

Tract 2

The Southeast Quarter of Section 5, Township 13 South, Range 19 East of the 6th P.M., Douglas County, Kansas (160 acres); and

Tract 3

The South Half of the South Half of the Southwest Quarter of Section 4, Township 13, Range 19 East of the 6th P.M., less a tract described as follows: Beginning at the Southeast corner of the Southwest Quarter of Section 4, Township 13 South, Range 19 East of the 6th P.M., thence north on the quarter section line 260 feet, thence west parallel with the south line of said quarter section 500 feet; thence south parallel with the east line of said quarter section 260 feet to the south line of said quarter section, thence east on the section line 500 feet to the point of beginning (containing 37 acres),

with the appurtenances and all the estate, title, and interest of the said parties of the first part therein.

And the said parties of the first part do hereby covenant and agree that at the delivery hereof they are the lawful owners of the premises above granted, and seized of a good and indefeasible estate of inheritance therein, free and clear of all incumbrances except:

A mortgage in the original amount of \$25,000.00 to the Federal Land Bank of Wichita covering Tract 1 above described dated March 30, 1966, recorded March 31, 1966, in Book 143 at Page 221 of the records in the office of the Register of Deeds of Douglas County, Kansas; and

Also subject to the unpaid balance owing upon a purchase contract dated September 3, 1967, between Roy T. Webb and Laura M. Webb, his wife, as sellers, and Stanley D. Penny and Theo M. Penny, his wife, as purchasers, covering said Tract 1; and

Mortgage to the First National Bank of Lawrence, Lawrence, Kansas, covering Tracts 2 and 3 above described, dated September 22, 1969, recorded November 20, 1969, in Book 155 at Page 256 of the records in the office of the Register of Deeds of Douglas County, Kansas, in the original amount of \$30,000.00;

and that they will warrant and defend the same against all parties making lawful claim thereto.

It is agreed between the parties hereto that the parties of the first part shall at all times during the life of this indenture, pay all taxes and assessments that may be levied against said real estate when the same become due and payable, and that they will keep the buildings upon said real estate insured against fire and tornado in such sum and by such insurance company as shall be specified and directed by the party of the second part, the loss, if any, made payable to the party of the second part to the extent of its interest. And in the event that said parties of the first part shall fail to pay such taxes when the same become due and payable or to keep said premises insured as herein provided, then the party of the second part may pay said taxes and insurance, or either, and the amount so paid shall become a part of the indebtedness, secured by this indenture, and shall bear interest at the rate of 10% from the date of payment until fully repaid.

THIS GRANT is intended as a mortgage to secure the payment of the sum of Fifty Thousand and no/100 Dollars, according to the terms of certain written obligations for the payment of said sum of money, one being by promissory note executed on October 29, 1970, in the principal sum of \$25,000.00, executed by S. D. Penny as president of Penny Construction Co., Inc., and S. D. Penny as an individual, and the other by promissory note dated October 29, 1970, in the principal amount of \$25,000.00, executed by Penny Construction Company, by S. D. Penny, president, and by S. D. Penny as an individual, and both of which by their terms are made payable to Lawrence National Bank and Trust Company, Lawrence, Kansas, and also to secure any sum or sums of money advanced by the said party of the second part to pay for any insurance or to discharge any taxes with interest thereon as herein provided, in the event that said parties of the first part shall fail to pay the same as provided in this indenture.