

· •	2016-724700 1/26/2016 2:24 PM PAGE: 1 OF 19 BOOK: 42 PAGE: 591 FEES: \$66.00 SM ORDER-NO LEGAL
Matthew E. Turner - Bar No. 6-3467 Mullikin, Larson & Swift LLC 155 East Pearl Street, Suite 200 P.O. Box 4099 Jackson, Wyoming 83001 (307) 733-3923 (307) 733-3947 Facsimile Attorneys for Plaintiffs THE STATE OF WYOMING COUNTY OF TETON	CERTIFIED COPY  CERTIFIED COPY  SEE AND 18 PM 2 25  SSS
COUNTY OF THE OF	IN THE DISTRICT COURT NINTH JUDICIAL DISTRICT
VINCENT CHARLES SANDBERG, an individual and PATTY ANN SANDBERG, an individual, Plaintiffs,	No: CV 2016 - 14 District Court Sheridan County Wyoming  JAN 20 2016  Nickie Arney Clerk  Deputy  Deputy
vs.	) Civil Action No.: 16807
RICHARD RHOADES, an individual,	) ) )
Defendant.	)

## ORDER GRANTING PLAINTIFFS' MOTION FOR SUMMARY JUDGMENT

)

This matter having come before the Court on Plaintiffs Motion for Summary Judgment and the Court, being fully apprised of the matter and all documents filed with Court, finds and orders as follows:

## I. PROCEDURAL BACKGROUND AND HEARING

- Plaintiffs filed this collection action on August 27, 2014. Defendant, acting 1. pro se, timely filed his Response to the Court on October 2, 2014.
- A telephonic Scheduling Conference was held by the Court on November 2. 20, 2014, which was attended by Plaintiffs' counsel and Defendant.
- After the Scheduling Conference, the Court, also on November 20, 2014, 3. entered and filed its Scheduling and Case Management Order, which was served on both parties by mail and facsimile. The Case Management Order set deadlines for, among other things, the parties to file and serve on each other witness and exhibit lists.
- On or about February 26, 2015, Plaintiffs filed a Motion for Status Conference indicating that Defendant was refusing to appears for dissolvent and that County of Teton Defendant had indicated he intended to retain counsel.

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District Court within and for said County and in the State aforesaid. Do Hereby Certify the

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- 5. Another telephonic Status Conference, attended by Plaintiffs' counsel and Defendant, was held on March 17, 2015. During the March 17, 2015 Status Conference Defendant confirmed that he had not retained counsel. As a result of this second Status Conference the Court, on March 17, 2015, entered its Second Scheduling and Case Management Order resetting various case deadlines.
- 6. Claiming that Defendant would still not appear for his deposition, Plaintiffs, on April 15, 2015 filed Plaintiffs' Motion to Compel Defendant to Attend Deposition ("Motion to Compel") and a request for oral argument on the Motion.
- A telephonic hearing was held on Plaintiffs' Motion to Compel on May 11,
   which was attended by Plaintiffs' counsel and Defendant.
- 8. On June 12, 2015, the Court entered its Order Compelling Defendant to Attend Deposition and Permitting Parties to Request a New Scheduling Conference for purposes of resetting the dispositive motion deadline and pretrial conference.
  - 9. Defendant thereafter presented himself for his deposition.
- 10. A telephonic hearing was then held on July 7, 2015, the purpose of which was to set dates for dispositive motions and the pretrial conference. Defendant did not appear for this telephonic conference.
- 11. On July 14, 2015, the Court entered its Third Scheduling and Case Management Order ("Scheduling Order"), which, among other things, scheduled the pretrial conference for 9:00 AM, September 21, 2015 in the District Courtroom of the Teton County Courthouse, Jackson, Wyoming. The Scheduling Order states, in part: "The parties shall attend the pretrial conference along with their attorneys." The Scheduling Order further states: "All parties shall file their pretrial memoranda no later than five (5) days prior to the conference."
- 12. Plaintiffs thereafter timely filed their witness and exhibit lists, which included a certificate of service indicating that they had be served via U.S. mail on Defendant on July 31, 2015.
- 13. On August 13, 2015 Plaintiffs timely filed their Motion for Summary Judgment, Plaintiffs' Memorandum of Points and Authorities in Support of Motion for Summary Judgment, and Plaintiffs' Rule 56.1 Annexation of Undisputed Facts in Support of Motion for Summary Judgment (collectively "Summary Judgment Motion"), each of which contain a certificate of service indicating that they were served on Defendant via U.S. mail on August 13, 2015.

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14. Defendant did not file a response of any kind to the Summary Judgment Motion.

- 15. On September 16, 2015 Plaintiffs filed their Pretrial Memorandum and a separate Motion for Leave to Excuse Plaintiff PattyAnn Sandberg from Appearing at the Pretrial Conference, each of which contains a certificate of service indicating that they were served on Defendant via U.S. mail on September 16, 2015.
- 16. The Court held its pretrial conference at 9:00 AM, September 21, 2015 in the District Courtroom of the Teton County Courthouse, Jackson, Wyoming. The pretrial conference was attended by Plaintiff Vincent Charles Sandberg and counsel, Matthew E. Turner. Defendant did not appear at the pretrial conference.
- 17. During the September 21, 2015 pretrial conference, the Court undertook an investigation to determine whether Defendant had been served with the Scheduling Order. The Court called into the courtroom the Teton County District Court Deputy Clerk ("Deputy Clerk"). The Deputy Clerk confirmed that the Scheduling Order had been emailed to Defendant at the email address provided by Defendant to the Court on July 16, 2015 and that the Court records reflect that the email was not returned or refused. Because the Court records reflect that the Scheduling Order was emailed to Defendant on July 16, 2015, to the email address provided by Defendant, the Court concludes that Defendant was served with the Scheduling Order and that Defendant did not obtain leave from the Court to not attend the pretrial conference.
- 18. Defendant never filed any pretrial memoranda or witness or exhibit lists and Plaintiffs' counsel reports that Defendant never served Plaintiffs' counsel with Rule 26(a) initial disclosures.

#### II. FINDINGS OF UNDISPUTED MATERIAL CASE FACTS

- 1. This is a collection initiated by Plaintiffs against Defendant seeking to collect amounts due and owing to Plaintiffs pursuant to a promissory note.
- At all times relevant hereto, Plaintiffs were each residents of Teton County, Wyoming.
  - Defendant is a resident of Sheridan County, Wyoming.
  - 4. Defendant did not file a counterclaim in this action.
- 5. On or about October 29, 2007, Defendant, Kathy Flickinger, and Kelly Schlagel collectively purchased 100% of the stock in Jackson Hole Ice and Game Processing, a Wyoming close corporation ("Jackson Hole Ice"), from Plaintiffs pursuant



to that Agreement for Sale of Corporate Stock of Jackson Hole Ice and Game Processing ("Purchase Agreement"), a copy of which is attached hereto as Exhibit 1.

- 6. Jackson Hole Ice was a business that processed wild game, made and sold ice, and sold free range elk and buffalo meat.
- 7. The purchase price for the Jackson Hole Ice business was \$757,000.00, payable by \$157,000.00 cash down and seller financing in the amount \$600,000.00.
- 8. Defendant understood that the \$600,000.00 in seller financing for the purchase of the Jackson Hole Ice business constituted a loan from Plaintiffs to Defendant, Ms. Flickinger and Ms. Schlagel.
- 9. Contemporaneously with the execution of the Purchase Agreement, Defendant, Ms. Flickinger and Ms. Schlagel executed and delivered to Plaintiffs a promissory note with an original principal amount of \$600,000.00 ("Note"), a copy of which is attached hereto as Exhibit 2.
- 10. In accordance with the terms of the Purchase Agreement, Plaintiffs transferred to Defendant, Ms. Flickinger, and Ms. Schlagel 100% of the stock in Jackson Hole Ice.
- 11. On or about June 22, 2010, the Note was modified, pursuant to that Modification of Promissory Note attached hereto as **Exhibit 3**, whereby, among other things, Ms. Flickinger and Ms. Schlagel were removed as obligors under the Note, leaving Defendant as the sole obligor under the Note. The Note and the Modification of Promissory Note shall collectively be hereinafter referred to as the "**Promissory** Note."
- 12. Defendant admits that after July of 2010, Defendant was solely responsible for paying off the Promissory Note.
- 13. Pursuant to the terms of the Promissory Note, Defendant agreed and promised to pay to Plaintiffs the sum of \$600,000.00, plus interest thereon at the rate of 8% per annum, payable in 180 equal monthly payments of \$5,733.91. The first payment was due on November 1, 2007 and subsequent payments were due on the first day of each month thereafter until the Promissory Note was paid off.
- 14. In addition, a late fee in the amount of 5% of any amount not received within 5 days of when due is to be assessed to each applicable late payment.
- 15. In the event of a default under the Note, and if such default is not cured within 30 days of written notice to obligor, all amounts due and owing under the Note become immediately due and payable at the option of the holder of the Note.

- 16. In addition, the Promissory Note contains an attorneys' fees provision requiring Defendant to pay all costs, including attorney's fees, incurred by the Plaintiffs to collect amounts due and owing under the Promissory Note.
  - 17. The amounts due under the Promissory Note are unsecured.
- 18. On or about April 21, 2014, Defendant sent to Plaintiffs an email that states in part: "It is with much regret that I write this letter. There is not enough money to pay your payment or anything else come May 1." In this same email, Defendant further states the he will be vacating the Jackson Hole Ice leased premises by May of 2014.
- 19. Payments were made to the Plaintiffs pursuant to the Promissory Note through April of 2014. The last payment made to Plaintiffs on the Promissory Note was in April of 2014.
- 20. At no time did Defendant pay to Plaintiffs more than what was due on any monthly payment under the Promissory Note.
- 21. On May 23, 2014, Plaintiffs sent to Defendant via certified mail a notice of default on the Promissory Note and a demand that Defendant bring his payments current.
  - 22. Defendant admits that the Promissory Note is enforceable and valid.
- 23. Defendant made all monthly payments on the Promissory Note through April 2014.
  - 24. No payments have been made on the Promissory Note after April 2014.
- 25. Defendant admits that he owes money to Plaintiffs pursuant to the Promissory Note, but disputes the amount he owes.
- 26. The essence of Defendant's dispute as to the amount he owes Plaintiffs under the Promissory Note is his belief that Plaintiffs may have interfered with the sale of the Jackson Hole Ice business in July of 2014 (there is no evidence in the record before the Court of any "sale" of the Jackson Hole Ice business) and may have taken assets from the Jackson Hole Ice business in July of 2014.
- 27. Assuming the last payment made by Defendant to Plaintiffs on the Promissory Note was in April of 2014, the amount of principal Defendant owed to Plaintiffs immediately after the April 2014 payment was \$426,260.00. That is the principal still due and owing to Plaintiffs on the Promissory Note.
- 28. Defendant owes Plaintiffs interest for the month of April 2014 in the amount of \$1,776.08.

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29. Upon Defendant failing to pay the May 1, 2014 payment, interest on the amounts due and owing under the Promissory Note increased to 16% per annum.

- 30. Monthly interest on the principal due and owing under the Promissory Note is \$5,683.47 at the default interest rate of 16% per annum.
- 31. Interest due on the unpaid principal as of September 1, 2015 was \$96,618.94.
- 32. In addition Defendant owes late charges for each missed payment between April 1, 2014 and the present, each constituting 5% of \$5,733.91 (taking the conservative monthly payment calculated at the Promissory Note regular interest rate), which, as of September 1, 2015, total \$4,873.83.
- 33. As of September 1, 2015, the amount due and owing to Plaintiffs, not including collection costs and attorneys fees, pursuant to the Promissory Note is as follows:

Principal: \$426,260.00
Interest: \$96,618.94
Late Fees: \$4,873.83
Per Diem Interest: \$189.45

- 34. Based upon Plaintiffs' Application for Attorneys' Fees and Collection Costs previously filed with the Court, Plaintiffs have incurred and are entitled to collect under the terms of the Promissory Note, reasonable collection costs, including attorney's fees, relating to collection of amounts due and owing under the Promissory Note in the amount of \$9,764.49.
- 35. For purposes of summary judgment only, Plaintiffs conceded that they obtained title to a truck and plow previously owned by Jackson Hole Ice that Defendant values at approximately \$4,000.00 and that they obtained \$2,500.00 from Jackson Hole Ice that was inadvertently deposited into their bank account. Finally, Defendant asserts, without any supporting admissible evidence, that Plaintiffs obtained \$1,000 worth of meat from the Jackson Hole Ice business. Although Plaintiffs contest that Defendant is entitled to offset these claimed sums against the amounts due under the Promissory Note, Plaintiffs agree to reduce the amount owed under the Promissory Note by the total amount of \$7,500.00 claimed by Defendant as noted above.

### III. CONCLUSIONS OF LAW

1. The purpose of summary judgment is to "eliminate formal trials where only questions of law are involved." *England v. Simmons*, 728 P.2d 1137, 1141 (Wyo. 1986). "A summary judgment proceeding allows for a prompt disposition of actions in the early stages of lawsuits, permitting an end to unfounded claims and avoiding the

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heavy expense of a full-fledged trial to both the litigants and the judicial machinery of the state, already overburdened." BlueJacket v. Carney, 550 P.2d 494, 496 (Wyo. 1976). Summary judgment shall be granted in the moving party's favor when the "pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." Wyoming Rule of Civil Procedure 56(c). A material fact is one which, if proved, "would have the effect of establishing or refuting an essential element of the cause of action." England, 728 P.2d at 1141 (internal quotation marks and citations omitted). When a motion for summary judgment is made and supported, "the burden then shifts to the party defending against the motion to present for the record facts in the form of admissible evidence which structure a genuine issue of material fact." Fiscus v. Atlantic Richfield, 773 P.2d 158, 161 (Wyo. 1989). An adverse party cannot rest upon the mere allegations or denials contained in the adverse party's pleadings, but must set forth specific facts showing that there is a genuine issue for trial. Rule 56(e).

- 2. It is well settled in Wyoming that a promissory note is a species of contract. *Prudential Preferred Properties v. J and J Ventures, Inc.*, 859 P.2d 1267, 1271 (Wyo. 1993). "As between maker and the payee, a promissory note is but a simple contract to pay money. It may be defended against for want of consideration, for fraud, and deceit, and for any other causes which avoid simple contracts." *Id*.
- 3. The Promissory Note is a binding contract, the terms of which are enforceable by Plaintiffs.
- 4. Defendant breached the Promissory Note by failing to make payments thereunder when due and owing.
- 5. No genuine issue of material fact exists and Plaintiffs are entitled to judgment as a matter of law.

### IV. SUMMARY JUDGMENT

The Court hereby GRANTS Plaintiffs' Summary Judgment Motion and hereby enters judgment in Plaintiffs' favor and against Defendant in the following amount:

Principal:	\$426,260.00
Interest as of September 1, 2015:	\$96,618.94
Late Fees:	\$4,873.83
Collection Costs:	\$9,764.49
Sub-Total:	\$537,517.26
Less Setoff:	\$7,500.00
Total Judgment:	\$530,017.26

Post judgment interest shall accrue at the statutory rate.

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District Court Judge

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, 2015

Matthew E. Turner - Bar No. 6-3467 Mullikin, Larson & Swift LLC 155 East Pearl Street, Suite 200 P.O. Box 4099 Jackson, Wyoming 83001 (307) 733-3923 (307) 733-3947 Facsimile Attorney for Plaintiffs

Richard Rhodes 3728 U.S. Highway 14-16E Clearmont, Wyoming 82835 Pro Se Defendant

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing was served by mail/fax upon the following persons at their last known andress this day

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# AGREEMENT FOR SALE OF CORPORATE STOCK OF JACKSON HOLE ICE AND GAME PROCESSING

This Agreement is entered into this 29 day of October, 2007 between Vincent Charles Sandberg and Patty Arm Sandberg, husband and wife ("Seller"), the owner of 100% of the outstanding shares of Jackson Hole Ice And Game Processing, a Wyoming close corporation, ("Ice & Game"), and Richard Rhoades, Kathy Flickinger, and Kelly Schlagel, (collectively "Buyer").

WHEREAS Ice & Game corporation operates at 1655 Berger Lane in Jackson, Wyoming and encompasses three businesses, namely; ice, game processing, and free range meats, and this sale encompasses all of the assets of those three businesses including but not limited to the furniture, fixtures, tools, inventory, equipment, records, receipts, vendor lists, and customer lists; and

WHEREAS Seller is the owner of all of the shares of Ice & Game; and

WHEREAS Seller desires to sell and Buyer desires to purchase all of the shares of Seller on the terms and conditions herein.

NOW THEREFORE, for good and valuable consideration and in consideration of the promises and mutual covenants, undertakings, and agreements hereinafter contained, and subject to the terms and conditions hereof, the parties agree as follows:

1. SALE. For and in consideration of the covenants and agreements hereinafter set forth to be kept and performed by the parties hereto, the Seller does hereby agree to sell to Buyer, all of Seller's right, title and interest in and to Seller's



EXHIBIT 1



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corporate shares. The parties acknowledge that shares have not actually been issued by the corporation. Seller represents that they do not have any other ownership interest in the corporation, nor do any other persons or entities. Ice & Game, corporation, is the owner of the furniture, fixtures, tools, inventory, and equipment shown on the attached Exhibit A. Closing shall occur on the signing hereof, although income shall be paid to and expenses assumed by Buyer as of September 15, 2007.

- PURCHASE PRICE. The total purchase price to be paid for Seller's shares shall be Seven Hundred Fifty Seven Thousand Dollars (\$757,000.00) payable \$157,000.00 upon the signing hereof, and the balance of \$600,000.00 together with interest payable, as set forth on the attached Promissory Note (Exhibit B).
- 3. Seller shall transfer the share certificates to Buyer at closing. Buyer may transfer the shares into a limited liability company, but each of the three Buyers shall otherwise be jointly and severally liable for all duties and obligations hereunder and under the Promissory Note.
- WARRANTIES AND REPRESENTATIONS OF SELLER.

  Seller agrees, represents, and warrants as follows:
  - A. Seller is the sole owner of the Ice & Game corporate stock, which certificate is not encumbered. Seller further represents that the assets of Ice & Game as reflected on Exhibit A are not encumbered or pledged as a security interest.
  - B. Seller represents that on the date of closing, all liabilities of Ice & Game have been disclosed to Buyer. A copy of the liabilities of Ice & Game including all contracts to which Ice & Game is a party are attached hereto as Exhibit C.
  - C. There has been no adverse material change in the operations of the business since the date of first disclosure by Seller to Buyer.
  - D. Ice & Game corporation and Charles Vincent Sandberg and Patricia Ann Sandberg have filed within the times and in the manner prescribed by law,

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all federal, state, and local tax returns required by law and have paid all taxes, assessments and penalties due and payable.

- E. Ice & Game has complied with and is not in violation of applicable federal, state or local statutes, laws and regulations relating to the operation of the ice & game business.
- F. There is no suit, action, claim or proceeding, governmental or legal, pending or, to the best knowledge of Seller, threatened against or effecting Ice & Game.
- G. Seller will indemnify and hold Buyer free and harmless from any and all demands, loss or liability resulting from any cause of action because of the negligence of Seller, the condition of the property at any time or times prior to closing, or for any debts of Ice & Game not in the ordinary course of business not disclosed on Exhibit C.

#### REPRESENTATIONS AND WARRANTIES OF BUYER. Buyer

agrees, represents, and warrants as follows:

- A. Buyer represents that they have inspected the physical conditions of the improvements, furniture, fixtures, equipment, tools, and inventory therein. Buyer covenants that they will direct Ice & Game to fulfill all duties and obligations of the corporation.
- B. Buyer will timely make all payments set forth in paragraph 2 above as reflected in the Promissory Note.
- C. Buyer will indemnify and hold Seller free and hamless from any and all demands, loss or liability, including a reasonable attorney's fee, resulting from any cause of action because of the negligence of the Buyer, the condition of the property at any time or times subsequent to closing, or for debts of Ice & Game assumed by Buyer.
- D. Buyer agrees that, until such time as the purchase price hereunder shall have been paid in full, Buyer will make no voluntary sale, assignment, or transfer of the Ice & Game assets, except in the ordinary course of business, without first having obtained the written consent of Seller. Any assets purchased in the ordinary course of business will become property of Ice & Game. Additionally, Buyer shall not sell the business or a substantial portion thereof unless Seller will be paid in full at closing.
- E. Buyer will maintain in good repair, working order, condition and efficiency all property used or useful in the business and from time to time will make, or cause to be made, all needed and appropriate repairs, renewals, replacements, additions, betterments, and improvements hereto and shall at all times carry on the business in an efficient manner, all in the exercise of good business judgment until such time as the purchase price is fully paid. All of these

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actions will be made on behalf of Ice & Game and the fruits of this labor and expenditures shall become Ice & Game assets.

- F. Buyer will cause Ice & Game to pay all federal, state and local taxes when due, except to the extent and so long as contested in good faith, until such time as the purchase price is fully paid.
- G. Buyer will cause Ice & Game to maintain insurance covering such risks, in such forms and amounts as is customary in similar businesses, until such time as the purchase price is fully paid. Specifically, Buyer agrees to cause the corporation to keep the company's property insured in an amount of not less than its full insurable value,
- H. Buyer will keep adequate and accurate books and records of the corporation in accordance with sound accounting principles, and will permit Seller and his agents access thereto at reasonable times. Buyer will permit Seller to inspect the business at reasonable times upon reasonable notice.
- L Buyer will sign the Lease Agreement with J & E Infanger & Co. and timely perform all duties and obligations thereunder. A failure to perform all duties and obligations of the Lease Agreement shall constitute a default under this Agreement.
- 6. <u>COVENANT NOT TO COMPETE</u>. This agreement provides for the transfer of valuable confidential and proprietary information, some of which constitute trade secrets and all of which is known to and understood by Seller. To protect the confidentiality of such proprietary information and to avoid the use of such proprietary information by Seller in a manner adverse to Buyer, Seller agrees that they will not do any of the following:
  - (a) Attempt to, directly or indirectly, enter into an ice, game processing, or meat business or otherwise solicit such business of any party for five years;
  - (b) Interfere in any way with any contractual or other business relationship of the Ice & Game business which now exists:
  - (c) Entice or hire the employees hereafter employed by Buyer for the restaurant business for one year; provided, however, that should any such employee terminate such employment through no fault of Seller, such employee may, after an interval of one year after termination, be employed by Seller without violation hereof; or

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(d) Disclose to any third party or utilize in any way adverse to Buyer any of the proprietary information transferred to Buyer under this agreement.

For a period of five (5) years after the date of this agreement, Seller agrees not to compete with Buyer within one hundred (100) miles of the Jackson Town Square in Jackson, Wyoming nor within one hundred (100) miles of the Clark County Courthouse in Las Vegas, Nevada, directly or indirectly, in the ice, game processing, or meat business. For purposes of this agreement, direct and indirect competition shall include, but not be limited to, competition as sole-proprietor, partner, corporate officer, director, shareholder, employee, agent, independent contractor, trustee, or in any other manner in which the Seller holds any beneficial interest in a competitive business, derives any income from such business, or provides a service, including the benefit of his reputation or know-how to such business. The provisions of this paragraph shall not, however, restrict the Seller from owning less than 1% of the outstanding stock of any public corporation engaged in the ice, game processing or meat business so long as Seller does not engage in such business itself or otherwise engage in direct or indirect competition as defined above. In the event that any provision of this paragraph is found to be illegal or unenforceable, such provision shall be severed or modified to the extent necessary to make it enforceable, and if so severed or modified, the remainder of this paragraph shall remain in full force and effect. The parties acknowledge that the provisions of this paragraph are essential for the protection of Buyer and that any breach or threatened breach of this paragraph would cause immediate and irrevocable damage to Buyer, for which monetary relief would be inadequate or impossible to ascertain. Accordingly, the parties agree that upon existence of any breach or threatened breach hereof, Buyer may, without limitation of any rights Buyer may have, obtain a temporary restraining order, preliminary injunction or other appropriate form of equitable relief to enforce the provisions hereof.

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- 7. DEFAULT. In the event either party shall fail to comply with the provisions of this agreement, the non-defaulting party shall deliver notice to the defaulting party and the defaulting party shall have thirty (30) days to correct the same. In the event of a failure to cure the default within fifteen days, Seller shall have all remedies available to him as set forth below and as set forth in the Promissory Note. Additionally, if there shall be an uncured default under the Lease Agreement resulting in eviction, then Buyer shall no longer have the right to cure and default shall be immediate. Seller's remedy shall be accleration of the remaining amount owed on the Promissory Note.
- 8. ATTORNEY FEES. In the event either party should have to employ an attorney to enforce the terms and conditions of this agreement, the defaulting party shall be required to pay costs and reasonable attorney fees of the non-defaulting party.
- 9. <u>PRESERVATION OF DOCUMENTS</u>. Seller shall turn over all of the corporation's documents and records to the corporation. Any such documents or records that Buyer may reasonably require after the closing date for use in connection with the assets or business sold hereunder shall be delivered or made available to Buyer. Each party shall forward to the other party all correspondence, documents or payments relating to the stock sold, to which the other party is entitled under the terms of this Agreement.
- 10. <u>BINDING EFFECT</u>. All the terms, covenants, and conditions of this agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, executors, administrators, successors, assigns and legal representatives.



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11. <u>REPRESENTATIONS</u>. It is mutually agreed that no representations, warranties, covenants, or agreements, expressed or implied, have been made, other than as expressly set forth herein.

- TIME OF ESSENCE. Time is of the essence of this agreement.
- 13. NOTICES. All notices, demands or other writing in this Agreement provided to be given, made or sent by either party to the other shall be in writing and shall be validly given or made only if personally delivered with a receipt obtained from the person receiving the notice, or sent by certified United States mail return receipt requested, or if sent by Federal Express or other similar delivery service keeping records of deliveries and attempted deliveries. Service shall be conclusively deemed made upon receipt if personally delivered or, if delivered by mail or delivery service, on the first business day delivery is attempted or upon receipt, whichever is sooner. The parties mailing addresses are as follows:

SELLER:

Chuck and Patty Sandberg P. O. Box 1618 Jackson, WY 83001

BUYER:

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Richard Rhoades P. O. Box 195 Clearmont, WY 82835 Kathy Flickinger P. O. Box 10818 Jackson, WY 83002 Kelly Schlagel 264 1/2 Laura Lee Ave Grand Junction, CO 81530

15. <u>COUNTERPARTS</u>. This agreement is executed in two counterparts, either of which shall be enforceable as the original hereof; and each party, by its signature hereon, acknowledges receipt of a copy hereof.

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Carrie B.

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SURVIVAL OF CLOSING.

Any and all provisions, representations,

and guarantees made by either party to this Agreement shall survive closing.

IN WITNESS WHEREOF, the parties hereto have signed and sealed this document as of the day and year first above written.

SELLER:

Vincent Charles Sandberg

Patty Ann Sandberg

BUYER:

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Righard Rhoades

Kathy Flickinger

Kally Schloppel

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## PROMISSORY NOTE

\$600,000.00

Jackson, Wyoming October 1, 2007

For value received the undersigned Obligor jointly and severally promises to pay to the order of Charles Vincent Sandberg and Patty Ann Sandberg of P. O. Box 1618, Jackson, Wyoming 83001 the sum of Six Hundred Thousand Dollars (\$600,000.00) together with interest at the rate of eight percent (8%) per annum payable in 180 equal monthly payments of principal and interest of Five Thousand Seven Hundred Thirty Three Dollars and Ninety One Cents (\$5,733.91) with the first payment due and payable on November 1, 2007 with like payments due on the same date of each month for 179 months thereafter. On October 1, 2022 there shall be due and payable the remaining principal balance plus accrued interest if any, all as reflected on the attached amortization schedule. In the event of the death of both Charles Vincent Sandberg and Patty Ann Sandberg, payment shall be made to Tanner Dale West.

The undersigned shall pay a late fee of five percent (5%) of any amount not received within five (5) days of when due. This note may be prepaid at any time without premium or penalty of any kind.

If any default is made in the above required payments, and such default is not cured within thirty (30) days of written notice thereof, all the principal sum above specified, with all accrued interest shall, at the election of the holder hereof, become at once due and payable. In the event of default, interest shall accrue at the rate of sixteen percent (16%) per annum from the date of default. Additionally, all makers and all sureties, endorsers and guarantors agree to pay the costs of collection, if any, including a reasonable

The undersigned and all sureties, endorsers and guarantors hereof hereby waive demand, presentation, protest and notice of dishonor hereon. The note shall be the joint and several obligation of all makers, sureties, guarantors and endorsers and shall be binding upon them and their

**EXHIBIT** 

**EXHIBIT** 

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## MODIFICATION OF PROMISSORY NOTE

COME NOW, Chuck and Patty Ann Sandberg ("Lendors"); Richard Rhoades (Obligor"); and Kelly Hatch and Kathy Flickinger ("Releasees"), parties to the Promissory Note dated October, 2007, a copy of which is attached hereto as "Exhibit A', who agree to modify the Note in the following specific respects.

- Kelly Hatch and Kathy Flickinger are hereby released as obligors and grantors on the Note.
- 2. Additional representations and obligations of Richard Rhoades.
  - Richard will assume full ownership and management for all aspects of the Jackson Hole Ice and Game corporation and business.
  - b) Richard will obtain a local bookkeeper to oversee the daily business records and prepare monthly operating reports of income and expenses. The reports will be maintained to facilitate preparation of quarterly, annual and Federal income tax reports.
  - c) Richard will immediately retain an on-site manager satisfactory to the Sandbergs.
- 3. Additional representations and obligations of Sandberg.
  - a) Sandbergs agree to provide consultation to the business up to two (2) days per month upon mutually agreed terms. IN PERSON OR VIR PHONE
  - b) Sandbergs hereby consent to the use of their names as being consultations for the Company.
  - c) Sandbergs agree to review monthly operating reports for the Company, and may, without prejudice or liability, submit any comments, feedback and requests for additional information as they determine in their sole discretion.
  - d) Chuck Sandberg may arrange for mutually agreed time at the plant during September and October.

All other terms, conditions and obligations of the Promissory Note shall remain in full force and effect.

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Richard Rhoades Individually

JH Ice and Game Processing, Inc. A Wyoming Corporation

Richard Rhoades
Director and Vice-President

Katha Hickenge Kathy Flickinger Individually

Kelly Hatch Individually

Patty Ann Sandberg

Modification of Promissory Note Sandberg/Richard Rhodes/Hatch/Flickinger Page 2 of 2