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instrument; and, (ii) the excess during any such month to be deposited in the general checking account of Samuel L. Sayles, or its successors in interest, in bank as designated

and thereby released to or upon order of the Mortgagor or the Mortgagor's successors in interest; and provided further, that if there exists any event of default or any event which with the passing of time will constitute an event of default hereunder, Mortgagee may, at its election, without prejudice to its right of any other remedy hereunder, apply in such order as it may choose all of such proceeds upon the indebtedness hereby secured, whether due or not due, or may withhold for a reasonable time all or any part of such proceeds otherwise subject to be released hereunder until such default has been remedied.

(8) Notwithstanding the foregoing provisions, (i) the Mortgagee may, in its sole discretion, from time to time, apply any portion or all of said proceeds to the payment of any claims or demands which the Mortgagor is obligated to pay under the covenants and agreements herein contained in the event the Mortgagor should fail to make such payments or any of them promptly after demand made by the Mortgagee upon the Mortgagor or the Mortgagor's successors in interest, or any of them, so to do; and (ii) the Mortgagee may, in its sole discretion, from time to time, release to or upon the order of the Mortgagor or the Mortgagor's successors in interest any of said proceeds which would otherwise be applicable hereunder to the secured indebtedness and, in either case, without affecting or impairing the lien of this mortgage and the priority thereof, or of any of its rights hereunder, or upon the note or notes hereby secured for the full amount of the unpaid balance thereof.

(9) That Mortgagor will pay said indebtedness hereinabove described, together with interest, charges and fees thereon according to the tenor and effect of the promissory note or notes evidencing said indebtedness and according to the provisions of this mortgage; and covenants and agrees that, if the indebtedness hereby secured or any part thereof, or any interest thereon, is not paid when due, or in the event any of the other covenants or agreements herein set out are violated or broken, or in the event attachment or garnishment proceedings shall be commenced against the Mortgagor seeking to reach the mortgaged property, or any part thereof, or the proceeds therefrom, or any property or funds of the Mortgagor held by or under the control of the Mortgagee, or a suit shall be brought for, or judgment or order shall be entered for the sequestration of any property of the Mortgagor, or in the event proceedings are commenced for the appointment of, or a Receiver or Trustee is appointed for the Mortgagor or for any part of the property herein mortgaged, or for any substantial part of the Mortgagor's properties, or in the event the Mortgagor shall admit, in writing, its inability to pay its debts generally as they become due or make an assignment for the benefit of its creditors, or in the event proceedings, voluntary or involuntary, shall be instituted by or against the Mortgagor or otherwise under the provisions of any law of the United States or of any state; then and in any such event the said Mortgagee may, at its option and without notice, declare all of the indebtedness hereby secured immediately due and payable and foreclose its lien hereunder. The Mortgagee may take possession of said oil and gas leases and all property herein described; maintain, operate and control said property, and apply all proceeds derived therefrom, after payment of royalties and operating expenses, to the payment of the indebtedness hereby secured until said indebtedness is fully paid, Mortgagee agreeing to give Mortgagor immediate, peaceable possession; or the Mortgagee may take possession of and sell all of said property, and interests herein described, under the laws applicable to foreclosure of chattel mortgages; or upon any suit being brought to recover the sum herein described, as a matter of right and without proof of any insolvency, fraud, insecurity or mismanagement on the part of the Mortgagor, the Mortgagee shall be entitled as a matter of right to the appointment of a Receiver, it being mutually agreed that the production and sale of oil, gas and/or casinghead gas from the mortgaged property, after a default has occurred and been declared by the Mortgagee, will be considered as disposing of a part of the corpus of the mortgaged property; and the Mortgagor hereby waives all notice of appointment of Receiver, and agrees that such Receiver take possession of, hold, maintain and operate said property, including the running and selling of all oil, gas and casinghead gas produced, and apply the proceeds of the sale thereof to the payment of the indebtedness hereby secured until said indebtedness, costs and attorney's fees are fully paid, or sell and dispose of said property according to law for the payment thereof. In event of foreclosure hereof, Mortgagor hereby agrees to pay all costs in connection therewith, to be secured by this mortgage, and Mortgagor hereby waives all right under the homestead, exemption and stay laws of the states in which said mortgaged property is located; and appraisal of said property is hereby expressly waived or not waived, at the option of the Mortgagee, its successors or assigns, said option to be exercised prior to or at the time judgment is rendered in any foreclosure hereof.

(10) This assignment and pledge of the proceeds shall not in any manner be construed to limit or diminish said Mortgagor's liability according to the terms of said note or this instrument securing the same, nor relieve the Mortgagor from the performance of any of the covenants or obligations as set forth in said note or notes or in this instrument.

The effective date of the assignment and pledge contained herein shall be the 28th day of December, 1966 at 7:00 A. M.

No remedy herein conferred upon or reserved to the Mortgagee is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute. No delay or omission of the Mortgagee or its successors or assigns or any holder of any note hereby secured to exercise any remedy, right or power accruing upon any default or otherwise shall impair any remedy, right or power or constitute a waiver of or acquiescence in such or any other default or impair any right or remedy consequent thereon. All the terms, conditions, covenants and agreements contained in this mortgage and assignment shall be binding upon the heirs, executors, administrators, personal representatives, successors and assigns of the Mortgagor, and shall be deemed and construed to be covenants running with the estate or interest in the land; and all such terms, conditions, covenants and agreements shall likewise inure to the benefit of the Mortgagee, its successors or assigns.

IN WITNESS WHEREOF, this mortgage is executed the day and year first above written.

Samuel L. Sayles
Samuel L. Sayles

Marilyn C. Sayles
Marilyn C. Sayles

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF Missouri }
COUNTY OF Jackson } SS:

Before me, the undersigned, a Notary Public in and for said County and State, on this 28th day of December, 1966, personally appeared Samuel L. Sayles and Marilyn C. Sayles

to me personally known to be the identical person S who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires April 6, 1967

William S. Brandon
Notary Public