

pumps and electric motors contained or placed in the buildings upon said premises, and used or useful in connection with said buildings, as well as any and all garages and other out-buildings now located or hereafter placed upon said premises, whether the same are upon or off foundation; and also all the estate, right, title and interest of the party of the first part therein unto the party of the second part, forever.

The party of the first part hereby covenants that he has good right to sell and convey said premises, as aforesaid, and that they are free from encumbrance, and hereby warrants the title to the same against all persons whomsoever.

This mortgage is given to secure the payment of the principal sum of

EIGHTEEN THOUSAND and 00/100-----DOLLARS (\$18,000.00).

with interest thereon, as evidenced by a certain promissory note of even date herewith, and any extensions, renewals, or additions to said promissory note not in excess of the original amount thereof, the terms of which are incorporated herein by reference, payable in monthly installments as provided in said note; said monthly installments to be applied first to payment of interest on principal and the balance in the reduction of the principal amount of said note.

The party of the first part covenants and agrees as follows:

1. That he will promptly pay the principal of and interest on the indebtedness evidenced by the said note, at the time and in the manner therein provided.
2. That he will promptly pay, before the same shall become delinquent, all taxes and special assessments of any kind that may be levied or assessed within the State of Kansas upon the mortgaged premises or any part thereof or upon the interest of the mortgages, its successors or assigns, in said premises or upon the note or debt secured by this mortgage.
3. That the party of the first part will keep the improvements now existing or hereafter erected on the mortgaged premises insured, as may be required from time to time by the second party, against loss by fire or other hazards, casualties and contingencies in such amounts and for such periods as it may require and will pay promptly, when due, any premiums on such insurance. All insurance shall be carried in companies approved by second party, and the policies and renewals thereof shall be held by it and have attached thereto loss payable clauses in favor of and in form acceptable to second party. In the event of loss, he will give immediate notice by registered mail to the party of the second part who may make proof of loss, if not made promptly by party of the first part, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to the party of the second part instead of to the first party and second party jointly, and the insurance proceeds, or any part thereof, may be applied by the party of the second part, at its option, either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In the event of foreclosure of this mortgage or other transfer of title to the mortgaged property in extinguishment of the debt secured hereby, all rights, title and interest of the first party in and to any insurance policies then in force shall pass to the purchaser or grantee.
4. That he will keep the evidence of title, as deposited with party of the second part, extended to show the record ownership of the premises and to show the state of title in the event of any legal proceedings affecting this mortgage, and will keep the buildings and other improvements on the premises in as good repair and condition as at this time, ordinary wear and tear only excepted.
5. That if first party fails to make any payment provided for in this mortgage for taxes, insurance premiums, extension of title, or the like, then second party may pay the same and all sums so advanced, with interest thereon at ten per cent (10%) per annum from the date of such advance, shall be payable on demand and shall be secured hereby.
6. That if there shall be a default in any of the terms, conditions or covenants of this mortgage, or of the note secured hereby, then any sums owing by the first party to the party of the second part shall, at the option of the second party, become immediately due and payable. Party of the second part shall then have the right to enter into the possession of the mortgaged premises and collect the rents, issues and profits thereof. In the event of any default as herein described, this mortgage may be foreclosed. Appraisement is hereby waived.

Notice of the exercise of any option granted herein to party of the second part is not required to be given and no failure of second party to exercise any option to declare matured the debt hereby secured, or in fact any option hereunder, shall be deemed a waiver of the right to exercise such option at any other time, as to any present, past or future default hereunder. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

In Witness Whereof, the parties of the first part have hereunto set their hands and seal the day and year first above written.

Paul B. Penny (SEAL)
PAUL B. PENNY
Virginia Penny (SEAL)
VIRGINIA PENNY