

3. To pay to the Government any delinquency charges, now or hereafter required by regulations of the Farmers Home Administration.

4. At all times when the note is held by an insured lender, any amount due and unpaid under the terms of the note, less the amount of the annual charge, may be paid by the Government to the holder of the note to the extent provided in the insurance endorsement for the account of Borrower. Any amount due and unpaid under the terms of the note, whether it is held by the Government or by an insured lender, may be credited by the Government on the note and thereupon shall constitute an advance by the Government for the account of Borrower. Any advance by the Government as described in this paragraph shall bear interest at the note rate from the date on which the amount of the advance was due to the date of payment to the Government.

5. Whether or not the note is insured by the Government, the Government may at any time pay any other amounts required herein to be paid by Borrower and not paid by it when due, as well as any costs and expenses for the preservation, protection, or enforcement of this lien, as advances for the account of Borrower. All such advances shall bear interest at the note rate until paid to the Government.

6. All advances by the Government as described in this instrument, with interest, shall be immediately due and payable by Borrower to the Government without demand at the place designated in the note and shall be secured hereby. No such advance by the Government shall relieve Borrower from breach of its covenant to pay. Such advances, with interest, shall be repaid from the first available collections received from Borrower. Otherwise, any payment made by Borrower may be applied on the note or any indebtedness to the Government secured hereby, in any order the Government determines.

7. To use the loan evidenced by the note solely for purposes authorized by the Government.

8. To pay when due all taxes, liens, judgments, encumbrances, and assessments lawfully attaching to or assessed against the property and promptly deliver to the Government without demand receipts evidencing such payments.

9. To pay from its own funds the amount of any excess installation costs resulting from failure to obtain adequate land, rights-of-way, or subordinations.

10. To keep the property insured as required by and under insurance policies approved by, delivered to, and retained by the Government.

11. 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, without the consent of Government; and promptly to effect such repairs to said property as Government may from time to time require.

12. To perform, comply with and abide by each and every agreement, condition and covenant contained in said instrument(s) of debt, in any extension or renewal thereof, in any agreement supplementary thereto and in this mortgage; to furnish in such form and at such time as Government shall request statements of annual income and expenses and other information concerning Borrower's operations as Government may request; and to comply with all laws, ordinances and regulations affecting said property or its uses.

13. To provide adequate bond coverage for all officials and employees handling substantial amounts of money.

14. To transmit to the Farmers Home Administration at the end of the fiscal year, a proposed budget for the following year, setting out clearly the estimated income and expenses for the following year. If significant changes from the preceding year's budget are proposed, they must be accompanied by a written narrative supporting the proposed changes.

15. To transmit to the Farmers Home Administration as soon as possible after the end of the Borrower's fiscal year a complete and detailed audit report, made by a qualified independent auditor. The audit may be in the form desired by the Borrower, but must consist of a balance sheet showing the Borrower's current financial position at the end of the year, and an operating statement showing the results of operations for the year just closed.