(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 noteSdescribed herein, in the County of <u>Lecompton</u> State of Kansas, to serve consumers in and near the city of <u>Lecompton</u> Kansas, and in and to all extensions and improvements thereof and additions thereto, including all water mains, pipe lines, service lines, maters, 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.

· · · ·

1 4 - 1 P

(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 a certain 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, heridatements and appurtenances thereunto belonging, the rents, issues, and profits thereof and revenues and income therefrom, all improvements and personal property now or later attached therefor 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 dondemnation 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 noteSby reason of any default by Borrower. At all times when the noteSbe held by an insured lender, Borrower shall continue to make payments on the noteSto the Government as collection agent for the holder.

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 notes the held by an insured lender, any amount due and unpaid under the terms of the notes less the amount of the annual charge, may be paid by the Government to the holder of the notes to the extent provided in the insurance endorsement for the account of Borrower. Any amount due and unpaid under the terms of the notes, whether the field by the Government on the covernment or by an insured lender, may be credited by the Government on the notes 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 notes 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.