESS: 535 KING STREET, SHERIDAN, WYOMING

At sale, _____, Purchaser, bid the sum of \$_____ for said property. Being the highest and best bid received, the property was struck off and sold to said Purchaser. The Purchaser is entitled to a deed for the property at the expiration of the redemption period, unless the property is redeemed prior to that date as provided by law.

The Ten Day Notice of Intent to Foreclose, and Sale were given by the Mortgagee, pursuant to Wyoming statute. Notice of sale was published in a newspaper of general circulation for the required time as shown by the Affidavit of Publication attached hereto and incorporated herein by reference. Also attached and incorporated herein is the Affidavit of the attorney.

Executed on January 25, 2000.

Sheriff/Deputy Sheriff

STATE OF WYOMING

) ss.

COUNTY OF SHERIDAN

The foregoing Certificate of Purchase was acknowledged before me on January 25, 2000, by _____ as the _____ Sheriff of SHERIDAN County, State of Wyoming.

Witness my hand and seal.

My commission expires: _____

Notary Public _____

FIRST AMERICAN

PLEASE PRINT
WILCOX TITLE ORDER

ORDERED BY: Mannhold DATE: 12-1-99 LOGGED: _____

ORIGINAL TO: for Insured SEE FAX

LISTING REALTOR: _____ SELLING REALTOR: _____

ORDER: COMMITMENT PP FG CONTRACT CONSTRUCTION

OWNER/SELLER: See deed

BUYER: \$

LENDER: _____

PROPERTY ADDRESS: _____

LEGAL: Coffeen 2nd Pt BL 7 - SEE DEED

SALES PRICE \$31,747.06

RELEASE MORTGAGE: Y / N

1ST MORTGAGE \$ _____

ORDER DEED: Y / N

2ND MORTGAGE \$ _____

FROM: _____

DATE: _____

FLOOD CERT. Y / N

BASIC _____ LIFE _____

LOAN # _____

INSTRUCTIONS: # 12694-0 FG

=====

CLOSING DATE: _____

	CIRCLE	
CHARGE FOR POLICY: OWNER'S	Y / N	<u>257.00</u>
DISCOUNT FOR PRIOR POLICY	Y / N	<u>128.50</u>
ABSTRACT SURRENDER CREDIT	Y / N	
OTHER	Y / N	
SUB TOTAL		<u>128.50</u>
CHARGE FOR POLICY: MORTGAGE	Y / N	
SIMULTANEOUS ISSUE	Y / N	
LIEN AND SURVEY	Y / N	
OTHER	Y / N	
SUB TOTAL		
DOCUMENT PREPARATION FEE	Y / N	
CLOSING FEE	Y / N	
RECORDING FEE	Y / N	
PARCEL CHARGE	Y / N	
TOTAL		

MEINHOLD, STAWIARSKI, SHAPIRO & CODILIS, L.L.P.
Attorneys at Law
9200 East Mineral Avenue, Suite 350
Englewood, Colorado 80112
Telephone: (303) 799-0083
Fax: (303) 799-3950

ORDER SHEET

DATE: December 1, 1999

TO: Wilcox Abstract Fax: 307-672-8838

FROM: NICOLE KIM

RE: Foreclosure Guarantee
Our File #: 99-7696

We have been asked to foreclose a Mortgage. Please provide us with a foreclosure guarantee. The following information is provided for the guarantee:

Legal Description:

PURPORTED COMMON ADDRESS: 535 KING STREET, SHERIDAN, WYOMING

County of Property: SHERIDAN

Amount: \$37,747.06

Insured: BANKERS TRUST COMPANY, AS TRUSTEE, ON BEHALF OF THE CERTIFICATEHOLDERS AND THE CERTIFICATE INSURER OF THE PREFERRED CREDIT ASSET-BACKED CERTIFICATES, SERIES 1997-1

Please forward the foreclosure guarantee to my attention at the address set forth above. Please include copies of all recorded documents relevant to the Mortgage we are foreclosing including ANY LIENS RECORDED PRIOR TO OUR MORTGAGE THAT HAVE NOT BEEN RELEASED, THE VESTING DEED AND OUR MORTGAGE, ASSIGNMENTS, ETC.

If you have any questions please feel free to contact me at the above-referenced number.

Thanks

Foreclosure Loan Information

Loan #: 2906758
Borrower: PATRICK K. KINNAMON SR.
Co-Borrower: MARILYNN S. KINNAMON
Phone #: (307) 673-0908

Servicer: Advanta Mortgage
Social Security #: 520-58-1111
Social Security #: 520-74-3724
Loan Type: Conventional Uninsured (No PMI)

Property Address: 535 KING STREET
SHERIDAN, WY 82801

Mailing Address: PO BOX 3085
SHERIDAN, WY 82801

County: SHERIDAN

Property Tax I.D.:

Principal Balance: \$37,747.06

Original Balance \$40,000.00

Per Diem: \$14.67

Interest Rate: 13.99 %

Payment Amount: \$532.43

Loan Due Date: 07/13/1999

Investor Information:

Insurer Information:

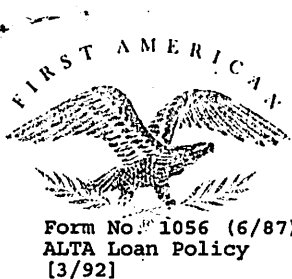
Phone:
Fax:
Loan Number:
Percent Owned:

Phone:
Fax:
Loan Number:
Percent Guaranteed:

Last Inspection:
Occupancy Status:

Origination Date: 01/25/1997
Maturity Date: 02/13/2012

Loan Processor: Joe Sanfilippo
Phone: (858) 676-6926 Ext. 6926



Form of Policy: ALTA LOAN - WYO

Policy No. 3-11347-M

Amount \$40,000.00

Charges \$265.00

SCHEDULE A

Effective Date: February 25, 1997 1:40 PM MST

NAME OF INSURED

T.A.R. Preferred Mortgage Corporation

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:

Patrick K. Kinnamon, Sr., and Marilyn S. Kinnamon
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 \$40,000.00 recorded February 25, 1997, in Book 365 at page 338

Dated: January 25, 1997

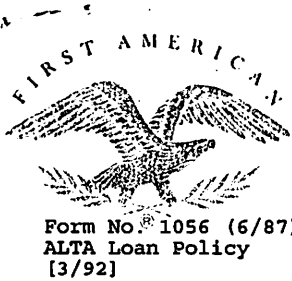
Mortgagor: Patrick K. Kinnamon, Sr. and Marilyn S. Kinnamon, husband and wife

Mortgagee: T.A.R. Preferred Mortgage Corporation

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

The South 121.5 feet of the West 100 feet of the East 166 feet of Block Seven (7), Coffeen's Second Addition to the Town, now City of Sheridan, Sheridan County, Wyoming.

Issuing Agent



Policy No. 3-11347-M

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. Arnold* SECRETARY

CW

2294608





MEMORANDUM

THE UNDERSIGNED BORROWERS HAVE BEEN NOTIFIED THAT

WILCOX ABSTRACT AND TITLE GUARANTY AGENCY INC., AS CLOSING AGENT, **DID NOT** PREPARE THE CLOSING DOCUMENTS AND IS NOT RESPONSIBLE FOR MATTERS IN CLOSING STATEMENTS OR DOCUMENTS RELATED THERETO.

WILCOX ABSTRACT HAS NOT VERIFIED ANY OF THE CHARGES, PAYOFFS OR ANY COSTS SHOW ON THE CLOSING DOCUMENTS AND DOES NOT WARRANT ANY COSTS SHOWN.

WILCOX ABSTRACT AND TITLE GUARANTY AGENCY INC., ITS AGENTS, OR EMPLOYEES DO NOT MAKE ANY OPINION AS TO THE SUFFICIENCY OR INSUFFICIENCY THEREOF.

Patrick J. Kinnamora
Marilyn S. Kinnamora

DATED THIS 27th OF Jan. 1997



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 a reassignment 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

Park S. Kennedy

PRESIDENT

2026909

ATTEST

William C. Zaenke

SECRETARY



Form No. 1056 (6/87)
ALTA Loan Policy
[3/92]

Form of Policy: ALTA LOAN - WYO

Policy No. 3-7997-M

Amount \$34,400.00

Charges \$93.50

SCHEDULE A

Effective Date: June 9, 1992, 2:30 pm MST

NAME OF INSURED

First Federal Savings Bank

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:

Patrick K. Kinnamon, Sr. and Marilyn S. Kinnamon

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

A Mortgage to secure an indebtedness in the original principal sum of \$34,400.00 recorded June 9, 1992, in Book 291 at page 72.

Dated: June 8, 1992

Mortgagor: Patrick K. Kinnamon, Sr. and Marilyn S. Kinnamon,
husband and wife

Mortgagee: First Federal Savings Bank

4. The land referred to in this policy is described as set forth in the above mortgage and is identified as follows:

The South 121.5 feet of the West 100 feet of the East 166 feet of Block 7, Coffeen's Second Addition to the Town, now City of Sheridan, Sheridan County, Wyoming.

Issuing Agent

Policy No. 3-7997-M

SCHEDULE B

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. (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.
2. Ownership or title to any mineral interest and the effect on the surface of the exercise of the mineral right.
3. Taxes and assessments not shown by the records of the County Treasurer.

TAXES FOR THE YEAR 1992 AND SUBSEQUENT YEARS.



Form No. 1056 (6/87)
ALTA Loan Policy
[3/92]

Policy No. 3-7997-M

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

Form No. 1402-87
(4-6-90)
ALTA Owner's Policy



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.

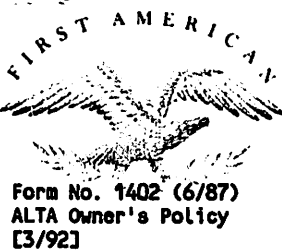
The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

First American Title Insurance Company

BY *Parker S. Kennedy* PRESIDENT

1056035 ATTEST *William C. Zaepfel* SECRETARY

H



Form of Policy: ALTA OWNER'S - WYO

Policy No. 3-7997-O

Amount \$43,000.00

Charges \$277.00

SCHEDULE A

Effective Date: June 9, 1992, 2:30 pm MST

NAME OF INSURED

Patrick K. Kinnamon, Sr. and Marilynn S. Kinnamon

1. The estate or interest in the land described or referred to in this schedule covered by this Policy is:

FEE

2. Title to the estate or interest covered by this policy at the date hereof is vested in the insured.
3. The land referred to in this policy is described as follows:

The South 121.5 feet of the West 100 feet of the East 166 feet of Block 7, Coffeen's Second Addition to the Town, now City of Sheridan, Sheridan County, Wyoming.

Issuing Agent

Policy No. 3-7997-0

SCHEDULE B

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 1992 AND SUBSEQUENT YEARS.

8. A Mortgage entitled to secure an indebtedness in the original principal sum of \$34,400.00 and any other amounts and/or obligations secured thereby, recorded June 9, 1992, in Book 291 at page 72.

Dated: June 8, 1992

Mortgagor: Patrick K. Kinnamon, Sr. and Marilyn S. Kinnamon,
husband and wife

Mortgagee: First Federal Savings Bank



STATEMENT

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

FIRST FEDERAL SAVINGS BANK
P.O. BOX 6007
46 W. BRUNDAGE
SHERIDAN WY 82801

NO. 17844

Date: 06/03/92 Time: 09:02am

Re: CHILDERS/KINNAMAN %DEBBIE

COPY TO: KB BROKERAGE

LEGAL RE: COFFEEN 2ND BLK 7, S.121.5' OF E.166'

TITLE INSURANCE POLICY 43,000.00	277.00
MORTGAGE COVERAGE - LIEN AND SURVEY 34,400.00	93.50
DEED PREPARATION	30.00

BALANCE DUE \$ 400.50

THANK YOU FOR YOUR BUSINESS!

PLEASE REMIT THIS PORTION WITH YOUR PAYMENT

ACCOUNT: 000018

INVOICE NO. 17844 Date of Payment _____

Commitment for: CHILDERS/KINNAMAN %DEBBIE

Payment of \$ _____ is enclosed

The Title Guaranty Company of Wyoming, Inc.

CASPER, WYOMING
TITLE INSURANCE POLICY

Form of Policy: ALTA Owners Policy - Wyo

Policy No. 3-5460-0

Amount \$ 34,500.00

SCHEDULE A

Charges \$ 123.20

Effective Date NOVEMBER 10, 1986 AT 5:00 P.M.

NAME OF INSURED

JERRY R. CHILDERS AND CHERYL CHILDERS

1. The estate or interest in the land described or referred to in this schedule covered by this policy is:
FEE

2. Title to the estate or interest covered by this policy at the date hereof is vested in the insured.

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

THE SOUTH 121.5 FEET OF THE WEST 100
FEET OF THE EAST 166 FEET OF BLOCK 7,
COFFEEN'S SECOND ADDITION TO THE
CITY OF SHERIDAN, SHERIDAN COUNTY,
WYOMING

SCHEDULE B

This Policy does not insure against loss or damage 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. 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 right.
7. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

Taxes for the year 1987 and subsequent years.

8. Right of way easement as granted to Montana-Dakota Utilities Co. for an electric transmission line and incidental purposes as contained in instrument recorded September 21, 1956 in Book 107 of Deeds, Page 416.
9. A Mortgage entitled to secure an indebtedness in the original principal sum of \$34,650.00 and any other amounts and/or obligations secured thereby recorded November 10, 1986 in Book 244 of Mortgages, Page 277.
Dated: November 6, 1986
Mortgagor: Jerry R. Childers and Cheryl Childers,
 husband and wife
Mortgagee: First Interstate Bank of Sheridan, Wyoming
Said Mortgage assigned to Wyoming Community Development Authority as recorded November 10, 1986 in Book 244 of Mortgages, Page 282.

The Title Guaranty Company of Wyoming, Inc.

CASPER, WYOMING

INDORSEMENT

Attached to and forming a part of Policy No. 3-5460-O

This additional coverage is provided at no additional charge.

The Company, recognizing the current effect of inflation on real property valuation and intending to provide additional monetary protection to the Insured Owner named in said Policy, hereby modifies said Policy, as follows:

1. Notwithstanding anything contained in said Policy to the contrary, the amount of insurance provided by said Policy, as stated in Schedule A thereof, is subject to cumulative annual upward adjustments in the manner and to the extent hereinafter specified.
2. "Adjustment Date" is defined, for the purpose of this Indorsement, to be 12:01 a.m. on the first January 1 which occurs more than six months after the Date of Policy, as shown in Schedule A of the Policy to which this Indorsement is attached, and on each succeeding January 1.
3. An upward adjustment will be made on each of the Adjustment Dates, as defined above, by increasing the maximum amount of insurance provided by the Policy. The coverage will increase by the same percentage change by which the annual "ENR 20-cities Building Cost Index" has increased, (as published in the "4th Quarter Roundup" December issue of Engineering News Record, a weekly McGraw Hill publication.) All upward adjustments in the aggregate shall not exceed a 50% total rise in the amount of insurance, so that the maximum amount of insurance in force shall never exceed 150% of the amount of insurance stated in Schedule A of the Policy, less the amount of any claim paid under the Policy which, under the terms of the Conditions and Stipulations, reduces the amount of insurance in force. There shall be no annual adjustment in the amount of insurance for years in which there is no increase in the Building Cost Index.
4. In the settlement of any claim against the Company under said Policy, the amount of insurance in force shall be deemed to be the amount which is in force as of the date on which the insured claimant first learned of the assertion or possible assertion of such claim, or as of the date of receipt by the Company of the first notice of such claim, whichever shall first occur.

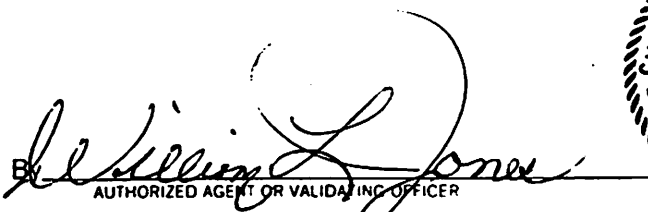
Nothing herein contained shall be construed as extending or changing the effective date of the aforesaid policy, binder or commitment unless otherwise expressly stated.

The total liability of the Company under said policy and any indorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the conditions and stipulations thereof to pay.

This indorsement is made a part of said policy and is subject to the schedules, conditions and stipulations therein, except as modified by the provisions hereof.

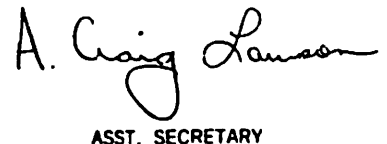
WILCOX ABSTRACT COMPANY
P.O. BOX 6004
SHERIDAN, WYOMING 82801

THE TITLE GUARANTY COMPANY OF WYOMING, INC.


AUTHORIZED AGENT OR VALIDATING OFFICER




PRESIDENT


ASST. SECRETARY

NOTE: In connection with a future application for title insurance covering said land, reissue credit on premium charges (if applicable at all) will be allowed only upon the original face amount of insurance as stated in Schedule A of said Policy.



ALTA Owner's Policy-Wyo.
Standard Form B - 1970
Amended 10/17/70 and 10/17/84

POLICY OF TITLE INSURANCE

ISSUED BY

The Title Guaranty Company of Wyoming, Inc.

The liabilities assumed under this policy have been reinsured with First American Title Insurance Company, a California corporation, pursuant to an Agreement dated September 1, 1979.

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS CONTAINED IN SCHEDULE B AND THE PROVISIONS OF THE CONDITIONS AND STIPULATIONS HEREOF, THE TITLE GUARANTY COMPANY OF WYOMING, INC., a 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, and costs, attorneys' fees and expenses which the Company may become obligated to pay hereunder, sustained or incurred by the insured by reason of:

1. title to the estate or interest described in Schedule A being vested otherwise than as stated therein;
2. any defect in or lien or encumbrance on such title;
3. lack of a right of access to and from the land; or
4. unmarketability of such title.

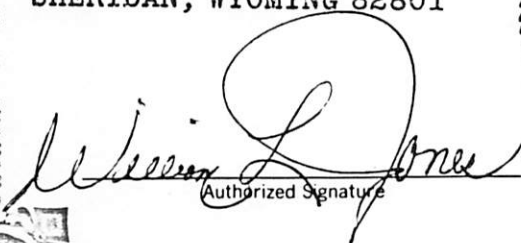
IN WITNESS WHEREOF, The Title Guaranty Company of Wyoming, Inc. has caused this policy to be signed and sealed by its duly authorized officers as of Date of Policy shown in Schedule A.

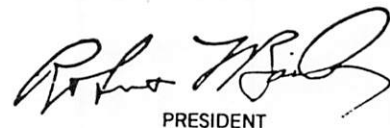
Issuing Agent:

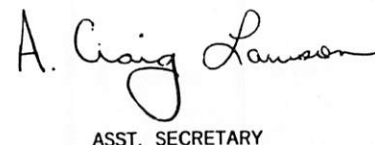
THE TITLE GUARANTY COMPANY OF WYOMING, INC.

WILCOX ABSTRACT & TITLE COMPANY
BOX 6004 200 W. LOUCKS
SHERIDAN, WYOMING 82801




Authorized Signature


PRESIDENT


ASST. SECRETARY

O 62598 2/85

The Title Guaranty Company of Wyoming, Inc.

CASPER, WYOMING MORTGAGEE'S TITLE INSURANCE POLICY

Form of Policy: ALTA Loan Policy - Wyo

Policy No. 3-5460-M

Amount \$ 34,650.00

SCHEDULE A

Charges \$ NC

Effective Date NOVEMBER 10, 1986 AT 5:00 P.M.

NAME OF INSURED

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

1. The title to the FEE estate in said land is at the date hereof vested in:

JERRY R. CHILDERS AND CHERYL CHILDERS, HUSBAND AND WIFE

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

A Mortgage to secure an indebtedness in the original principal sum of \$34,650.00 recorded November 10, 1986 in Book 244 of Mortgages, Page 277, Records of Sheridan County, Wyoming.

Dated: November 6, 1986

Mortgagor: Jerry R. Childers and Cheryl Childers,
husband and wife

Mortgagee: First Interstate Bank of Sheridan, Wyoming

Said Mortgage assigned to Wyoming Community Development Authority as recorded November 10, 1986 in Book 244 of Mortgages, Page 282.

3. The land referred to in this policy is described as set forth in the above mortgage and is identified as follows:

THE SOUTH 121.5 FEET OF THE WEST 100

FEET OF THE EAST 166 FEET OF BLOCK 7,

COFFEEN'S SECOND ADDITION TO THE

CITY OF SHERIDAN, SHERIDAN COUNTY,

WYOMING

SCHEDULE B

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

1. Unpatented mining claims; reservations or exceptions in patents or in acts authorizing the issuance thereof; water rights, claims or title to water.
2. Ownership or title to any mineral interest and the effect on the surface of the exercise of the mineral right.
3. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

Taxes for the year 1987 and subsequent years.

4. Right of way easement as granted to Montana-Dakota Utilities Co. for an electric transmission line and incidental purposes as contained in instrument recorded September 21, 1956 in Book 107 of Deeds, Page 416.

#3-5460-M

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 C 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

SEE TG100 AND TG116 INDORSEMENTS

ATTACHED HERETO AND MADE A PART HEREOF

The Title Guaranty Company of Wyoming, Inc.

CASPER, WYOMING

INDORSEMENT

This additional coverage is provided at no additional charge.

Risk Rate Premium \$ NONE

Attached to and forming a part of Policy No. 3-5460-M

Effective Date NOVEMBER 10, 1986 AT 5:00 P.M.

The Company hereby insures against loss which said Insured shall sustain by reason of any of the following matters:

1. Any incorrectness in the assurance which the Company hereby gives:
 - (a) That there are no covenants, conditions, or restrictions under which the lien of the mortgage referred to in Schedule A can be cut off, subordinated, or otherwise impaired;
 - (b) That there are no present violations on said land of any enforceable covenants, conditions, or restrictions;
 - (c) That, except as shown in Schedule B, there are no encroachments of buildings, structures, or improvements located on said land onto adjoining lands, nor any encroachments onto said land of buildings, structures, or improvements located on adjoining lands.
2. (a) Any future violations on said land of any covenants, conditions, or restrictions occurring prior to acquisition of title to said estate or interest by the Insured, provided such violations result in loss or impairment of the lien of the mortgage referred to in Schedule A, or result in loss or impairment of the title to said estate or interest if the Insured shall acquire such title in satisfaction of the indebtedness secured by such mortgage;
- (b) Unmarketability of the title to said estate or interest by reason of any violations on said land, occurring prior to acquisition of title to said estate or interest by the Insured, of any covenants, conditions, or restrictions.
3. Damage to existing improvements, including lawns, shrubbery or trees
 - (a) which are located or encroach upon that portion of the land subject to any easement shown in Schedule B, which damage results from the exercise of the right to use or maintain such easement for the purposes for which the same was granted or reserved;
 - (b) resulting from the exercise of any right to use the surface of said land for the extraction or development of the minerals excepted from the description of said land or shown as a reservation in Schedule B.
4. Any final court order or judgment requiring removal from any land adjoining said land of any encroachment shown in Schedule B.

Wherever in this indorsement any or all of the words "covenants, conditions or restrictions" appear they shall not be deemed to refer to or include the terms covenants and conditions contained in any lease referred to in Schedule A. The total liability of the Company under said policy and any indorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the conditions and stipulation thereof to pay.

This indorsement is made a part of said policy and is subject to the schedules, conditions and stipulations therein, except as modified by the provisions hereof.

THE TITLE GUARANTY COMPANY OF WYOMING, INC.

WILCOX ABSTRACT COMPANY
P.O. BOX 6004
SHERIDAN, WYOMING 82801



Ray. Hill Jr.

PRESIDENT

Attest:

Robert M. Hill

ASSISTANT SECRETARY

By *William L. Jones*
AUTHORIZED AGENT OR VALIDATING OFFICER

The Title Guaranty Company of Wyoming, Inc.

CASPER, WYOMING

INDORSEMENT

Premium \$ NONE

Attached to and forming a part of Policy No. 3-5460-M

Effective Date NOVEMBER 10, 1986 AT 5:00 P.M.

The Company assures the Insured that at the date of this Policy there is located on said land A Residential Structure

known as 535 King

South 121.5 feet of West 100 feet
of East 166 feet of Block 7,
Coffeen's Second Addition, City
of Sheridan, Sheridan County, Wyoming

and that the map attached to this policy shows the correct location and dimensions of said land according to those records which under the recording laws impart constructive notice as to said land.

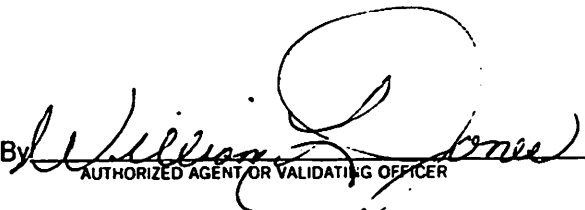
The Company hereby insures the Insured against loss which said Insured shall sustain in the event that the assurance herein shall prove to be incorrect.

The total liability of the Company under said policy and any indorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the conditions and stipulations thereof to pay.

This indorsement is made a part of said policy and is subject to the schedules, conditions and stipulations therein, except as modified by the provisions hereof.

THE TITLE GUARANTY COMPANY OF WYOMING, INC.

WILCOX ABSTRACT COMPANY
P.O. BOX 6004
SHERIDAN, WYOMING 82801

By 
AUTHORIZED AGENT OR VALIDATING OFFICER





PRESIDENT

Attest


ASSISTANT SECRETARY

American Land Title Association
Loan Policy-Wyo.-1970
Amended-10/17/70
and 10/17/84



The coverage of this mortgagee policy is limited to the interest of the mortgagee only.

POLICY OF TITLE INSURANCE
ISSUED BY
The Title Guaranty Company of
Wyoming, Inc.

Liabilities assumed under this policy have been reinsured with First American Title Insurance Company, a California corporation, pursuant to an Agreement dated September 1, 1979.

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS CONTAINED IN SCHEDULE B AND THE PROVISIONS OF THE CONDITIONS AND STIPULATIONS HEREOF, THE TITLE GUARANTY COMPANY OF WYOMING, INC., a 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, and costs, attorneys' fees and expenses which the Company may become obligated to pay hereunder, sustained or incurred by the insured by reason of:

1. title to the estate or interest described in Schedule A being vested otherwise than as stated therein;
2. any defect in or lien or encumbrance on such title;
3. lack of a right of access to and from the land;
4. unmarketability of such title;
5. the invalidity or unenforceability of the lien of the insured mortgage upon said estate or interest except to the extent that such invalidity or unenforceability, or claim thereof, arises out of the transaction evidenced by the insured mortgage and is based upon
 - a. usury, or
 - b. any consumer credit protection or truth in lending law;
6. the priority of any lien or encumbrance over the lien of the insured mortgage;
7. any statutory lien for labor or material which now has gained or hereafter may gain priority over the lien of the insured mortgage, except any such lien arising from an improvement on the land contracted for and commenced subsequent to Date of Policy not 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. the invalidity or unenforceability of any assignment, shown in Schedule A, of the insured mortgage or the failure of said assignment to vest title to the insured mortgage in the named insured assignee free and clear of all liens.

IN WITNESS WHEREOF, The Title Guaranty Company of Wyoming, Inc. has caused this policy to be signed and sealed by its duly authorized officers as of Date of Policy shown in Schedule A.

Issuing Agent:

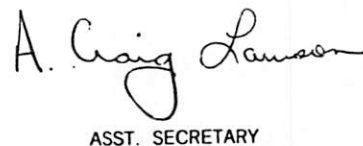
THE TITLE GUARANTY COMPANY OF WYOMING, INC.

WILCOX ABSTRACT & TITLE COMPANY
BOX 6004 200 W. LOUCKS
SHERIDAN, WYOMING 82301




Authorized Signature


PRESIDENT


ASST. SECRETARY

L 57155

The Title Guaranty Company of Wyoming, Inc.

HOME OFFICE: 537 SOUTH CENTER STREET · CASPER, WYOMING 82601 · (307) 237-8486

State of Wyoming

County of Sheridan

OWNER'S AFFIDAVIT

ss.

Personally appeared before me, the undersigned Notary Public in and for the jurisdiction aforesaid, Larry D. Baccari, President
and John Carroll or Secretary of Carroll and Associates who, after being
(Title) (Firm or Corporation)
first duly sworn, depose(s) and say(s) that (he) (she) (they) or _____ (is) (are) the owner(s) of the property known as
535 King Street, Sheridan, Wyoming 82801

and more particularly described in the mortgage in favor of First Interstate Bank of Sheridan
dated November 6, 1986, securing the sum of \$ 34,650.00 and filed, or to be filed, for record in the office of the authorized
recording official for said jurisdiction, which it is represented shall be a first lien on said property.

*THAT there have been no improvements constructed, nor have there been any redecorations or repairs of existing improvement on said mortgaged
property within a period of one year next preceding the date hereof, and that no such construction, redecorations or repairs are now contemplated nor
required as a condition for the making of the loan secured by said security instrument; (or)

*THAT all improvement upon said property, including the construction, redecoration or repair thereof made within a period of one year next preced-
ing the date hereof, have been made under (his) (her) (their) own supervision, no contractor having been employed, and that same were completed on or
about the _____ day of _____, 19____; (or)

*THAT all improvements upon said property, including the construction, redecoration on repair thereof made within a period of one year next preced-
ing the date hereof, have been made under the supervision of _____ as contractor employed by (him) (her) (them) to
make said improvements and that same were accepted as fully completed on or about the _____ day of _____, 19____;

*THAT all bills or obligations incurred in connection with said improvements, including the construction, redecoration or repair thereof, have been
paid in full, and in cash (as distinguished from any other method requiring any payment in the future), and that there are no claims for labor, services or
material furnished in connection with said improvement which remain unpaid, except:**

THAT there is no person in actual possession or having a right to possession of said property or any part thereof, other than said owner(s), except:***

FURTHER, that there are no unpaid bills for, nor chattel mortgages, conditional bills of sale or other liens affecting, any fixtures or any mantles,
awnings, door or window screens or storm sash, or any plumbing, lighting, heating, cooking, cooling, refrigerating or ventilating apparatus used in con-
nection with the improvements upon said property;

THAT this affidavit is made for the purpose of inducing said lender to make the loan evidenced and secured by the aforesaid security instrument and
THE TITLE GUARANTY CO. OF WYOMING, INC. to insure the title to said property without exception to, possible claims of mechanics, material-men and
laborers, and, to rights of any person in possession who might have a claim adverse to the rights of said lender, without which it is understood said lender
would not make said loan, nor would said Title Company assume such liability. CARROLL AND ASSOCIATES, A Wyoming Corporation

By: Larry D. Baccari
pres

SUBSCRIBED AND SWORN TO before me this 6th day of November, 19 86.

Notary Public

(N.P. Seal)

My commission expires: January 15, 1988

*Delete and initial paragraphs which are applicable. If the first such paragraph is applicable, the next three are not applicable and should be deleted.
The fourth paragraph is applicable to either the second or third such paragraph.

**If any unpaid, name claimants and the amount due each. Also, in such event, affidavit should be supplemented by a waiver or release of lien executed
by each unpaid claimant. If all paid, state "none."

***Here identify any person other than owner(s) in actual possession or having any right of possession, and if "none," or if "tenants from month-to-
month," so state. If person(s) are tenants under lease or are contract purchaser(s) attach copy of lease or contract, together with agreement in
writing, executed and acknowledged, fully subordinating such rights thereunder to the lien of the subject security instrument.

PURCHASER'S AFFIDAVIT

In addition to the General Contractor's and/or owner's affidavit to, and indemnification of The Title Guaranty Co., of Wyoming, Inc., the undersigned purchaser(s) who is (are) acquiring the following described property:

known and numbered as 535 King Street, Sheridan, Wyoming 82801

from the present owner(s): in consideration of said Title Company's issuing said ALTA Mortgagee Policy of title insurance in connection with the property described in said interim title insurance binder, without including therein an exception as to (a) rights or claims of parties in possession not shown of record, including unrecorded easements, and (b) mechanics' liens or any rights thereto, where no notice of such liens or rights appears of record; do(es) hereby make the following representation to The Title Guaranty Co. of Wyoming, Inc. with full knowledge and intent that said company shall rely thereon:

1. The improvements on the real estate herein described have been fully completed by the General Contractor and have been fully accepted by the undersigned as completed and as satisfactory.

2. The full purchase price has been paid by said purchaser(s) to said contractor and/or owner(s).

3. Said premises were (will be) occupied by said purchaser(s) on or about November 6, 1986

4. The following is a list of ADDITIONAL UNPAID BILLS for services, labor or materials used in connection with the construction of improvements upon said premises: (If none, so state. If additional space is required, continue list on reverse side hereof.)

5. The undersigned have not caused any materials to be furnished or work to be done on said improvements by anyone other than the General Contractor referred to above, which could give rise to mechanics' or other statutory liens, and have not executed any security agreements or financing statements for materials, appliances, fixtures or furnishings placed upon or installed in said premises, EXCEPT THE FOLLOWING: (If none, so state.)

The undersigned obligate(s) and bind(s) himself (themselves) to indemnify and to hold harmless The Title Guaranty Co. of Wyoming, Inc. against any and all liability, loss, damages, costs and attorney fees by reason of any claims or liens asserted with respect to the matters described in Paragraphs 4 and 5 above.

The undersigned state(s) that it has been explained to him (them) and that he (they) understand(s) that liens for labor, services or materials ("mechanic's liens") although PRESENTLY UNRECORDED, can be recorded after his (their) purchase of said real property, and may relate back to a time PRIOR to such purchase. He (They) further understand(s) that such liens are EXCEPTED and EXCLUDED FROM COVERAGE in the standard Owner's Policy of Title Insurance (if one is to be issued insuring their interests).


Jerry R. Childers


Cheryl Childers

State of Wyoming

County of Sheridan

} ss

The foregoing instrument was acknowledged before me by Jerry R. Childers and Cheryl Childers

this 6th day of November, 19 86

Witness my hand and official seal.

My Commission expires: January 15, 1988


Title Officer



ALTA Owner's Policy-Wyo.
Standard Form B - 1970 Amended 10/17/70

POLICY OF TITLE INSURANCE

ISSUED BY

The Title Guaranty Company of Wyoming, Inc.

The liabilities assumed under this policy have been reinsured with First American Title Insurance Company, a California corporation, pursuant to an Agreement dated September 1, 1979.

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS CONTAINED IN SCHEDULE B AND THE PROVISIONS OF THE CONDITIONS AND STIPULATIONS HEREOF, THE TITLE GUARANTY COMPANY OF WYOMING, INC., a 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, and costs, attorneys' fees and expenses which the Company may become obligated to pay hereunder, sustained or incurred by the insured by reason of:

1. title to the estate or interest described in Schedule A being vested otherwise than as stated therein;
2. any defect in or lien or encumbrance on such title;
3. lack of a right of access to and from the land; or
4. unmarketability of such title.

IN WITNESS WHEREOF, The Title Guaranty Company of Wyoming, Inc. has caused this policy to be signed and sealed by its duly authorized officers as of Date of Policy shown in Schedule A.

Issuing Agent:

THE TITLE GUARANTY COMPANY OF WYOMING, INC.

WILCOX ABSTRACT & TITLE COMPANY
BOX 6004 200 W. LOUCKS
SHERIDAN, WYOMING 82801



PRESIDENT

ASST. SECRETARY

Authorized Signature

○ 57632 2/81

SCHEDULE OF EXCLUSIONS FROM COVERAGE

THE FOLLOWING MATTERS ARE EXPRESSLY EXCLUDED FROM THE COVERAGE OF THIS POLICY:

1. ANY LAW, ORDINANCE OR GOVERNMENTAL REGULATION (INCLUDING BUT NOT LIMITED TO BUILDING AND ZONING ORDINANCES) RESTRICTING OR REGULATING OR PROHIBITING THE OCCUPANCY, USE OR ENJOYMENT OF THE LAND, OR REGULATING THE CHARACTER, DIMENSIONS OR LOCATION OF ANY IMPROVEMENT NOW OR HEREAFTER ERECTED ON THE LAND, OR PROHIBITING A SEPARATION IN OWNERSHIP OR A REDUCTION IN THE DIMENSIONS OR AREA OF THE LAND, OR THE EFFECT OF ANY VIOLATION OF ANY SUCH LAW, ORDINANCE OR GOVERNMENTAL REGULATION.
2. RIGHTS OF EMINENT DOMAIN OR GOVERNMENTAL RIGHTS OF POLICE POWER UNLESS NOTICE OF THE EXERCISE OF SUCH RIGHTS APPEARS IN THE PUBLIC RECORDS AT DATE OF POLICY.
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 AND NOT SHOWN BY THE PUBLIC RECORDS BUT KNOWN TO THE INSURED CLAIMANT EITHER AT DATE OF POLICY OR AT THE DATE SUCH CLAIMANT ACQUIRED AN ESTATE OR INTEREST INSURED BY THIS POLICY AND NOT DISCLOSED IN WRITING BY THE INSURED CLAIMANT TO THE COMPANY PRIOR TO THE DATE SUCH INSURED CLAIMANT BECAME AN INSURED HEREUNDER; (c) RESULTING IN NO LOSS OR DAMAGE TO THE INSURED CLAIMANT; (d) ATTACHING OR CREATED SUBSEQUENT TO DATE OF POLICY; OR (e) RESULTING IN LOSS OR DAMAGE WHICH WOULD NOT HAVE BEEN SUSTAINED IF THE INSURED CLAIMANT HAD PAID VALUE FOR THE ESTATE OR INTEREST INSURED BY THIS POLICY.

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company may have had against the named insured, those who succeed to the interest of such insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors.

(b) "insured claimant": an insured claiming loss or damage hereunder.

(c) "knowledge": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of any public records.

(d) "land": the land described, specifically or by reference in Schedule A and improvements affixed thereto which by law constitute real property; provided, however, the term "land" does not include any property beyond the lines of the area specifically described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.

(e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(f) "public records": those records which by law impart constructive notice of matters relating to said land.

2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured so long as such insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from such insured, or so long as such insured shall have liability by reason of covenants of warranty made by such insured in any transfer or conveyance of such estate or interest; provided, however, this policy shall not continue in force in favor of any purchaser from such insured of either said estate or interest or the indebtedness secured by a purchase money mortgage given to such insured.

3. DEFENSE AND PROSECUTION OF ACTIONS - NOTICE OF CLAIM TO BE GIVEN BY AN INSURED CLAIMANT

(a) The Company, at its own cost and without undue delay, shall provide for the defense of an

insured in all litigation consisting of actions or proceedings commenced against such insured, or a defense interposed against an insured in an action to enforce a contract for a sale of the estate or interest in said land, to the extent that such litigation is founded upon an alleged defect, lien, encumbrance, or other matter insured against by this policy.

(b) The insured shall notify the Company promptly in writing (i) in case any action or proceeding is begun or defense is interposed as set forth in (a) above, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest, as insured, is rejected as unmarketable. If such prompt notice shall not be given to the Company, then as to such insured all liability of the Company shall cease and terminate in regard to the matter or matters for which such prompt notice is required; provided, however, that failure to notify shall in no case prejudice the rights of any such insured under this policy unless the Company shall be prejudiced by such failure and then only to the extent of such prejudice.

(c) The Company shall have the right at its own cost to institute and without undue delay prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest as insured, and the Company may take any appropriate action under the terms of this policy, whether or not it shall be liable thereunder, and shall not thereby concede liability or waive any provision of this policy.

(d) Whenever the Company shall have brought any action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any such litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(e) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured hereunder shall secure to the Company the right to so prosecute or provide defense in such action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of such insured for such purpose. Whenever requested by the Company, such insured shall give the Company all reasonable aid in any such action or proceeding, in effecting settlement, securing evidence, obtaining witnesses, or prosecuting or defending such action or proceeding, and the Company shall reimburse such insured for any expense so incurred.

4. NOTICE OF LOSS - LIMITATION OF ACTION

In addition to the notices required under paragraph 3(b) of these Conditions and Stipulations, a statement in writing of any loss or damage for which it is claimed the Company is liable under this policy shall be furnished to the Company within 90 days after such loss or damage shall have been determined and no right of action shall accrue to an insured claimant until 30 days after such statement shall have been furnished. Failure to furnish such statement of loss or damage shall terminate any liability of the Company under this policy as to such loss or damage.

5. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS

The Company shall have the option to pay or otherwise settle for or in the name of an insured claimant any claim insured against or to terminate all liability and obligations of the Company hereunder by paying or tendering payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred up to the time of such payment or tender of payment, by the insured claimant and authorized by the Company.

6. DETERMINATION AND PAYMENT OF LOSS

(a) The liability of the Company under this policy shall in no case exceed the least of:

- (i) the actual loss of the insured claimant; or
- (ii) the amount of insurance stated in Schedule A.

(b) The Company will pay, in addition to any loss insured against by this policy, all costs imposed upon an insured in litigation carried on by the Company for such insured, and all costs, attorneys' fees and expenses in litigation carried on by such insured with the written authorization of the Company.

(c) When liability has been definitely fixed in accordance with the conditions of this policy, the loss or damage shall be payable within 30 days thereafter.

(Continued on inside back cover)

The Title Guaranty Company of Wyoming, Inc.

CASPER, WYOMING
TITLE INSURANCE POLICY

Form of Policy: ALTA Owners Policy - Wyo

Policy No. 3-5142-0

Amount \$ 45,000.00

SCHEDULE A

Effective Date DECEMBER 18, 1985 AT 5:00 P.M.

Charges \$ 147.20

NAME OF INSURED

CARROLL AND ASSOCIATES

1. The estate or interest in the land described or referred to in this schedule covered by this policy is:

FEE

2. Title to the estate or interest covered by this policy at the date hereof is vested in the insured.

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

THE SOUTH 121.5 FEET OF THE EAST 166 FEET
OF BLOCK 7, COFFEEN'S SECOND ADDITION TO
THE CITY OF SHERIDAN, SHERIDAN COUNTY,
WYOMING

SCHEDULE B

This Policy does not insure against loss or damage 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. 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 right.
7. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

Taxes for the year 1986 and subsequent years.

NOTE: Subject property is in Special Paving District #51 and is subject to annual and/or periodic charges.

8. Right of way easement as granted to Montana-Dakota Utilities Co. for an electric transmission line and incidental purposes as contained in instrument recorded September 21, 1956 in Book 107 of Deeds, Page 416.
9. A Mortgage entitled to secure an indebtedness in the original principal sum of \$67,000.00 and any other amounts and/or obligations secured thereby recorded December 23, 1985 in Book 237 of Mortgages, Page 17.
Dated: December 17, 1985
Mortgagor: Carroll & Associates, Inc., a Wyoming Corporation
Mortgagee: Susan E. Davis, Personal Representative of the Estate of E.E. Edwards
10. A Mortgage entitled to secure an indebtedness in the original principal sum of \$67,000.00 and any other amounts and/or obligations secured thereby recorded December 23, 1985 in Book 237 of Mortgages, Page 19.
Dated: December 17, 1985
Mortgagor: Carroll & Associates, Inc., a Wyoming Corporation
Mortgagee: Susan E. Davis, Personal Representative of the Estate of E.E. Edwards, Mortgagee

The Title Guaranty Company of Wyoming, Inc.

CASPER, WYOMING

INDORSEMENT

Attached to and forming a part of Policy No. 3-5142-0

This additional coverage is provided at no additional charge.

The Company, recognizing the current effect of inflation on real property valuation and intending to provide additional monetary protection to the Insured Owner named in said Policy, hereby modifies said Policy, as follows:

1. Notwithstanding anything contained in said Policy to the contrary, the amount of insurance provided by said Policy, as stated in Schedule A thereof, is subject to cumulative annual upward adjustments in the manner and to the extent hereinafter specified.
2. "Adjustment Date" is defined, for the purpose of this Indorsement, to be 12:01 a.m. on the first January 1 which occurs more than six months after the Date of Policy, as shown in Schedule A of the Policy to which this Indorsement is attached, and on each succeeding January 1.
3. An upward adjustment will be made on each of the Adjustment Dates, as defined above, by increasing the maximum amount of insurance provided by said Policy (as said amount may have been increased theretofore under the terms of this Indorsement) by the same percentage, if any, by which the United States Department of Commerce Composite Construction Cost Index for the month of September immediately preceding exceeds such Index for the month of September one year earlier; provided, however, that the maximum amount of insurance in force shall never exceed 150% of the amount of insurance stated in Schedule A of said Policy, less the amount of any claim paid under said Policy which, under the terms of the Conditions and Stipulations, reduces the amount of insurance in force. There shall be no annual adjustment in the amount of insurance for years in which there is no increase in said Construction Cost Index.
4. In the settlement of any claim against the Company under said Policy, the amount of insurance in force shall be deemed to be the amount which is in force as of the date on which the insured claimant first learned of the assertion or possible assertion of such claim, or as of the date of receipt by the Company of the first notice of such claim, whichever shall first occur.

Nothing herein contained shall be construed as extending or changing the effective date of said Policy.

This indorsement is made a part of said Policy and is subject to the schedules, conditions and stipulations therein, except as modified by the provisions hereof.

WILCOX ABSTRACT COMPANY
P.O. BOX 6004
SHERIDAN, WYOMING 82801

THE TITLE GUARANTY COMPANY OF WYOMING, INC.

Ray P. Hull Jr.
PRESIDENT

Attest:

Robert M. Hill
ASSISTANT SECRETARY

By *[Signature]*
AUTHORIZED AGENT OR VALIDATING OFFICER



NOTE: In connection with a future application for title insurance covering said land, reissue credit on premium charges (if applicable at all) will be allowed only upon the original face amount of insurance as stated in Schedule A of said Policy.

The Title Guaranty Company of Wyoming, Inc.

CASPER, WYOMING

INDORSEMENT Amending Policy

Risk Rate Premium \$ NONE

Attached to and forming a part of Policy No. 3-5142-0

Effective Date DECEMBER 23, 1985 AT 5:00 P.M.

The policy is hereby amended by deleting from the Schedule of Exclusions From Coverage paragraphs 1 and 2 and substituting in lieu thereof the following:

The following matters are expressly excluded from the coverage of this policy:

1. (a) Governmental police power.
 - (b) Any law, ordinance or governmental regulation relating to environmental protection.
 - (c) Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part.
 - (d) The effect of any violation of the matters excluded under (a), (b) or (c) above, unless notice of a defect, lien or encumbrance resulting from a violation has been recorded at Date of Policy in those records in which under state statutes deeds, mortgages, lis pendens, liens or other title encumbrances must be recorded in order to impart constructive notice to purchasers of the land for value and without knowledge; provided, however, that without limitation, such records shall not be construed to include records in any of the offices of federal, state or local environmental protection, zoning, building, health or public safety authorities.
2. Rights of eminent domain unless notice of the exercise of such rights appears in the public records at Date of Policy.

Nothing herein contained shall be construed as extending or changing the effective date of the aforesaid policy, binder or commitment unless otherwise expressly stated.

The total liability of the Company under said policy and any indorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the conditions and stipulations thereof to pay.

This indorsement is made a part of said policy and is subject to the schedules, conditions and stipulations therein, except as modified by the provisions hereof.

WILCOX ABSTRACT COMPANY
P.O. BOX 6004
SHERIDAN, WYOMING 82801

THE TITLE GUARANTY COMPANY OF WYOMING, INC.



Ray. Hill Jr.

PRESIDENT

Attest.

Robert M. Hill

ASSISTANT SECRETARY

[Signature]
AUTHORIZED AGENT OR VALIDATING OFFICER

CONDITIONS AND STIPULATIONS

(Continued from inside front cover)

7. LIMITATION OF LIABILITY

No claim shall arise or be maintainable under this policy (a) if the Company, after having received notice of an alleged defect, lien or encumbrance insured against hereunder, by litigation or otherwise, removes such defect, lien or encumbrance or establishes the title, as insured, within a reasonable time after receipt of such notice; (b) in the event of litigation until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title, as insured, as provided in paragraph 3 hereof; or (c) for liability voluntarily assumed by an insured in settling any claim or suit without prior written consent of the Company.

8. REDUCTION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto. No payment shall be made without producing this policy for endorsement of such payment unless the policy be lost or destroyed, in which case proof of such loss or destruction shall be furnished to the satisfaction of the Company.

9. LIABILITY NONCUMULATIVE

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring either (a) a mortgage shown or referred to in Schedule B hereof which is a lien on the estate or interest covered by this policy, or (b) a mortgage hereafter executed by an insured which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy. The Company shall have the option to apply to the payment of any such mortgages any amount that otherwise would be payable hereunder to the insured owner of the estate or interest covered by this policy and the amount so paid shall be deemed a payment under this policy to said insured owner.

10. APPORTIONMENT

If the land described in Schedule A consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of said parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each such parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement herein or by an endorsement attached hereto.

11. SUBROGATION UPON PAYMENT OR SETTLEMENT

Whenever the Company shall have settled a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant. The Company shall be subrogated to and be entitled to all rights and remedies which such insured claimant would have had against any person or property in respect to such claim had this policy not been issued, and if requested by the Company, such insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect such right of subrogation and shall permit the Company to use the name of such insured claimant in any transaction or litigation involving such rights or remedies. If the payment does not cover the loss of such insured claimant, the Company shall be subrogated to such rights and remedies in the proportion which said payment bears to the amount of said loss. If loss should result from any act of such insured claimant, such act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against hereunder which shall exceed the amount, if any, lost to the Company by reason of the impairment of the right of subrogation.

12. LIABILITY LIMITED TO THIS POLICY

This instrument together with all endorsements and other instruments, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company.

Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or any action asserting such claim, shall be restricted to the provisions and conditions and stipulations of this policy.

No amendment of or endorsement to this policy can be made except by writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

13. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at its main office at 537 S. Center Street, Casper, Wyoming 82601 or to the office which issued this policy.

POLICY OF TITLE INSURANCE



THE TITLE GUARANTY COMPANY OF WYOMING, INC.

HOME OFFICE: 637 SOUTH CENTER STREET · CASPER, WYOMING 82601 · (307) 237-8486