

UNITED STATES DEPARTMENT OF AGRICULTURE
FARMERS HOME ADMINISTRATION

BOOK 1148

REAL ESTATE MORTGAGE
(Insured Rural Water District Loan)

KNOW ALL MEN BY THESE PRESENTS, Dated November 8, 1967

WHEREAS, the undersigned Rural Water District No. 3,
Douglas County, Kansas, a Rural Water District duly
created and existing by virtue of the laws of Kansas and having its
principal place of business at Lawrence, Douglas
County, Kansas, being herein called "Borrower," is justly indebted to
the United States of America, acting through the Farmers Home Administration,
United States Department of Agriculture, herein called the "Government,"
as evidenced by eleven promissory notes, herein called "the notes," ~~dated~~ all
dated November 8, 19 67, for the principal sum of \$542,100.00
with interest at the rate of Four per cent
(4)% per annum, executed by Borrower and payable to the order of the
Government in installments as specified therein, the final installment being
due on November 8, 2007; which notes authorize acceleration
of the entire indebtedness at the option of the Government upon any default
by Borrower; and

WHEREAS, the notes evidence a loan to Borrower in the principal amount
specified therein, made with the purpose and intention that the Government
at any time, may assign the notes and insure the payment thereof pursuant
to the Consolidated Farmers Home Administration Act of 1961; and

WHEREAS, when payment of the notes is insured by the Government, it
may be assigned from time to time and each holder of the insured notes, in
turn, will be the insured lender; and

WHEREAS, when payment of the notes is insured by the Government, the
Government will execute and deliver to the insured lender along with the
notes an insurance endorsement insuring the payment of the note fully as to
principal and interest; and

WHEREAS, at all times when payment of the notes is insured by the
Government, the Government by agreement with the insured lender set forth
in the insurance endorsement will be entitled to a specified portion of
the interest payments on the notes, to be designated the "annual charge";
and

WHEREAS, a condition of the insurance of payment of the notes will be
that the holder will forego his rights and remedies against Borrower and
any others, in connection with said loan, as well as any benefit of this
instrument, and will accept the benefits of such insurance in lieu thereof,
and upon the Government's request will assign the notes to the Government;
and

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WHEREAS, it is the purpose and intent of this instrument that, among
other things, at all times when the notes are held by the Government, or in
the event the Government should assign this instrument without insurance of
the notes, this instrument shall secure payment of the notes; but when the
notes are held by an insured lender, this instrument shall not secure pay-
ment of the notes or attach to the debt evidenced thereby, but as to the
notes 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 notes are held by the Government, or in the event the Government
should assign this instrument without insurance of the payment of the notes,
to secure prompt payment of the notes and any renewals and extensions thereof
and any agreements contained therein, (b) at all times when the notes are
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 expan-
ditures 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 and Shawnee: