

(c) All right, title and interest of the Borrower in and to the water transmission and distribution system now owned, or to be acquired or constructed or to be constructed by the Borrower with the proceeds of the loan evidenced by the note described herein, in the County of Douglas, State of Kansas, to serve consumers in and near the city of Lawrence, Kansas, and in and to all extensions and improvements thereof and additions thereto, including all water mains, pipe lines, service lines, meters, meter boxes, fixtures, appliances, machinery and other equipment and any and all other property of every nature and description used or acquired for use by the Borrower in connection therewith.

(d) All right, title, and interest of the Borrower in, to and under all licenses, franchises, ordinances, privileges and permits heretofore granted, issued or executed or which may hereafter be granted, issued or executed to it or its assignors by the State of Kansas or by any county, township, municipality, village or other political subdivision thereof, or by any agency, board, commission, or department of any of the foregoing, authorizing the construction, acquisition or operation of a water system insofar as the same may by law be assigned, granted, bargained, sold, conveyed, transferred, mortgaged, or pledged.

(e) All right, title, and interest of the Borrower in and to ~~the~~
contract dated the _____ day of _____, 19____ entered into by
and between _____
and the Borrower providing for the supply of water to the borrower by said
_____.
together with all rents, incomes, revenues, profits and benefits at any time
derived, received, or had from any and all of the above described property
of the Borrower (all the property hereinabove described in paragraphs (a), (b),
(c), (d), and (e) hereof, 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, conveyance or condemnation of any part thereof or interest therein,
being hereinafter called the "property"):

TO HAVE AND TO HOLD the property unto the Government and its assigns forever.

BORROWER, for itself, its successors and assigns WARRANTS THE TITLE to the property to the Government against all lawful claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyances specified hereinabove, and COVENANTS AND AGREES as follows

1. That all of the property hereinabove described, whether now owned or hereafter acquired, shall be construed to be real property.
2. 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 note by reason of any default by Borrower. At all times when the note is held by an insured lender, Borrower shall continue to make payments on the note to the Government as collection agent for the holder.