

181 Edls. Reinforcing Wire
 41 " Steel ladders
 752 Wood doors
 17 Sheets of Chutes
 42 Pds. of Cross Frames
 150 ladder rounds
 7,969 Gal. Fuel Oil
 300 Brick Cartons
 225 Tile "
 300 Lbs. Powder
 50 " Dynamite
 200 Electric Caps
 3 Tons Hay

Also all supplies of every description, tools utensils, raw materials for repairs and otherwise, spare repair parts, scrap material, office supplies and records.

To have and to hold the same with all and singular, the hereditaments and appurtenances hereto belonging unto the said second party and unto his heirs and assigns forever, provided, also, that this conveyance is made, executed and delivered upon the following conditions, to wit:

Whereas, the said first party has this day made, executed and delivered to the said second party, its promissory note of even date herewith, by which it promised to pay to said C. Gerald Hesse or order, for value received \$6002.28 (written with lead pencil) due January 9th, 1923, with interest from date to maturity, at the rate of 8 per cent per annum.

Now, if the said Coates Manufacturing Company shall well and truly pay, or cause to be paid, the sum of money in said note mentioned or the money hereinafter provided to be paid second party, for which a security is herein given, with interest thereon, or if such sums of money shall be paid from the operation of the property as hereinafter provided, then these presents shall be null and void, and second party shall re-deliver to first party the possession of said properties.

And for the further securing of said note, and for the consideration herein expressed the first party shall, and does hereby turn over and deliver to the second party, the peaceable possession of said property, with full power and authority to take over and control the same, and operate the said property as a going concern; that the second party shall have the right and authority to fully operate said premises and the plant located thereon, using such machinery, equipment and property as is thereon located, for that purpose, and second party shall have power and authority to use such material as may be located on said property, as well as the shale deposits thereon, for the purpose of the manufacture of products to be manufactured on said property. The second party shall have full right and authority to sell and dispose of any of the manufactured products now on said property and to manufacture and sell hereafter any products produced in the operation of said property and out of the proceeds derived from any such sale or sales, to pay all of the taxes, and assessments which may be made or which may become a lien against said property, and to pay all of the necessary expenses in the organization and operation of said property, including reasonable wages or salary to the second party of such person or persons he may designate and place in charge of said properties; that said second party shall have full power and authority, out of the proceeds from the sale of any such products, to pay all amounts of money hereafter becoming due which are a lien upon said premises; that all profits derived from the operation of said plant, after the payment of all necessary expenses of operation and all cost of products manufactured therein, and after the payment of all taxes and assessments on or against said property, and after the payment of all liens or payment of money secured by liens thereon, one-third of the balance of such profits, if any, shall be applied on the indebtedness hereby secured, and the remaining two-thirds thereof, shall be applied or paid by second party, at the direction of the first party, pro rata among the present unsecured creditors of the first party.

The second party shall have the right, out of the proceeds from the sale of any of such products, or shall have the right, out of his own funds, to pay off and discharge any indebtedness of the first party now existing and which is a lien against the properties hereby conveyed and for the re-payment of any money so paid, together with interest thereon from the time of payment at the rate of eight per cent per annum, these presents shall be like security as for the security of the note herein described. But if said sums of money or either of them, or any part thereof, or any interest thereon, be not paid when the same become due, then, and in that case, the whole of said sums and interest shall, at the option of said party of the second part or assigns, by virtue of this mortgage, immediately become due and payable; or, if the taxes and assessments of every nature which are or may be assessed against said land and appurtenances, or either of them, or any part thereof, are not paid at the times when the same are by law made due and payable, then in like manner the said note, and the whole of said sums shall immediately become due and payable; and upon forfeiture of this mortgage, or in case of default in any of the payments herein provided for, the party of the second part, his heirs, executors, administrators and assigns, shall be entitled to a judgment for the sums due upon said note and the additional sums paid by virtue of this Mortgage, and all costs and expenses of enforcing the same, as provided by law, and a decree for the sale of said premises in satisfaction of said judgment, foreclosing all rights and equities in and to said premises of said party of the first part its successors and assigns, and all persons claiming under it, at which sale, appraisalment of said property is hereby waived by said party of the first part, and all benefits of the homestead, exemption and stay laws of the State of Kansas are hereby waived by said party of the first part. And the said party of the first part shall and will at its own expense from the date of the execution of this Mortgage until said note and interest, and all liens