



SECOND MORTGAGE

THIS MORTGAGE is made effective the 1st day of November, 2013, between Hillside Apartments, LLC, a Wyoming limited liability company, (herein "Borrower"), and Kenneth J. Carcich and Debra Carcich, husband and wife, or their assigns, (herein "Lender").

Borrower is indebted to Lender in the principal sum of One Hundred Seventy-Four Thousand Five Hundred Sixty-One and 59/100 Dollars (\$174,561.59), which indebtedness is evidenced by Borrower's Promissory Note (herein "Note") of even date herewith, which said Note and the terms thereof are incorporated herein by reference, providing for payment in full not later than November 1, 2023, as more specifically set forth in said Note.

TO SECURE to Lender the repayment of the indebtedness evidenced by the Note, with interest thereon, the payment of all other sums (including late charges), with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower herein contained, and in consideration of said Note, Borrower does hereby mortgage, grant and convey to Lender, with power of sale, the following property located in the County of Sheridan, state of Wyoming, more particularly described as:

Lots 13 and 14 of Block 1 of the Rhodes Farm Addition to the City of Sheridan, Amended Plat of Part of Lots 8 and 9, Rhodes Farm Addition, Sheridan County, Wyoming;

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

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. **PAYMENT OF PRINCIPAL AND INTEREST.** Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by, and as set forth in, the Note, prepayment and late charges as provided in the Note, and the principal of and interest secured by this Mortgage.

2. **TAXES AND INSURANCE.** Borrower shall pay all applicable taxes, insurance premiums, lease payments, other rent payments, assessment payments, and the like when due, in a timely manner, until the Note is paid in full.

3. **APPLICATION OF PAYMENTS.** Unless applicable law provides otherwise, all payments received by Lender under the Note and Paragraph 1 hereof shall be applied by Lender first to interest payable on the Note, late charges, then to the principal of the Note.

4. **CHARGES; LIENS; SUBORDINATION.** Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority



over this Mortgage, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph if unpaid when due, and in the event Borrower shall make payment directly after such due date, Borrower shall promptly furnish to Lender receipts evidencing such payment. Borrower shall promptly discharge any lien which has priority over this Mortgage except this Mortgage is expressly subordinate to only that purchase money first mortgage in favor of ***Kenneth and Debra Carcich***.

5. **INSURANCE.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term extended coverage, and such other hazards in an amount not less than the fair market value of the improvements on said Property. The insurance carrier providing the insurance shall be chosen by Borrower and shall name Lender as an additional insured. All premiums on insurance policies shall be paid by Borrower making payment, when due, directly to the insurance carrier. All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damage, provided such restoration or repair is economically feasible and the security of this Mortgage is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Mortgage would be impaired, the insurance proceeds shall be applied to the sums secured by said first mortgage and this Mortgage, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within thirty (30) days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sum secured by this Mortgage. Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to herein or change the amount of such installments. If under the default provisions herein the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

6. **PRESERVATION AND MAINTENANCE OF PROPERTY.** Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property.

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



Any amounts disbursed by Lender pursuant to Paragraph 7, with interest thereon, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this Paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. **INSPECTION.** Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. **CONDEMNATION.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

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

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

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in Paragraph 1 hereof or change the amount of such installments.

10. **BORROWER NOT RELEASED.** Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successor in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest.

11. **FORBEARANCE BY LENDER NOT A WAIVER.** Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.



12. **REMEDIES CUMULATIVE.** All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. **SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CAPTIONS.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of Paragraph 15 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

14. **NOTICE.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to Borrower at Borrower's last known address or such other address as Borrower may designate by written notice to Lender as provided herein; and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address, or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

15. **UNIFORM MORTGAGE; GOVERNING LAW; SEVERABILITY.** This Mortgage shall be governed by the laws of the State of Wyoming. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provisions, and to this end the provisions of the Mortgage and the Note are declared to be severable.

16. **BORROWER'S COPY.** Borrower shall be furnished a true and correct copy of the Note and of this Mortgage at the time of execution or after recordation hereof.

17. **TRANSFER OF THE PROPERTY; ASSUMPTION.** If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (i) the creation of a lien or encumbrance subordinate to this Mortgage, (ii) the creation of a purchase money security interest for household appliances, (iii) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (iv) the grant of any leasehold interest of three (3) years or less not containing an option to purchase, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable. Lender shall have waived such option to accelerate if, prior to the sale or transfer, Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Mortgage shall be at such rate as Lender shall request. If Lender has waived the option to accelerate provided in this Paragraph 17, and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower from all obligations under this Mortgage and the Note.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with Paragraph 14 hereof. Such notice shall provide a period of not less than thirty (30) days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period,

Lender may, without further notice or demand on Borrower, invoke any remedies permitted by Paragraph 18 hereof.

COVENANTS. Borrower and Lender further covenant and agree as follows:

18. **ACCELERATION; REMEDIES.** Except as provided in Paragraph 17 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall mail notice to Borrower as provided in Paragraph 14 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than thirty (30) days from the date the notice is mailed to Borrower, by which such breach must be cured, and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this Paragraph 18, including, but not limited to, reasonable attorneys' fees.

If Lender, or Lenders, invoke(s) the power of sale, Lender(s) shall give notice of intent to foreclose to Borrower and to the person in possession of the Property, if different, in accordance with applicable law. Lender(s) shall mail a copy of a notice of sale to Borrower in the manner provided in Paragraph 14 hereof. Lender shall publish the notice of sale and the Property shall be sold in the manner prescribed by applicable law.

Lender or Lender's designee may purchase the Property at any sale. The proceeds of the sale shall be applied in the following order: (a) to all reasonable costs and expenses of the sale, including, but not limited to, reasonable attorney's fees and costs of title evidence; (b) to all sums secured by this Mortgage; and (c) the excess, if any, to the person or persons legally entitled thereto.

19. **BORROWER'S RIGHT TO REINSTATE.** Notwithstanding Lender's acceleration of the sums secured by this Mortgage, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to the earlier to occur of: (1) the fifth day before sale of the Property pursuant to the power of sale contained in this Mortgage or (2) entry of a judgment enforcing this Mortgage if: (a) Borrower pays Lender all sums which would be then due under this Mortgage, the Notes and Notes securing Future Advances, if any, had no acceleration occurred; (b) Borrower's cure all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage and in enforcing Lender's remedies as provided in Paragraph 18 hereof, including, but not limited to, reasonable attorneys' fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired.

20. **ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION.** As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property,

provided that Borrower shall, prior to acceleration under Paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under Paragraph 18 hereof or abandonment of the Property, and at any time prior to the expiration of any period of redemption following judicial sale, Lender, in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management and the attorney's fees, and then to the sums secured by this Mortgage. Lender and the receiver shall be liable to account only for those rents actually received.

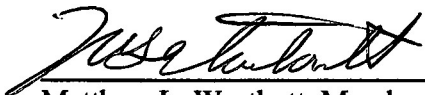
21. **RELEASE.** Upon payment of all sums secured by this Mortgage, Lender shall provide release of this Mortgage without charge to Borrower.

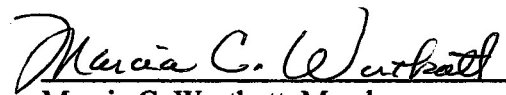
22. **WAIVER OF HOMESTEAD.** Borrower hereby waives all right of homestead exemption in the Property.

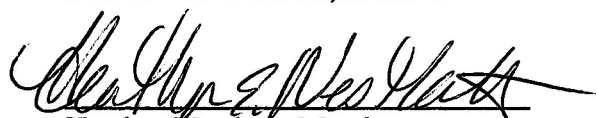
23. **ATTORNEYS' FEES.** The party prevailing in any action or litigation in any manner arising out of or relating to this Mortgage shall be entitled to recover their attorney's fees and costs of investigation and litigation.

IN WITNESS WHEREOF, Borrower has executed this Mortgage.

BORROWER:
Hillside Apartments, LLC


Matthew L. Westkott, Member

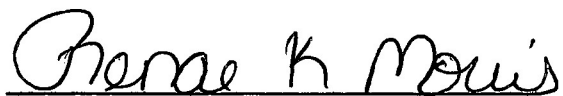

Marcia C. Westkott, Member


Heather Westkott, Member

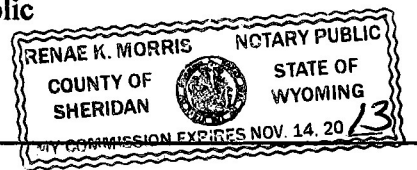
STATE OF WYOMING)
) ss.
COUNTY OF SHERIDAN)

This instrument was acknowledged before me by Matthew L. Westkott, Member of Hillside Apartments, LLC on this 31st day of October, 2013.

WITNESS my hand and official seal.


Notary Public

My Commission expires: Nov 14, 2013





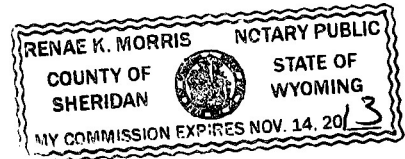
STATE OF WYOMING)
) ss.
COUNTY OF SHERIDAN)

The above and foregoing Promissory Note was acknowledged before me by Heather Westkott, Member of Hillside Apartments, LLC on this ^{31st} ~~1st~~ day of ~~November~~ ^{October}, 2013.

WITNESS my hand and official seal.

Renae K Morris
Notary Public

My Commission expires: Nov 14, 2013



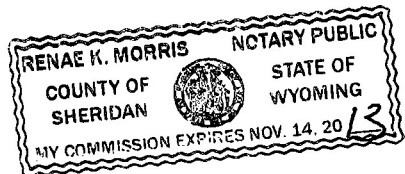
STATE OF WYOMING)
) ss.
COUNTY OF SHERIDAN)

The above and foregoing Promissory Note was acknowledged before me by Marcia C. Westkott, Member of Hillside Apartments, LLC on this ^{31st} ~~1st~~ day of ~~November~~ ^{October}, 2013.

WITNESS my hand and official seal.

Renae K Morris
Notary Public

My Commission expires: Nov 14, 2013



NO. 2013-708809 MORTGAGE
EDA SCHUNK THOMPSON, SHERIDAN COUNTY CLERK
WILCOX AGENCY
SHERIDAN WY 82801