

THE FEDERAL LAND BANK OF WICHITA

12390

FIRST FARM MORTGAGE

BOOK 149

THIS INDENTURE Made this 5th day of MARCH 1968 between

HAROLD W. SHERMAN and MARY V. SHERMAN, husband and wife,

hereinafter called mortgagor, whether one or more, and THE FEDERAL LAND BANK OF WICHITA, Wichita, Kansas, a corporation organized and existing under the Federal Farm Loan Act approved July 17, 1916, hereinafter called mortgagee.

WITNESSETH That said mortgagor, for and in consideration of the sum of
 TWENTY-SIX THOUSAND FOUR HUNDRED AND NO/100 (\$26,400.00) DOLLARS,
 in hand paid by mortgagee, receipt of which is hereby acknowledged, mortgages to said mortgagee, all of the following described real estate
 situate in the County of DOUGLAS and State of KANSAS to-wit:

The Northwest Quarter of Section 17, Township 13 South,
 Range 20 East of the Sixth Principal Meridian.

Containing 160 acres, more or less.
 Subject to existing easements and rights of way and except mineral interests owned by third persons under valid reservations or conveyances now of record.

Together with all privileges, hereditaments and appurtenances thereunto belonging, or in any wise appertaining, including all water, irrigation and drainage rights of every kind and description, however evidenced or manifested, and all rights of way, apparatus and fixtures belonging to or used in connection therewith, whether owned by mortgagor at the date of this mortgage, or thereafter acquired, also abstracts or other evidence of title to the above described real estate.

This mortgage is given to secure the payment of a promissory note of even date herewith executed by mortgagor to mortgagee, in the amount of \$ 26,400.00 with interest as provided for in said note, being payable in installments, the last of which being due and payable on the First day of JANUARY 2001.

Mortgagor hereby covenants and agrees with mortgagee as follows:

1. To be lawfully seized of the fee simple title to all of said above described real estate; to have good right to sell and convey the same; that the same is free from all encumbrances; and to warrant and defend the title thereto against the lawful claims or demands of all persons whomsoever.
2. To pay when due all payments provided for in the note(s) secured hereby.
3. To pay when due all taxes, liens, judgments, or assessments which may be lawfully assessed or levied against the property herein mortgaged.
4. To insure and keep insured buildings and other improvements now on, or which may hereafter be placed on, said premises, against loss or damage by fire and/or tornado, in companies and amounts satisfactory to mortgagee; any policy evidencing such insurance to be deposited with, and loss thereunder to be payable to, mortgagee as its interest may appear. At the option of mortgagor, and subject to general regulations of the Farm Credit Administration, sums so received by mortgagee may be used to pay for reconstruction of the destroyed improvements; or, if not so applied may, at the option of the mortgagee, be applied in payment of any indebtedness, matured or unmatured, secured by this mortgage.
5. To use the proceeds from the loan secured hereby solely for the purposes set forth in mortgagor's application for said loan.
6. Not to permit, either wilfully or by neglect, any unreasonable depreciation in the value of said premises or the buildings and improvements situate thereon, but to keep the same in good repair at all times; not to remove or permit to be removed from said premises any buildings or improvements situate thereon; not to commit or suffer waste to be committed upon the premises; not to cut or remove any timber therefrom, or permit same, excepting such as may be necessary for ordinary

domestic purposes; and not to permit said real estate to depreciate in value because of erosion, insufficient water supply or for inadequate or improper drainage or irrigation of said land.

7. The mortgagee may, at any time, without notice, release all or any part of the premises described herein, grant extensions and deferments, agree to and grant renewals and reamortizations of the indebtedness, or any part thereof, or release from personal liability any one or more parties who are or may become liable for the indebtedness or any part thereof, without affecting the priority of this mortgage as to the personal liability of the mortgagor or any party liable or who may become liable for the payment of the lien hereof.

8. To reimburse mortgagee for all costs and expenses incurred by it in any suit to foreclose this mortgage, or in any suit in which mortgagee may be obliged to defend or protect its rights or lien acquired hereunder, including all abstract fees, court costs, a reasonable attorney fee where allowed by law, and other expenses; and such sums shall be secured hereby and included in any decree of foreclosure.

This mortgage is subject to the Federal Farm Loan Act and all acts amendatory thereof or supplementary thereto.

In the event mortgagor fails to pay when due any taxes, liens, judgments or assessments lawfully assessed against property herein mortgaged, or fails to maintain insurance as hereinbefore provided, mortgagee may make such payments or provide such insurance, and the amount(s) paid therefor shall become a part of the indebtedness secured hereby and bear interest from the date of payment as provided for in the above described note.

The said mortgagor hereby transfers, assigns, sets over and conveys to mortgagee all rents, royalties, bonuses and delay moneys that may from time to time become due and payable under any oil and gas or other mineral lease(s) of any kind now existing, or that may hereafter come into existence, covering the above described land, or any portion thereof, and any sums which are now payable, or which at any time in the future may become payable to mortgagor, or successors, in settlement and satisfaction of all claims, injuries, and damages of whatsoever kind, nature or character, growing out of, incident to, or in connection with the production, exploration, drilling, operating or mining for minerals (including, but not limited to oil and gas and related minerals) on the above described real estate, or any portion thereof, and said mortgagor agrees to execute, acknowledge and deliver to the mortgagee such instruments, as the mortgagee may now or hereafter require in order to facilitate the payment to it of said rents, royalties, bonuses, delay moneys, claims, injuries and damages. All such sums so received by the mortgagee shall be applied: first, to the payment of matured installments upon the note(s) secured hereby and/or to the reimbursement of the mortgagee for any sums advanced in payment of taxes, insurance premiums, or other assessments, as herein provided; together with the interest due thereon; and second, the balance, if any, upon the principal remaining unpaid, in such a manner, however, as not to abate or reduce the installment payments but to sooner retire and discharge the loan; or said mortgagee may, at its option, turn over and deliver to the then owner of said lands, either in whole or in part, any or all such sums, without prejudice to its rights to take and retain any future sum or sums, and without prejudice to any of its other rights under this mortgage. The transfer and conveyance hereunder to the mortgagee of the aforementioned payments shall be construed to be a provision for the payment or reduction of the mortgage debt, subject to the mortgagee's option as hereinbefore provided. Independent of the mortgage lien on said real estate. Upon release of the mortgage of record, this conveyance shall become inoperative and of no further force and effect.