

Together with:

1. The water system of Borrower located or to be located on the premises described in the above-listed real property, easements and franchises including but not limited to reservoirs, distribution tanks, control valves and locks, rams, pumps, motors, improvements, incidental fittings, diversion dams, distribution system, pipe, service connections headworks, pressure tanks, pump houses, meters, miscellaneous valves, casings, electrical parts, fittings, and wells.

2. All water rights, canals, ditches, and diversion works now owned or hereafter acquired by Borrower and used or reasonably necessary to the use of the real property now owned or hereafter acquired by Borrower and in connection with the water system of Borrower.

3. All rents and other revenue or income therefrom, the rights, title and interest of Borrower in and to, all and singular, the rights, grants, rights-of-way, easements, water rights, hereditaments and appurtenances thereunto belonging, including all improvements 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 the said property unto the Government and its assigns forever.

Borrower, for itself, its successors and assigns, does hereby and by these presents forever warrant said property unto the Government against the claims and demands of all persons whomsoever, and does hereby and by these presents covenant and agree:

1. To pay promptly when due any indebtedness to the Government hereby secured and to indemnify and save harmless the Government against any loss under its insurance of payment of the promissory note by reason of any default by Borrower. At all times when the promissory note is held by an insured lender, Borrower shall continue to make payments on the promissory note to the Government as collection agent for the holder.

2. To pay to the Government any initial fees for inspection and appraisal, and any delinquency charges, now or hereafter required by regulations of the Farmers Home Administration.

3. To maintain said property in proper repair and good condition; to commit or suffer no waste or exhaustion of said property; and to remove or demolish no building or other improvement on said property, neither to cut nor to remove any timber therefrom, nor to remove, nor permit to be removed, any gravel, oil, gas, coal, or other minerals, without the consent of the Government; and promptly to effect such repairs to said property as the Government may from time to time require. If, in the opinion of the Government, the security pledged for the performance of the obligations incurred hereunder be deemed at any time inadequate for the protection of the interests of the Government, Borrower covenants that it will deposit such further security as may be available and will provide or adopt such methods of operation or means for the repayment of the loan as the Government may require.

