

together with all rights, interests, easements, hereditaments, and appurtenances thereunto belonging, the rents, issues and profits thereof and revenues and income therefrom, all improvements and personal property now or later attached thereto or reasonably necessary to the use thereof, all water, water rights, and water stock pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale, lease, transfer or conveyance of any part thereof or interest therein, including but not limited to payments for property taken by eminent domain - all of which are hereinafter called said property;

TO HAVE AND TO HOLD said property unto the Government and its assigns forever in fee simple.

BORROWER for himself, his heirs, executors, administrators, successors and assigns WARRANTS THE TITLE to said property to the Government against all lawful claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyances specified hereinabove, AGREES TO PAY when due the indebtedness hereby secured and, so long as any such indebtedness remains unpaid, COVENANTS AND AGREES TO:

- (1) pay when due all taxes, liens, judgments, encumbrances, and assessments lawfully attaching to or assessed against said property and promptly deliver to the Government without demand receipts evidencing such payments;
- (2) keep said property insured as required by and under policies approved by, delivered to, and retained by the Government;
- (3) maintain improvements in good repair and make repairs required by the Government; operate said property in a good and husbandmanlike manner; comply with such farm conservation practices and farm and home management plans as the Government from time to time may prescribe; and not abandon said property, or cause or permit waste, lessening or impairment of the security covered hereby, or, without the written consent of the Government, cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals except as may be necessary for ordinary domestic purposes;
- (4) if this instrument secures a "Farm Ownership" loan as identified in Farmers Home Administration regulations, personally operate said property with his own and his family labor as a farm and for no other purpose, and not lease said property or any part of it, unless the Government consents in writing to another method of operation or to a lease;
- (5) comply with all laws, ordinances, and regulations affecting said property;
- (6) pay or reimburse the Government for expenses reasonably necessary or incidental to protection of the lien and priority hereof and to enforcement of or compliance with the provisions hereof and of any instrument secured hereby (whether before or after default), including but not limited to costs of evidence of title to and survey of said property, costs of recording this and other instruments, attorneys' fees, trustees' commissions, court costs, and expenses of advertising, selling, and conveying said property;

AND THAT:

- (7) any amounts required herein to be paid by Borrower may, if not paid when due, be paid by the Government and thereupon shall be secured hereby, bear interest at the rate borne by said note if only one is described, or, if more than one is described above and secured hereby, at the rate borne by the one selected by the Government in its sole discretion, and be immediately due and payable by Borrower to the Government, without demand, at the place designated in the note;
- (8) neither said property nor any portion thereof or interest therein shall be assigned, sold, transferred, or encumbered, voluntarily or otherwise, without the written consent of the Government;
- (9) at all reasonable times the Government and its agents may inspect said property to ascertain whether the requirements hereof are being met;
- (10) the Government may extend and defer the maturity of and renew and reamortize any debts secured hereby, release from liability any party liable thereon and release portions of said property from and subordinate the lien hereof, and waive any other rights hereunder, without affecting the lien or priority hereof or the liability of Borrower or any other party for payment of said debts;
- (11) default hereunder shall constitute default under any other real estate or crop or chattel security instrument held by the Government and executed or assumed by Borrower, and default under any such other security instrument shall constitute default hereunder;
- (12) SHOULD BORROWER, or any one of the persons herein called Borrower, DEFAULT in payment of any debt or performance of any covenant or agreement hereby secured or herein contained, or die or be declared an incompetent, a bankrupt or an insolvent, or make an assignment for the benefit of creditors, the Government at its option may: (a) declare all debts hereby secured immediately due and payable, (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate and rent said property, (c) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for said property, with the usual powers of receivers in like cases, (d) foreclose this instrument as provided by law or herein, and (e) enforce any and all other remedies provided herein or by present or future law;
- (13) at foreclosure or other sale of all or any part of said property, the Government and its agents may bid and purchase as a stranger and may pay the Government's share of the purchase price by crediting such amount on any debts of Borrower owing to or insured by the Government in the order prescribed in paragraph (14);
- (14) the proceeds of foreclosure sale, after being applied to the payment of costs and expenses incident to enforcing or complying with the provisions hereof, any prior liens required by law or a competent court to be so paid, and all indebtedness secured hereby, shall be applied in the following order to the payment of: (a) inferior liens of record required by law or a competent court to be so paid, (b) at the Government's option, any other indebtedness of Borrower owing to or insured by the Government, and (c) any balance to Borrower;
- (15) as against the indebtedness hereby secured, with respect to said property, and to the extent permitted by law, Borrower hereby relinquishes, waives, and conveys all rights, inchoate or consummate, of descent, dower, curtesy, homestead, valuation, appraisal, redemption, and exemption to which Borrower is or becomes entitled under the laws and constitution of the jurisdiction where said property lies, and also the right of possession of said property during the period of redemption;
- (16) this instrument shall be subject to the present regulations of the Farmers Home Administration, and to its future regulations not inconsistent with the express provisions hereof;
- (17) notices given hereunder shall be sent by certified mail, unless otherwise required by law, addressed, until some other address is designated in a notice so given, in the case of the Government to Farmers Home Administration, United States Department of Agriculture, Wenatchee, Washington, and in the case of Borrower to him at his post office address stated above.