

Directors as above stated is hereby incorporated in this obligation instrument and all of its terms and conditions are to apply in full force and effect as stated.

Upon the non-payment or the non-fulfillment of any of the conditions of this note, then the whole or any designated part of the liabilities of the undersigned to Vernal F. Summit, shall mature at the election of Vernal F. Summit by presentation thereof for payment. In case of any sale by Vernal F. Summit, of any of said property on credit or for future delivery, the property sold shall be retained by Vernal F. Summit until the selling price is paid by the purchaser; but Vernal F. Summit shall incur no liability in case of failure of the purchaser to take up and pay for the property so sold. In case of any such failure the property may be again sold. At any sale hereunder, Vernal F. Summit, may himself purchase the whole or any part of the property sold, free from all right of redemption on the part of the undersigned, which is hereby waived and released. In the case of any sale, Vernal F. Summit may first deduct all the expenses for collection, sale and delivery of the property so sold, and any other expenses incurred by Vernal F. Summit, in connection with such sale; and may then apply the residue to any one, or more, or all of the said liabilities, whether due or not due, returning the overplus, if any, to the undersigned who shall remain liable to Vernal F. Summit, for any deficiency arising upon any such sale. The undersigned do hereby further authorize Vernal F. Summit at his option at any time, to appropriate and apply to the payment of any of said liabilities, whether now existing or hereafter contracted, any and all moneys or other property now or hereafter in the hands of Vernal F. Summit or deposit or for safe keeping or otherwise to the credit of or belonging to the undersigned, whether the said liabilities are then due or not due. The undersigned further agree that, upon any transfer of this note, Vernal F. Summit may deliver the property held as security, or any part thereof, to the transferee,