

MORTGAGE

THIS MORTGAGE (“Mortgage”), executed this 17 day of January, 2025, by and between **Devin Wayne Daugaard and Caitlin Ann Daugaard, husband and wife** (hereinafter called “Mortgagor”), and Charles Meserlian (hereinafter called “Mortgagee”).

WITNESSETH:

WHEREAS, Mortgagor is allowing this Mortgage as Mortgagor are indebted to Mortgagee in the initial principal amount of **NINE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS AND ZERO CENTS (\$975,000.00)** as the consideration to be paid under a Real Property Purchase Agreement for the purchase of the mortgaged property from another party, 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 to ensure the repayment of all borrowed funds under the Note; and

WHEREAS, without Mortgagor granting a mortgage interest in the property described below, Mortgagee would not have been willing to enter into Note Payable and finance the purchase of collateral referenced above;

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”) as described below:



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A tract of land located in the W½SE¼NE¼ & W½NE¼SE¼ of Section 7, Township 57 North, Range 85 West of the 6th Principal Meridian, more particularly described as follows:

Commencing at the E¼ corner of Section 7; thence S00°03'00"E along the east line of said Section 7 for a distance of 1327.40 feet; thence S89°32'56"W for a distance of 663.94 feet to the POINT OF BEGINNING; thence continuing S89°32'56"W for a distance of 663.94 feet; thence N00°00'58"E for a distance of 2652.31 feet; thence N89°27'33"E for a distance of 662.55 feet; thence S00°00'51"E for a distance of 2653.33 feet to the POINT OF BEGINNING.

AND

A tract of land located in the E½SE¼NE¼ & E½NE¼SE¼ of Section 7, Township 57 North, Range 85 West of the 6th Principal Meridian, more particularly described as follows:

Beginning at a E¼ corner of Section 7; thence S00°03'00"E along the east line of said Section 7 for a distance of 1327.40 feet; thence S89°32'56"W for a distance of 663.94 feet; thence N00°00'51"W for a distance of 2653.33 feet; thence N89°27'33"E for a distance of 662.55 feet to a point on the east line of said Section 7; thence S00°02'21"E along the east line of said Section 7 for a distance of 1326.97 feet to the POINT OF BEGINNING.

TOGETHER WITH all interest which Mortgagor now has or may hereafter acquire in or to the Property (collectively, 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 a component or system of the buildings, structures of 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 (including but not limited to all apparatus and equipment used to provide or supply air-cooling, air-conditioning, heat, gas, water, light, power, and garbage disposal; and fire prevention and extinguishing equipment, antennas, window coverings, floor coverings, ranges, oven, dishwashers, and water heaters, it being intended and agreed that such items be conclusively deemed to be affixed to and to be part of the Mortgaged Interests that are mortgaged hereby);



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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;

ALSO, TOGETHER WITH all rents, issues, profits, royalties, earnings, and incomes therefrom and installments of money payable pursuant to any agreement for sale of said Mortgaged Interests or any part thereof.

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, except those items as set forth herein.

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 the original amount of the Note. 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 all payments under insurance policies required hereunder to the

extent it is not required to be applied in accordance with the Mortgage.

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. Restriction on Assignment/Due on Sale. Except for the known sale of the vacant 40 acres to another party and use of the proceeds for payment of this Note, 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 a member of Mortgagor (or agreement therefore) shall render the balance due under this note and mortgage 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. Upon the sale of the 40 acres, Mortgagee agrees to release that sold portion by executing a partial release.

8. 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.

9. 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.

10. 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.

11. Inspection. Mortgagor agrees to permit Mortgagee and its agents, at all reasonable times, to inspect the mortgaged premises for the purpose of determining whether Mortgagor is in compliance with the provisions of this Mortgage.

12. 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. Upon partial payment with net proceeds from the sale of the 40 acres, a partial release of mortgage for the sold property will be issued.

13. 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.

14. 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.

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

16. 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.

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

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

19. Maturity Date. The Maturity Date of this Mortgage is one (1) year from recording of this instrument unless extended by modification by the parties.

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

MORTGAGOR:

Devin Wayne Dugaard
Devin Wayne Dugaard

Caitlin Ann Dugaard
Caitlin Ann Dugaard

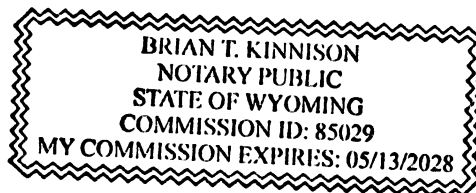
STATE OF WYOMING)
) ss.
COUNTY OF SHERIDAN)

The foregoing Mortgage was acknowledged before me, this 17th day of January 2025, by Devin Wayne Dugaard and Caitlin Ann Dugaard, husband and wife.

Witness my hand and seal.

[Signature]
Notary Public

My commission expires: 5-13-28



NO. 2025-796886 MORTGAGE
EDA SCHUNK THOMPSON, SHERIDAN COUNTY CLERK
WILCOX AGENCY
SHERIDAN WY 82801