

together with all rents and other revenues or income therefrom, all appurtenances thereunto belonging and all improvements, water, water rights and personal property now or hereafter attached to or reasonably necessary to the use of the real property herein described, all of which property is sometimes hereinafter designated as "said property";

TO HAVE AND TO HOLD said property unto Mortgagee and its assigns forever;

AND MORTGAGOR, for himself, his heirs, executors, administrators, successors and assigns, does (1) hereby warrant that he is lawfully seized of an indefeasible estate in fee simple in and to said property, that he will forever warrant said property unto Mortgagee against the claims and demands of all persons whomsoever and that he will execute such further assurances of said property as Mortgagee may require; and (2) hereby and by these presents covenant and agree:

1. To pay to Mortgagee, as collection agent for Lender, promptly when due all installments of principal and interest according to the terms of said instrument of debt.

2. To pay to Mortgagee, together with and in addition to the annual payments of principal and interest payable to Lender under the terms of the instrument of debt, the following sums:

(a) The annual loan insurance charge as prescribed above. Mortgagor shall continue to pay such annual charge until said loan is paid in full, or the mortgaged property is acquired by Mortgagee, or until the insurance agreement is otherwise terminated: *Provided*, That in the event said loan is paid in full in less than five (5) years after the date of the instrument of debt and at that time it is insured by Mortgagee, Mortgagor shall pay to Mortgagee the entire annual loan insurance charge computed for the year then current and, at Mortgagee's option, an additional charge equal to the annual charge for such year, such payment to be applied by Mortgagee on Mortgagor's obligation on account of loan insurance. Assignment of the instrument of debt to Mortgagee shall not operate to terminate the insurance agreement or relieve Mortgagor from the obligation to pay the required annual charge.

(b) Such delinquency charges and default reserves as Mortgagee finds necessary and may hereafter establish by regulation.

(c) Such initial fees for inspection, appraisal and other charges as Mortgagee finds necessary.

All payments mentioned in the preceding subsections (a) and (b) of this paragraph, all payments on the installments of principal and interest to be made under the instrument of debt, and all advances made by Mortgagee for the account of Mortgagor as hereinafter provided, shall be added together and the aggregate amount thereof shall be paid by Mortgagor on the prescribed due date of each installment of principal and interest, to be applied to the payment of the following items in the order set forth:

- (1) advances by Mortgagee for the account of Mortgagor, with interest at the rate provided in the instrument of debt;
- (2) annual loan insurance charges owing to Mortgagee;
- (3) interest on said loan; and
- (4) amortization of the principal of said loan.

3. If Mortgagor has failed to pay to Mortgagee the full amount of any installment of principal and interest on or before the due date thereof, Mortgagee will after thirty (30) days from the due date pay the unpaid amount of such installment to Lender, less the amount of any previous prepayments (except refunds and payments from proceeds from the voluntary or involuntary sale of any part of the mortgaged property or from royalties from leases under which the value of the security is depreciated). Amounts thus advanced by Mortgagee, as well as other amounts for the payment of property insurance premiums, taxes, assessments, and items of similar character, which may be advanced by Mortgagee for the account of Mortgagor by reason of his failure to pay the same, shall be deducted from the first available collections received from Mortgagor and shall be repaid to the insurance fund maintained by Mortgagee. All such advances shall bear interest at the rate specified in the instrument of

debt, and, until repaid, the advances and interest thereon shall be added to subsequent installments. Until such advances have been repaid by Mortgagor, payment thereof by Mortgagee shall not relieve Mortgagor from the breach of his covenant to pay.

4. Should Mortgagor violate any covenant, agreement or condition contained in this mortgage or in any other instrument executed in connection with said loan or the insurance thereof, Mortgagee may require Lender to assign the instrument of debt, together with the incidents thereto, upon payment to Lender of the insurance benefits as described herein. Should Mortgagee require the assignment of the instrument of debt from Lender to Mortgagee, upon such assignment and transfer, Mortgagee shall pay Lender an amount equal to the unpaid principal and interest under the instrument of debt.

5. To pay, before the same shall become delinquent, all taxes, assessments, levies, liabilities, obligations and encumbrances of every nature whatsoever which affect said property or Mortgagee's rights and interests therein under this mortgage, and promptly to deliver to Mortgagee, without demand or receipts evidencing such payments.

6. Immediately upon the execution of this mortgage to provide, and thereafter continuously maintain, fire insurance policies and such other insurance policies as Mortgagee may then or from time to time require upon the buildings and improvements now situate or hereafter constructed in or upon said property. Said fire and other insurance policies shall be deposited with Mortgagee and shall be with companies, in amounts and on terms and conditions, approved by Mortgagee.

7. Personally and continuously to reside on said property and, with his own and his family labor, personally to operate said property as a farm and for no other purpose; at all time to maintain said property in proper repair and good condition to commit or suffer no waste or exhaustion of said property neither to cut nor remove any timber therefrom, nor to remove, or permit to be removed, gravel, oil, gas, coal or other minerals, except such as may be necessary for ordinary domestic purposes; promptly to effect such repairs to said property as Mortgagee may require; to institute and carry out such farming conservation practices and farm and home management plans as Mortgagee shall from time to time prescribe; and to make no improvements upon said property without consent by Mortgagee.

8. To perform, comply with and abide by each and every stipulation, agreement, condition and covenant contained in the instrument of debt, in any extension or renewal thereof in this mortgage, or in any other instrument executed by Mortgagor in connection with said loan or the insurance thereof.

9. To comply with all laws, ordinances and regulation affecting said property or its use.

10. That said loan was expressly made by Lender to Mortgagor to enable Mortgagor to purchase, repair, improve or enlarge said property, or refinance in connection with such improvement or enlargement, or any combination of the aforesaid purposes, and that Mortgagor did or will use said money for the foregoing purposes.

11. That Mortgagee, its agents and attorneys, shall have the right at all times to inspect and examine said property for the purpose of ascertaining whether the security given is being lessened, diminished, depleted or impaired, and if such inspection or examination shall disclose, in the judgment of Mortgagee, that the security given or property mortgaged is being lessened or impaired, such condition shall be deemed a breach of the covenants of this mortgage on the part of Mortgagor.

12. That all of the terms and provisions of the instrument of debt, of any extension or renewal thereof, of any other instrument executed by Mortgagor in connection with said loan or the insurance thereof, and of the insurance agreement are hereby incorporated in and made a part of this mortgage as if the same were set out in full herein, and shall be construed with this mortgage as one instrument.