

WHEREAS, it is the purpose and intent of this instrument that, among other things, at all times when the note is held by the Government, or in the event the Government should assign this instrument without insurance of the note, this instrument shall secure payment of the note; but when the note is held by an insured lender, this instrument shall not secure payment of the note or attach to the debt evidenced thereby, but as to the note and such debt shall constitute an indemnity mortgage to secure the Government against loss under its insurance endorsement by reason of any default by Borrower:

NOW, THEREFORE, in consideration of said loan and (a) at all times when the note is held by the Government, or in the event the Government should assign this instrument without insurance of the payment of the note, to secure prompt payment of the note and any renewals and extensions thereof and any agreements contained therein, (b) at all times when the note is held by an insured lender, to secure performance of Borrower's agreement herein to indemnify and save harmless the Government against loss under its insurance endorsement by reason of any default by Borrower, and (c) in any event and at all times to secure the prompt payment of all advances and expenditures made by the Government, with interest, as hereinafter described, and the performance of every covenant and agreement of the Borrower contained herein or in any supplementary agreement, Borrower does hereby mortgage, assign, and warrant to the Government the following property situated in the State of Kansas, County of Douglas:

(a) The entire water system owned and operated by Rural Water District No. 2, Douglas County, Kansas, and all appurtenances thereto, including the easements in favor of the said Rural Water District for standpipes or water towers described as follows:

Water tank or water tower site being more particularly described as follows:

Beginning at a point on the Section centerline 285 feet North of the Southeast corner of the Northeast Quarter of Northwest Quarter of Section 14, Township 14 South, Range 19 East, proceed North along Section centerline, 50 feet, thence West 175 feet, thence South 50 feet, thence east 175 feet to the point of beginning, less any parts used for road purposes, Douglas County, Kansas.

Water tank or water tower site being more particularly described as follows:

Beginning at a point 242 feet West of the Northeast corner of Section 30, Township 14 South, Range 19 East and on North line of said Section, proceed West 50 feet along North line of Section, thence South 133 feet, thence East 50 feet, thence North 133 feet to a point of beginning, less any portion used for road purposes, Douglas County, Kansas

The well site more particularly described as follows:

Beginning at the Northeast corner of the North Half of the Northwest Quarter of Section 2, Township 15, Range 19, thence South three hundred fifty feet, thence West three hundred fifty feet, thence North three hundred fifty feet, thence East three hundred fifty feet to the place of beginning, in Douglas County, Kansas, less any portion of the described tract owned by the State of Kansas.

(b) All right, title and interest of the Borrower in, to and under any and all grants, privileges, rights-of-way and easements now owned, held, leased, enjoyed or exercised, or which shall hereafter be owned, held, leased, acquired, enjoyed or exercised by the Borrower for the purposes of and in connection with the construction or operation by or on behalf of the Borrower of water mains and pipe lines and service lines.