

BOOK 1665 PAGE 324

FOR THE PURPOSE OF SECURING, payment of the indebtedness evidenced by one promissory note of even date herewith for the principal sum of Two Hundred Sixty-five Thousand & no/100- Dollars with interest thereon at the rate of --7 1/2-- per centum per annum, principal and interest payable in installments as therein provided and executed by Fairlawn Heights, Inc. in favor of the Mortgagee; that all of the terms and provisions of said note are hereby made a part of this mortgage as if the same were set out in full at this place and said note and this mortgage shall constitute and be construed as one instrument; and for the further performance of each covenant and agreement of the Mortgagor herein contained.

THE MORTGAGOR COVENANTS AND AGREES HEREBY:

First, to pay immediately when due and payable all taxes, assessments whether general or special, charges and encumbrances with any interest thereon which affect said property or this mortgage or the indebtedness secured hereby, and promptly to deliver to Mortgagee, without demand, receipts evidencing such payments.

Second, to immediately procure and maintain and deliver to the possession of said Mortgagee without lapse, policies of insurance against fire and extended coverage on the buildings erected and to be erected upon the said premises in some insurance company acceptable to the Mortgagee in an amount equal to the unpaid balance due and owing on said premises to which policies shall be attached mortgage clauses satisfactory to Mortgagee; and it is further agreed that every such policy of insurance shall be held by the Mortgagee, as collateral or additional security for the payment of the same; and in the event of any loss thereunder the Mortgagor shall give immediate notice to the Mortgagee of such loss and Mortgagee is authorized to make proof of loss if advisable or expedient to said Mortgagee; and any insurance company is hereby authorized to make any payments for such loss directly to the said Mortgagee and Mortgagee may apply the same when received to the payment of said note less the costs and expenses incurred in collecting said insurance; or may elect to have any buildings repaired, or new buildings erected on the aforesaid mortgaged premises.

Third, the Mortgagee may at its option require the Mortgagor pursuant to Paragraphs First and Second of this clause to pay to the said Mortgagee upon the same day of each month as provided for the making of the installments of the note secured hereby a sum equal to one-twelfth (1/12) of the total estimated amount of the current year's taxes and assessments, whether general or special, on said property and a further sum equal to one-twelfth (1/12) of the annual premium on any insurance policies as hereinbefore provided at the place designated by said Mortgagee. And if any such funds so collected be insufficient to pay any taxes, assessments or premiums when due and payable, the Mortgagor hereby agrees to pay to the Mortgagee any deficiency therein on demand.

Fourth, to permit Mortgagee to pay any taxes and assessments and maintain any insurance and make any repairs in case of the failure of the Mortgagor to perform the same as hereinbefore provided and any sums so expended by Mortgagee shall be a lien on the said premises and the same may be recovered with interest or at the option of the Mortgagee may be made a part of the unpaid balance of the note for which this mortgage is secured and the payment of any such sums by the Mortgagor thereby waives of the right of the said Mortgagee to foreclose this mortgage on account thereof.

Fifth, to commit or suffer no waste of said property and to maintain and keep the same in good condition and repair and promptly to effect such repairs thereof as Mortgagee may require.

Sixth, to waive the benefit of any valuation or appraisal and all benefits of the homestead and exemption laws of the State of Kansas.

Seventh, to cause or suffer no unlawful or illegal use of said property or any part thereof at any time.

AND IT IS HEREBY MUTUALLY COVENANTED AND AGREED BY AND BETWEEN THE MORTGAGOR AND THE MORTGAGEE:

First, that Mortgagee is hereby authorized and empowered at its option at any time without notice and without affecting the liability of any person for the payment of any indebtedness secured hereby or the lien upon said property hereby created or the priority thereof to deal in any way with the said Mortgagor or to grant the Mortgagor any indulgences or forbearances or any extensions of time for the payment of any indebtedness secured hereby; and to pay to or permit the use for any purpose by Mortgagor of any rents, revenues or other moneys received by Mortgagee under any insurance policy or award herein mentioned or otherwise.

Second, that each right, power, and remedy herein conferred upon Mortgagee is cumulative of any other right of Mortgagee whether herein or by law conferred and may be enforced concurrently herewith.

Third, that any and all moneys which may be received by Mortgagee during the continuance of any default hereunder by Mortgagor may be applied to the payment of any indebtedness secured hereby as Mortgagee may determine notwithstanding any provision in this mortgage or the note which it secures.

Fourth, that no waiver by Mortgagee of the performance of any obligation herein or in said note contained shall thereafter in any manner affect the right of the Mortgagee to require or enforce performance of the same or any other of said obligations.