

release them from liability imposed hereby. The Mortgagor covenants and agrees that _____ will pay the said note or notes at maturity and the interest thereon when due and will not sell, mortgage or otherwise dispose of said lease or property above described and will not permit any of such property to be removed from the above described property until the indebtedness hereby secured is fully paid.

In the event the indebtedness hereby secured, or any part thereof, or the interest thereon is not paid when due, or in the event of the violation by the Mortgagor of any of the conditions herein set forth or in the event the Mortgagee shall, at any time deem itself insecure for any cause whatever, the Mortgagee may at its option (but not otherwise) and without notice to the Mortgagor, declare the whole amount secured hereby due and payable at once and may at its option and is hereby authorized to take any of the following methods to enforce its lien and secure and obtain the payment of the amount due it, including all of its costs and expenses in the premises:

(a) The Mortgagee may take full and exclusive possession of said interest in said oil and gas mining lease and lease equipment, and maintain, operate and control the same and apply all proceeds derived therefrom after the payment of royalties and operating expenses and its expenses to the satisfaction of said indebtedness until the same has been fully paid, Mortgagor agreeing to give the Mortgagee immediate and peaceable possession for said purposes.

(b) The Mortgagee may take possession of and sell said interest in said lease and lease equipment under the laws of the State of Kansas applicable to foreclosure of Chattel Mortgages. That at any foreclosure sale or at the sale of any pledged property the Mortgagee may become the purchaser.

(c) Upon any suit being brought by the Mortgagee to recover said sums, as a matter of right to foreclose its mortgage and without any showing of insolvency, fraud, insecurity or mismanagement the Mortgagee may obtain the appointment of a receiver to hold, maintain and operate said property and apply said interest in the proceeds to the payment of said indebtedness or sell and dispose of said property according to the law for the payment thereof.

Nothing herein contained shall be construed as obligating Mortgagee to pay or advance any money with which to pay any taxes or assessments of any kind or character which may be levied or assessed against the above described property or any of them, nor as requiring or obligating Mortgagee to advance any sums for any purpose whatsoever, in connection with the ownership, management or operation of the same, but if Mortgagee, in order to protect its interest, sees fit to pay or advance funds for any such purposes, it shall have the right to do so, and all of such advancements shall be fully secured hereby to all intents and purposes as if the same had been a part of the original debt secured hereby.

In the event Mortgagee takes over said property and attempts to operate the same, he shall not be liable to Mortgagor for anything other than wilful and gross negligence on the part of its officers, agents or employees.

This Mortgage and Assignment is given as additional collateral security only and the Mortgagee does not hereby waive any lien rights it now has or may hereafter have to file upon the leasehold estates described herein or any other leasehold estate upon which it might render services or furnish materials, equipment and