



## **MORTGAGE**

THIS MORTGAGE ("Mortgage") is made and executed this 9 day of December, 2015, by and between **WLM ENTERPRISES, LLC**, a Wyoming limited liability company, whose address is 1055 Cleveland Avenue, Sheridan, Wyoming 82801 ("Mortgagor"), and **C BAR K PETROLEUM SERVICE, LLC-II**, whose address is P.O. Box 6061, Sheridan, Wyoming 82801 ("Mortgagee").

### **WITNESSETH:**

WLM ENTERPRISES, LLC, a Wyoming Limited Liability Company, 1055 Cleveland Avenue, Sheridan, Wyoming 82801, to secure the payment of Five Hundred Thousand Dollars (\$500,000.00) together with interest at the rate of 2.82% per annum, in ten (10) equal annual installments of principal in the amount of \$50,000.00 together with accrued interest, with the first installment being due June 30, 2016 and succeeding installments on June 30 of each succeeding year until June 30, 2025 when all principal and accrued interest shall be due and payable, all as appears in a promissory note of even date, hereby mortgages to C Bar K Petroleum Services, LLC-II, mortgagee, the following described real property, with all improvements and fixtures, situate in Sheridan County, Wyoming, to wit:

See Exhibit A and Exhibit B attached hereto

The Mortgaged Property is 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 Installment Note secured by this Mortgage and shall perform and observe each and every term, covenant and condition contained herein and in the Installment Note. Time is of the essence in making such payments. If Mortgagor fails to make the payments when due, and fails to cure such default within thirty (30) days of being given written notice of such default, then Mortgagee may, without further notice or demand, call the entire principal balance and all interest that would have been paid through the term of the Installment Note immediately due and payable.

A. Covenant Against Further Encumbrances. Mortgagor covenants and agrees to keep the Mortgaged Property and rights, privileges and appurtenances thereto, free from all Mechanic's, Materialman's, Federal, State or Judgment claims or encumbrances of every kind, whether superior or inferior to the lien of this Mortgage, and if any such lien be filed, Mortgagor will, within twenty (20) days after such filing, cause the same to be discharged by payment, bonding, or otherwise, to the satisfaction of Mortgagee, up to, and including, interest through said term of Mortgage.

B. Restriction on Assignment. Mortgagor shall not sell, assign, transfer, convey, lease or sublease any portion of the Mortgaged Property without paying to the Mortgagee the entire balance due under this Mortgage and the Installment Note secured hereby.



2. Maintenance of the Mortgaged Property. Mortgagor shall at all times maintain, preserve and keep the Mortgaged Property, and every part thereof, in good condition, repair and working order such that the value thereof shall at all times be maintained and preserved and shall not commit any waste thereon.

3. Taxes, Liens, Assessments and Insurance. Mortgagor shall timely pay all taxes and assessments due on the property. Mortgagor agrees to pay the indebtedness hereby secured, and to pay all taxes and assessments on said premises. Mortgagor shall, upon demand, provide Mortgagee with evidence of such payments. In the event Mortgagor fails to pay such taxes or assessments when due, Mortgagee may, at his option, pay such charges and add the cost thereof to the balance due on the Mortgage. Mortgagor shall not allow any liens or encumbrances to attach to the Mortgaged Property during any time in which Mortgagee holds an Installment Note and Mortgage on the property. Mortgagor shall carry property casualty insurance on the property in amounts equal to or exceeding Five Hundred Thousand Dollars (\$500,000.00). The casualty insurance shall have a loss payable provision in favor of Mortgagor and Mortgagee, with Mortgagee entitled to that amount due to him under the Installment Note as of the date of loss. Provided that Mortgagee shall reimburse Mortgagor for all real estate taxes during the time Mortgagee continues to occupy the premises per the Purchase Agreement of November 23, 2015.

4. Default. In case default shall be made in the payment of the above sum hereby secured, or in the payment of the interest thereon, or any part of such principal or interest, when the same shall become due, or in case default shall be made in any of the covenants and agreements hereof, then the whole indebtedness hereby secured with the interest thereon shall become due and payable, and the Mortgagee and their legal representatives or assigns may proceed, pursuant to law, to foreclose on and sell said property, by exercise of power of sale in accord with W.S. §34-4-101, *et seq.* or by judicial means. Out of the proceeds of such sale they shall pay all sums due hereunder, together with all costs of sale and foreclosure, including a reasonable attorneys' fee.

5. Inspection. Mortgagor agrees to permit Mortgagee, and their agents, at all reasonable times with advanced notice, to inspect the Mortgaged Property for the purposes of determining whether Mortgagor is in compliance with the provisions of this Mortgage.

6. Satisfaction of Mortgage. Upon full payment of all sums secured hereby at the time and in the manner provided, this Mortgage shall be null and void, and a release of the Mortgaged Property shall, pursuant to State law, be made by Mortgagee to Mortgagor.

7. 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 the 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.

8. 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 when either delivered personally or deposited into the United States mails, registered or certified mail, postage prepaid, to the address of the parties hereto set below. By



notice complying with this section, each party may, from time to time, change the address to be subsequently applicable to that party for the purpose of this section.

To Mortgagor: WLM Enterprises, LLC  
c/o Newton "Rusty" Ludwig  
51 Coffeen Ave., Suite 201  
Sheridan, WY 82801  
(307) 675-1910

To Mortgagee: C BAR K Petroleum Services, LLC-II  
c/o Virgil G. Kinnaird  
P.O. Box 627  
Sheridan, WY 82801  
(307) 672-9771

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

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

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

**MORTGAGOR:**

**WLM ENTERPRISES, LLC**  
a Wyoming Limited Liability Company

By: Randy J. Wapke  
Randy Wapke

By: Mike S. Morgareidge - pxx  
Mike S. Morgareidge

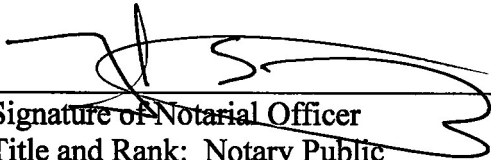
STATE OF WYOMING     )  
  ) ss.  
Count of Sheridan     )



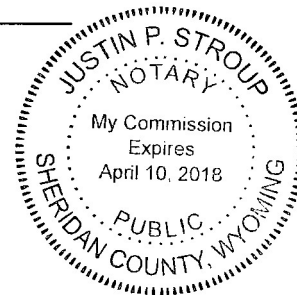
**2015-723778**   12/9/2015 11:07 AM PAGE: **4** OF **6**  
BOOK: 919 PAGE: 487   FEES: \$27.00 PK MORTGAGE  
EDA SCHUNK THOMPSON, SHERIDAN COUNTY CLERK

The foregoing instrument was acknowledged before me on the 9 day of December, 2015, by Randy Warnke, of **WLM ENTERPRISES, LLC**, a Wyoming limited liability company.

(SEAL)

  
\_\_\_\_\_  
Signature of Notarial Officer  
Title and Rank: Notary Public

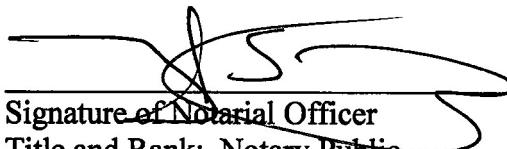
My Commission expires: April 10, 2018



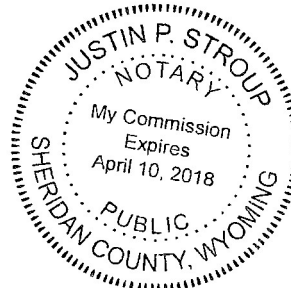
STATE OF WYOMING     )  
  ) ss.  
Count of Sheridan     )

The foregoing instrument was acknowledged before me on the 9 day of December, 2015, by Mike S. Morgareidge, of **WLM ENTERPRISES, LLC**, a Wyoming limited liability company.

(SEAL)

  
\_\_\_\_\_  
Signature of Notarial Officer  
Title and Rank: Notary Public

My Commission expires: April 10, 2018



## EXHIBIT "A"

OF A TRACT OF LAND SITUATED IN THE NORTH HALF OF THE  
SOUTHEAST QUARTER (N1/2SE1/4) OF SECTION 25, T56N, R84W,  
6TH P.M., SHERIDAN COUNTY, WYOMING

### LEGAL DESCRIPTION OF SUBJECT TRACT:

A TRACT OF LAND SITUATED IN THE N1/2SE1/4 OF SECTION 25, TOWNSHIP 56 NORTH, RANGE 84 WEST, 6TH PRINCIPAL MERIDIAN, SHERIDAN COUNTY, WYOMING, SAID TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER QUARTER CORNER OF SAID SECTION 25 MONUMENTED WITH A 3-1/4" ALUMINUM CAP PER PLS 6594, THENCE S06°08'04"E, 382.73 FEET TO THE POINT OF BEGINNING OF SAID TRACT MONUMENTED WITH A 1-1/2" ALUMINUM CAP PER PLS 6812; THENCE N59°16'13"E, 584.28 FEET; THENCE S41°15'42"E, 697.13 FEET; THENCE THROUGH A CURVE TO THE LEFT, HAVING A RADIUS OF 316.46 FEET, A DELTA OF 41°58'27", AN ARC LENGTH OF 231.83 FEET, A CHORD BEARING OF S62°15'08"E AND A CHORD LENGTH OF 226.68 FEET; THENCE S83°13'59"E, 249.77 FEET; THENCE THROUGH A CURVE TO THE LEFT HAVING A RADIUS OF 173.24 FEET, A DELTA OF 54°08'15", AN ARC LENGTH OF 163.69 FEET, A CHORD BEARING OF N69°41'22"E AND A CHORD LENGTH OF 157.67 FEET; THENCE S35°17'47"E, 193.70 FEET TO A POINT LYING ON THE NORTHERLY RIGHT-OF-WAY LINE OF THE BURLINGTON NORTHERN RAILROAD; THENCE ALONG SAID NORTHERLY RIGHT-OF-WAY LINE THROUGH A NONTANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 2176.84 FEET, A DELTA OF 28°35'55", AN ARC LENGTH OF 1086.54 FEET, A CHORD BEARING OF S69°00'44"W AND A CHORD LENGTH OF 1075.30 FEET; THENCE S85°49'51"W, 292.16 FEET ALONG SAID NORTHERLY RIGHT-OF-WAY LINE; THENCE S87°03'23"W, 357.00 FEET ALONG SAID NORTHERLY RIGHT-OF-WAY LINE TO A POINT MONUMENTED WITH A 3" BRASS CAP; THENCE N01°11'49"W, 888.71 FEET TO THE POINT OF BEGINNING.

SAID TRACT CONTAINS 26.0 ACRES MORE OR LESS.

TOGETHER WITH A 40 FOOT WIDE WATERLINE EASEMENT LOCATED IN THE NW1/4SW1/4 OF SECTION 30, TOWNSHIP 56 NORTH, RANGE 83 WEST AND IN THE NE1/4SE1/4 OF SECTION 25, TOWNSHIP 56 NORTH, RANGE 84 WEST, 6TH P.M., SHERIDAN COUNTY, WYOMING, HAVING A CENTERLINE DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF THE B.N.R.R. LOCATED N5°42'56"W, 2161.50 FEET FROM THE SE CORNER OF SAID SECTION 25; THENCE S82°33'30"E, 777.42 FEET TO THE POINT OF ENDING.

SUBJECT TO ANY EASEMENTS, EXCEPTIONS, RESERVATIONS, RESTRICTIONS AND CONVEYANCES OF PRIOR RECORD.

