

MORTGAGE

THIS MORTGAGE ("Mortgage"), executed this 29th day of September, 2022, by and between **Rex H. Paullus, Jr.**, (hereinafter called "Mortgagor"), and **James L. Dodds and Paula M. Dodds, husband and wife** (hereinafter called "Mortgagee").

WITNESSETH:

WHEREAS, Mortgagor is indebted to Mortgagee in the initial principal amount of One Hundred Eight-Four Thousand Dollars and Zero Cents (\$184,000.00) as a portion of the consideration paid by Mortgagor to Mortgagee, which indebtedness is evidenced by a promissory note of approximate even date herewith ("Note"), providing for payment of principal and interest, due and payable as provided therein; and

WHEREAS, Mortgagor is willing to provide the mortgaged interest conveyed herein to secure its obligation; and

NOW, THEREFORE, in consideration of the principal amount made by the Mortgagee to Mortgagor, and other valuable consideration, and for the purpose of securing the prompt repayment by Mortgagor of the indebtedness and all other sums payable hereunder and under the Note and also for the purpose of securing the performance of and compliance with all of the terms, covenants, conditions, and warranties herein contained and contained in the Note, the Mortgagor does hereby Mortgage unto the Mortgagee, its successors and assigns the following:

All the property lying and being in Sheridan County, Wyoming, (the "Property") located at 15 Lodore Ave, Story, Wyoming, as more fully described as follows:

Lots 29 and 30, Block 2 of the Lodore Gardens Subdivision to the Town of Story, Sheridan County, Wyoming.

AND The Southerly One-Half (1/2) of the vacated alley lying northerly and adjacent to Lots 29 and 30, Block 2 of the Lodore Gardens Subdivision to the Town of Story, Sheridan County, Wyoming and as set forth in Resolution 21-12-031 recorded December 21, 2021, Document # 2021-775064.

TOGETHER WITH all interest which Mortgagor now has or may hereafter acquire in or to the Property (the "Mortgaged Interests"), and in and to:

- A. all easements and rights of way appurtenant to the Mortgaged Interests;
- B. all buildings, structures, improvements, fixtures of a permanent nature that constitute improvements, and other articles of real property of every kind and nature attached or affixed to the Mortgaged Interests and now or hereafter installed or placed thereon, and used in connection with any future operation thereof;
- C. all adjacent lands included in enclosure or occupied by buildings located partly on the above Property; and
- D. all claims, demands, or causes of actions of every kind (including proceeds of settlements of any such claim, demand, or cause of action of any kind) which Mortgagor now has or may hereafter acquire arising out of acquisition or ownership of the Mortgaged Interests, including any award of damages or compensation for injury to or in connection with any condemnation for public use of the Mortgaged Interests to any part thereof (whether or not eminent domain proceedings have been instituted); however, Mortgagee shall have no duty to prosecute any such claim, demand, or cause of action;

TO HAVE AND TO HOLD the same unto the Mortgagee, its successors and assigns forever, subject as aforesaid.

AND MORTGAGOR represents, warrants, and covenants that it is the lawful owner of the Mortgaged Interests free from all encumbrances and liens, whatsoever.

TO PROTECT THE SECURITY OF THIS MORTGAGE, MORTGAGOR AGREES AS FOLLOWS:

The Mortgaged Interests are mortgaged unto the Mortgagee subject to and in accordance with the following specific covenants, stipulations and agreements:

1. Mortgagor's Covenant to Pay and Perform Covenants. Mortgagor shall pay when due all amounts at any time owing under the Note secured by this Mortgage and shall perform and observe every term, covenant and condition contained herein and in the Note.
2. Warranties of Title. Mortgagor warrants that Mortgagor has good and merchantable title to the said premises and has the right and lawful authority to sell, convey, mortgage, assign and pledge the same, and that the same is free and clear of all liens and encumbrances of whatsoever kind and nature, and subject only to thereto and such other easements and other encumbrances of record.
3. Maintenance of the Mortgaged Interests. Mortgagor shall at all times maintain, preserve and keep the Mortgaged Interests and every part thereof in good condition, repair and working order and will from time to time make all needful and proper repairs, replacements, additions, betterments and improvements thereto so that the value thereof shall at all times be maintained and preserved.
4. Covenant Against Further Encumbrances. Mortgagor covenants and agrees to keep the Mortgaged Interests and the rights, privileges and appurtenances thereto, free from all lien claims or encumbrances of every kind, whether superior or inferior to the lien of this Mortgage.
5. Payment of Taxes, Assessments and Insurance. The Mortgagor agrees to pay, when due, all taxes, liens, judgments and assessments of any nature. The Mortgagor shall insure, to the satisfaction of the Mortgagee, all buildings and personal property thereon against loss or damage resulting from fire, windstorm, and other hazards, including extended coverage, vandalism and malicious mischief endorsements, in an amount not less than \$100,000. Mortgagor shall include Mortgagee as a loss payee on such insurance policy. In the event that Mortgagor fails to maintain such insurance, or pay the taxes or other obligations imposed by this paragraph, Mortgagee may insure the property or pay such taxes or other obligations, and all sums so paid for insurance shall be added to and be considered as a part of the indebtedness hereby secured.
6. Casualty or Condemnation.
 - A. In the event of any casualty to the Mortgaged Interests or any part thereof or should the Mortgaged Interests or any part thereof or interest thereon be taken or damaged by reason of any public improvement or condemnation proceeding, or in any other manner, or should Mortgagor receive any notice or other information regarding such proceeding, Mortgagor shall give prompt written notice thereof to the Mortgagee.
 - B. In the event of any damage or destruction to all or any part of the improvements, Mortgagee will apply proceeds received from any insurance policy to the indebtedness.
 - C. In the event of such loss or damage, all proceeds of insurance shall be payable to Mortgagee and Mortgagor hereby authorizes and directs any affected insurance company to make payment of such proceeds directly to Mortgagee. Mortgagee is hereby authorized and empowered by Mortgagor to settle, adjust, or compromise any claims for loss, damage, or destruction under any policy or policies of insurance.
 - D. In the event any portion of the Mortgaged Interests is so taken or damaged, Mortgagee shall have the option to apply all such Proceeds, after deducting therefrom all costs and expenses (regardless of the particular nature thereof and whether incurred with or without suit), including attorney's fees, incurred by Mortgagee in connection with such Proceeds, upon any indebtedness secured hereby and in such order as Mortgagee may determine, or to apply all such Proceeds, after such deductions, to the restoration of the

Mortgaged Interests upon such conditions as Mortgagee may determine. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

7. Environmental Matters. Mortgagor hereby represents and warrants with the Mortgagee as follows:

- A. Compliance. Mortgagor represents and warrants, to the best of his knowledge, as follows: There exists no uncorrected violation by the Mortgagor of any federal, state or local laws, (including statutes, regulations, ordinances or other governmental restrictions and requirements) relating to the discharge of air pollutants, water, pollutants or process waste water or otherwise relating to the environment or Hazardous Substances as hereinafter defined, whether such laws currently exist or are enacted in the future (collectively "Environmental Laws"). Mortgagor agrees that the Mortgaged Interests shall be in compliance with all Environmental Laws.
- B. Mortgagor shall immediately notify Mortgagee of all Environmental Actions and provide copies of all written notices, complaints, correspondence and other documents relating thereto within five (5) business days of receipt, and Mortgagor shall keep Mortgagee informed of all responses thereto. Mortgagor shall promptly cure and have dismissed with prejudice all Remedial Actions in a manner satisfactory to Mortgagee and Mortgagor shall keep the Mortgaged Interests free of any encumbrance arising from any judgment, liability or lien imposed pursuant to any Remedial Actions. Notwithstanding the foregoing sentence, Mortgagor may, diligently, in good faith and by appropriate legal proceedings, contest such proceedings provided: (i) Mortgagor first furnishes to Mortgagee such deposits or other collateral as Mortgagee reasonably deems sufficient to fully protect Mortgagee's interests; (ii) such contest shall have the effect of preventing any threatened or pending sale or forfeiture of all or any portion of the Mortgaged Interests or the loss or impairment of Mortgagee's lien and security interests in and to the Mortgaged Interests; and (iii) such contest will not cause Mortgagee to incur any liability, in Mortgagee's reasonable judgment. Mortgagor shall permit Mortgagee, at Mortgagee's option, to appear in and to be represented in any such contest and shall pay upon demand all expenses incurred by Mortgagee in so doing, including attorneys' fees.

8. Restriction on Assignment/Due on Sale. Except as noted herein, Mortgagor shall not sell, assign, transfer, encumber, convey, lease or sublease any portion of or interest in the mortgaged premises without Mortgagee's written consent first had and obtained. Any such action by Mortgagor (or agreement therefore) shall render the balance due under this mortgage and the note it secures to be immediately due and payable. Notwithstanding the foregoing, nothing in this section shall prevent Mortgagor from preparing to sell, assign, transfer, encumber, convey, lease or sublease the Mortgaged Interests if Mortgagor renders the balance due (including principal, interest and other charges permitted hereunder) to Mortgagee concurrent with the closing of the sale, assignment, transfer, encumbrance conveyance, lease or sublease of the Mortgaged Interests.

9. Indemnity. Mortgagor shall indemnify Mortgagee from all loss, damage and expense, including reasonable attorney's fees, incurred in connection with any suit or proceeding in or to which Mortgagee may be made a party by reason of this Mortgage or to which Mortgagee may become a party for the purpose of protecting the lien of this Mortgage or enforcing Mortgagee's rights hereunder. All such amounts shall be so much additional indebtedness hereby secured, and Mortgagor shall reimburse the Mortgagee therefor on demand, together with all interest, accrued and accruing, as provided in the Note for which this mortgage is given as security therefore, from the date of demand to the date of payment.

10. Default. The terms "Event of Default" or "default" as used hereinafter and hereinbefore shall mean the occurrence of any of the following events:

A. The failure of Mortgagor to make due and punctual payment of the Note as set forth therein as the same shall become due and payable, whether at maturity or whether accelerated pursuant to any power or accelerate contained in the Note;

B. Any warranty or representation made by Mortgagor herein or in connection herewith shall prove to be untrue in any material respect;

C. Mortgagor shall fail to perform or observe faithfully and punctually their covenants, agreements, and obligations hereunder;

D. Any of the Mortgaged Interests shall be seized or taken by any governmental or similar authority, or any order of attachment, garnishment, or other writ shall be issued, or any other lawful creditor's remedy shall be exercised, resulting in the Mortgaged Interests going into a foreclosure sale;

E. Mortgagor shall fail to maintain the lien and priority of this instrument as against any person or entity;

F. The title of Mortgagor to the Mortgaged Interests or any substantial part thereof shall become the subject matter of litigation that arises from a claim not caused by or derived from the prior ownership of the Mortgaged Interests by the Mortgagee, which would or might, in Mortgagee's opinion, upon final determination result in substantial impairment or loss of the security provided by this instrument;

G. Mortgagor fails to keep the Mortgaged Interests insured as required herein; or shall fail to provide Mortgagee with evidence of insurance as required herein.

H. Mortgagee, if following the undertaking of reasonable due diligence, reasonably believes that Mortgagor will be unable to repay the indebtedness secured hereby in the manner and at the times contemplated by the Note secured hereby, or shall determine that the adequacy of the Mortgaged Interests secured hereunder will be insufficient to assure the repayment of the Indebtedness in any material respect, and based thereon shall make demand upon Mortgagor for additional collateral security, which collateral security Mortgagor shall fail to deliver to Mortgagee in a form satisfactory to Mortgagee within thirty (30) days following such demand.

11. Remedies on Default. Upon Mortgagor's default of any covenant or agreement in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Mortgagee, prior to acceleration, except as otherwise provided in the Note, shall give notice to Mortgagor specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 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. If the breach is not cured on or before the date specified in the notice, Mortgagee, at Mortgagee's option, may request and receive the immediate appointment of a receiver for the mortgaged property and the other assets of Mortgagor, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this mortgage by invoking the power of sale provided by Wyoming Statutes, or Mortgagee may pursue any other remedies permitted by applicable law. Mortgagee shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 11, including, but not limited to, reasonable attorney's fees. Any excess proceeds shall be turned over Mortgagor.

If Mortgagee invokes the power of sale, Mortgagee shall give notice of intent to foreclose to Mortgagor and to the person(s) in possession of the Mortgaged Interests, if different, in accordance with applicable law. Mortgagee shall mail a copy of a notice of the sale to Mortgagor. Mortgagee shall publish the notice of sale and the Mortgaged Interests shall be sold in the manner prescribed by applicable law. Mortgagee or Mortgagee's designee may purchase the Mortgaged Interests at any sale. The proceeds for 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.

Mortgagee shall, at Mortgagee's option, have the right upon default, acting through Mortgagee's agent or attorneys, either with or without process of law, forcibly or otherwise, to enter upon and take possession of the mortgaged premises, to expel and remove any persons, goods or chattels occupying or upon the same, to collect or receive all the rents, issues and profits thereof and to manage and control the same, and to lease the same or any part thereof from time to time, and after deducting all attorney's fees and expenses incurred in the protection, care, maintenance, management and operation of said premises, Mortgagee shall have the right to apply the remaining net income upon the indebtedness secured hereby or upon any deficiency decree entered in any foreclosure proceedings.

The rights and remedies granted to the Mortgagee hereunder are cumulative, and are not in lieu of, but are in addition to, and shall not be affected by the exercise of any other remedy or right not or hereafter existing at law or in equity when authorized by law to be so, or under the Note, or any other document securing Mortgagor's obligations under the Notes. No delay in the exercise or omission to exercise any remedy or right accruing on any default shall impair any such remedy or right or be construed to be a waiver of any such default, or acquiescence therein, nor shall it affect any subsequent default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by Mortgagee.

12. Inspection. Mortgagor agrees to permit Mortgagee and its agents, at all reasonable times, with 24-hour advance notice to Borrower, to inspect the mortgaged premises for the purpose of determining whether Mortgagor is in compliance with the provisions of this Mortgage.

13. Satisfaction of Mortgage. Upon full payment of all sums secured hereby at the time and in the manner provided, this conveyance shall be null and void, and upon demand therefor following such payment, a reconveyance or release of the mortgaged premises shall in due course be made by Mortgagee to Mortgagor.

14. Miscellaneous. All provisions hereof shall inure to and bind the respective successors and assigns of the parties hereto. The word "Mortgagor" shall include all persons claiming under or through Mortgagor, and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Note or this Mortgage. Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

15. Notices. All notices, demands, consents or requests which are either required or desired to be given or furnished hereunder shall be in writing and shall be deemed to have been properly given if either delivered personally or sent by United States registered or certified mail, postage prepaid, to the address of the parties hereinabove set below. By notice complying with this section, each party may from time to time change the address to be subsequently applicable to it for the purpose of this section.

To Mortgagor:

Rex H. Paullus, Jr. - PO Box 639, Buffalo, WY 82834

To Mortgagee:

Jim and Paula Dodds – 28 Eagle Crest Dr, Canon City, CO 81212

16. Severability. The unenforceability or invalidity of any provision or provisions hereof shall not render any other provisions herein contained unenforceable.

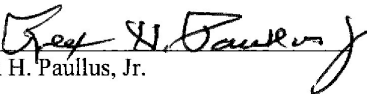
17. Governing Law. This Mortgage and the Note secured hereby are to be construed and enforced according to and governed by the laws of the State of Wyoming.

18. Waiver of Homestead. Mortgagor hereby waives all right of homestead exemption in the Mortgaged Interests.

19. No Modification Unless in Writing. No modification by Mortgagee or Mortgagor of any right under this Mortgage shall be effective unless in writing.

IN WITNESS WHEREOF, the Mortgagor has caused this instrument to be duly executed on the day and year first above written.

MORTGAGOR:


Rex H. Paullus, Jr.

STATE OF WYOMING)
) ss.
COUNTY OF SHERIDAN)

The foregoing Mortgage was acknowledged before me, this 29th day of September, 2022, by Rex H. Paullus, Jr.

Witness my hand and seal.

My commission expires:


Notary Public

