

option, be subrogated to any encumbrance, lien, claim or demand, and to all the rights and securities for the payment thereof, paid or discharged with the principal sum secured hereby or by the Mortgagee under the provisions hereof, and any such subrogation rights shall be additional and cumulative security to this Mortgage.

6. To pay all and singular the costs, charges and expenses reasonably incurred or paid at any time by the Mortgagee because of any default as to any stipulation, agreement and covenant of the note and this Mortgage, or either, or in any suit or proceeding at law or in equity to which the Mortgagee shall be and become a party in reference to the Mortgagor's interest in the premises herein mortgaged, or in sustaining the lien or priority of this Mortgage; the amounts of any such costs, charges and expenses shall also be deemed a charge and indebtedness secured hereby and bear interest at the same rate as the principal indebtedness.

7. In the event of a default in any of the covenants of this Mortgage, the Mortgagee is expressly given the right, which may be exercised at any time during the existence of any default and so long as a default shall exist, to take possession of and hold the premises, with or without process of law, and collect and receive the rents, issues and profits therefrom, with or without taking possession of the premises, applying the same to the payment of expenses, charges and amounts due and payable under the provisions of the note and this Mortgage. The Mortgagor assigns and transfers unto the Mortgagee the rents, issues and profits of the premises for the purpose aforesaid. The taking of possession of the premises and the collection of the rents by the Mortgagee shall in no way waive the right of the Mortgagee to foreclose this Mortgage because of a default.

And the Mortgagee may, at any time pending a suit upon this Mortgage, apply to the Court having jurisdiction of such suit for the appointment of a receiver of all and singular the premises and the rents, issues and profits thereof, and thereupon the Court shall forthwith, as a strict matter of right in the Mortgagee, and without consideration of the value of the mortgaged premises as security for the amounts due the Mortgagee, or the solvency of any person or persons bound for the payment of such amounts, and without notice, appoint a receiver of all such premises with the usual powers and duties including the power to rent the premises and to collect the rental thereof and therefrom; the revenue derived from said premises to be applied to the proper charges and expenses attending the receivership, taxes and assessments and other charges against and for the protection of the premises, the payment of the indebtedness secured hereby, or as the Court may otherwise direct. * (continued below)

8. If the premises, or any part thereof, is taken or damaged under any power of eminent domain or otherwise, then whatever moneys shall thereby become due the Mortgagor are hereby assigned and shall be paid to the Mortgagee, who, after deducting all reasonable costs and expenses which may have been incurred by it in the collection thereof, shall apply the remainder of the sums received to the payment and satisfaction of the indebtedness secured hereby in full or pro tanto. Any surplus of such moneys over and above the amounts necessary to pay in full all indebtedness secured hereby shall be paid to the Mortgagor.

9. The Mortgagee shall have the right at any time and from time to time, and without notice to or consent of any person, to release any portion of the premises from the lien of this Mortgage and to extend the time of payment of all or any part of the indebtedness, without affecting or releasing the personal liability of any person liable for the payment of any sum or interest secured hereby and without in anywise altering, varying or diminishing the force, effect or lien of this Mortgage on all of the premises not specifically released from the lien of this Mortgage by the Mortgagee.

10. The proceeds of the loan secured hereby are to be used to defray the costs of construction of the improvements to be constructed thereon. Disbursement of said loan proceeds is to be regulated by the terms and provisions of a Construction Loan Agreement of even date herewith executed by mortgagor and mortgagee. The terms and provisions of said Construction Loan Agreement are by this reference incorporated into this mortgage as though fully set forth herein.

7. (Continued) In the event of default hereunder Mortgagee shall be entitled to a judgment for the sum due on said note and the additional sums paid by virtue of this Mortgage and all costs and expenses of enforcing this Mortgage and shall be entitled to a decree for the sale of the loan property in satisfaction of said judgment foreclosing all rights and equities of the Mortgagor its successors and assigns. And Mortgagor hereby waives appraisalment of said property and all benefits of Exemption and Stay laws of the State of Kansas.

The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, executors, administrators, successors, and assigns of the parties hereto. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders. It is intended that this Mortgage and the note hereby secured are made with reference to and shall be construed as a Kansas contract and governed by the laws thereof.

IN WITNESS WHEREOF, the Mortgagor herein named has hereunto set his hand the day and year first above written.

Signed and Delivered
in the Presence of:

RIDGE HOUSE, INC.

By

Mark Q. Moore, President

ATTEST:

ATTEST:

By

Howard B. Conkey Jr., Secretary