

that if said party of the first part shall pay or cause to be paid, to said second party, said sums of money represented by the notes hereinabove described, together with the interest thereon, when the same shall become due, then this mortgage lien shall become discharged and void, otherwise to remain in full force and effect. But if said sums of money, or any part thereof, or any interest thereon, is not paid when the same is due, and if the taxes and assessments of every kind and nature, which are or may be assessed levied ~~as~~ taxed against said lease, lease-hold estates or any property herein mentioned or any part thereof is not paid when the same are by law made due and payable, the whole of said sums and interest thereon, shall become due and payable. And the said second party shall be entitled to possession of said property.

And it is further understood and agreed by and between the parties hereto, that the said party of the secondpart, has, and is hereby recognized and acknowledged by the first party as having a vendor's lien on all the property, hereinabove mentioned and described to secure the deferred payments of the the purchase price, herein specified. And it is expressly agreed between the parties for the purpose hereof, that said property shall be treated as real property, and if default is made as herein provided for, the said first party agrees to deliver peaceable possession of all said property unto the said ~~S~~melby Oil and Gas Company immediately upon demand being made of any officer, manager or agent of first party, in writing, by second party, and said lien shall be enforced or foreclosed in accordance with the laws of Oklahoma. And said second party is hereby expressly authorized to take possession of said property herein described, and operate the same and to sell the products thereof and thereby produced, and to pay all expenses, charges, and costs connected with the same out of the receipts derived therefrom, if sufficient, and if not sufficient, said second party shall have a lien upon said property for all unsatisfied expenditures, keeping true account of all receipts and disbursements, until the lien of second party is finally enforced and foreclosed.

It is further understood and agreed between the parties hereto, that said first party shall not wreck or abandon said property or any part thereof, or wells thereon, before giving second party thirty days notice in writing of such intention ~~so~~ to do, as long as any part of said sums herein mentioned are owing to said ~~S~~melby Oil and Gas Company.

It is further understood and agreed by and between the parties hereto, that this mortgage in so far as it relates to the Lalley Brown and Ralph Perryman and Joseph Perryman leases, shall be approved by the Secretary of the Interior; and the parties hereto, agree to do all things necessary to secure such approval, but it is expressly agreed between the parties hereto, that such failure shall not affect, in any way, the validity of said mortgage lien, as it relates to the other leases herein described, but the same is and shall be, a valid, binding and subsisting Vendor's Mortgage lien upon such property herein described, until said second party is fully paid; and in the event the Departement of the Interior does not approve this lien, then first party agrees to execute and deliver unto second party, a lien or such security, covering the property and said leases, satisfactory to second party, that the Departement of the Interior will approve.

The officers executing this instrument on behalf of first party, state that they have full power and authority to so execute the same, and that execution by them as is done hereinbelow, is in accordance with the by-laws of said Company, and binds said Company to a full and complete performance of all the terms and agreements of this indenture.

The Agreements, Covenants and conditions contained herein, extend to, and bind the heirs, successors and assigns of the parties hereto.