

blinds, rugs, carpets, mirrors, lamps, draperies, curtains, hangings, pictures and other furniture, furnishings and fixtures now or hereafter located, upon and used or furnished in connection with the letting or operation of said premises.

TO HAVE AND TO HOLD THE SAME, with all the easements, rights, privileges and appurtenances aforesaid thereunto belonging, all of which are hereinafter called the mortgaged premises, unto Mortgagee and to its successors and assigns forever.

THE PARTIES OF THE FIRST PART HEREBY COVENANT AND AGREE AS FOLLOWS:

1. That this mortgage is given as security for the performance and observance and agreements herein contained and to secure the parties of the second part the payment of the sum of Four Hundred Twenty-Five Thousand Dollars (\$425,000.00) and interest thereon, evidenced by the parties' of the first part promissory notes of even date herewith, payable according to their terms, to the order of JACK H. SHARP and C. N. SHORTEN, herein collectively referred to as parties of the second part, copies of said notes marked "Exhibit A" and "Exhibit B" being attached hereto and made a part hereof.

2. The parties of the first part are well and lawfully seized of the mortgaged premises as a good and indefeasible estate in fee simple and have good right and full power to sell and convey the same; that the mortgaged premises are free and clear of all encumbrances, except a first mortgage securing a note in the original principal amount of One Million Dollars (\$1,000,000.00) which note has a present unpaid balance of approximately \$877,079.00 and an additional first mortgage securing a note in the original principal amount of Four Hundred Fifty Thousand Dollars (\$450,000.00) with a present unpaid balance of approximately \$378,087.00, and in addition thereto, a second mortgage securing a note in the original principal amount of Three Hundred Forty Thousand Dollars (\$340,000.00), all of which mortgages have been recorded in the Register of Deeds office of Douglas County, Kansas. The parties of the first part have agreed