

The mortgagor does hereby covenant and agree with the mortgagee, as follows:

1. To be now lawfully seized of the fee simple title to all of said above described real estate; to have good right to sell and convey the same; that the same is free from all incumbrances; and to warrant and defend the title thereto against the lawful claims or demands of all persons whomsoever.
2. To pay when due all payments provided for in the note(s) secured hereby.
3. To make return of said real estate for taxation, when so required by law; and to pay before they become delinquent all taxes, charges and assessments legally levied against the property herein conveyed.
4. To insure and keep insured all buildings and other improvements now on, or which may hereafter be placed on said premises, against loss or damage by fire and/or tornado, in such manner, in such companies and for such amounts as may be satisfactory to the mortgagee; the policy(ies) evidencing such insurance coverage to be deposited with, and loss thereunder to be payable to, the mortgagee as its interest may appear. Any sums due the insured under the terms of any such policy(ies) and paid to the mortgagee in settlement of an insured loss may, at the option of the mortgagor and subject to the general regulations of the Land Bank Commissioner, be applied to the reconstruction of the destroyed improvement(s), and if not so applied may, at the option of the mortgagee, be applied in payment of any indebtedness secured by this mortgage, whether or not the same be due and payable.
5. To use the proceeds arising from the loan secured hereby solely for the purposes set forth in the mortgagor's written application for said loan.
6. Not to permit, either wilfully or by neglect, any unreasonable depreciation in the value of said premises or the buildings and improvements situate thereon, but to keep the same in good repair at all times; not to remove or permit to be removed from said premises any buildings or improvements situate thereon; not to commit or suffer waste to be committed upon the premises; not to cut or remove any timber therefrom, or permit same, excepting such as may be necessary for ordinary domestic purposes; and that he will not permit said real estate to depreciate in value because of erosion, insufficient water supply, inadequate drainage, improper irrigation, or for any reason arising out of the irrigation and/or drainage of said lands.
7. To reimburse the mortgagee for all costs and expenses incurred by it in any suit to foreclose this mortgage, or in any suit in which the mortgagee may be obliged to defend or protect its rights or lien acquired hereunder, including all abstract fees, court costs, a reasonable attorney fee where allowed by law, and other expenses; and such sums shall be secured hereby and included in any decree of foreclosure.
8. That all checks or drafts delivered to the mortgagee for the purpose of paying any sum or sums secured hereby will be paid upon presentment, and that all agencies used in making collection thereof, including those agencies transmitting the proceeds of such items to the mortgagee, shall be considered agents of the mortgagor.
9. That, whenever there are ten or more borrowers, including the mortgagor, who have obtained from the mortgagee direct loans under the provisions of section 7 of the "Federal Farm Loan Act," as amended, whose loans aggregate not less than \$20,000, and who reside in a locality which may, in the opinion of the Land Bank Commissioner, be conveniently covered by the charter of and served by a national farm loan association, mortgagor will unite with such other borrowers to form a national farm loan association. The mortgagor further covenants that, together with such other borrowers or any of them, he will organize such association subject to the requirements and conditions specified in section 7 of the "Federal Farm Loan Act," as amended, so far as the same may be applicable, and in accordance with the rules and regulations of the Land Bank Commissioner. The mortgagor makes the foregoing covenant and agreement in consideration of the obligation of said mortgagee, if, and beginning on the next installment date after, such association shall have been chartered by the Land Bank Commissioner and shall have complied with all requirements and conditions of section 7 of the "Federal Farm Loan Act," as amended, and of the rules and regulations adopted thereunder, to reduce to 5% the interest rate of 5 1/2% provided for in this mortgage and in the promissory note(s) secured hereby; such reduction to be made only in the event the loan secured hereby shall be in good standing by reason of the mortgagor's compliance with all covenants and conditions contained in this mortgage and in the promissory note(s) secured hereby.

This mortgage is made to the mortgagee as a Federal Land Bank doing business under the "Federal Farm Loan Act," as amended, and is hereby agreed to be in all respects subject to and governed by the terms and provisions of said act as amended.

The mortgagor in the written application for the loan hereby secured made certain representations to the mortgagee as to the purpose or purposes for which the proceeds of this loan are to be used. Such representations are hereby specifically referred to and made a part of this mortgage.

In the event the mortgagor shall fail to pay when due any taxes or assessments against said security, or fail to maintain insurance as hereinbefore provided for, the mortgagee may make such payment or provide such insurance, and the amount(s) paid therefor shall become a part of the indebtedness secured by the lien of this mortgage, and bear interest from the date of payment at the rate of eight per cent per annum.

The said mortgagor hereby transfers, sets over and conveys to the mortgagee all rents, royalties, bonuses and delay moneys that may from time to time become due and payable under any oil and gas or other mineral lease(s) of any kind now existing, or that may hereafter come into existence, covering the above described land, or any portion thereof, and said mortgagor agrees to execute, acknowledge and deliver to the mortgagee such deeds or other instruments as the mortgagee may now or hereafter require in order to facilitate the payment to it of said rents, royalties, bonuses and delay moneys. All such sums so received by the mortgagee shall be applied; first, to the payment of matured installments upon the note(s) secured hereby and/or to the reimbursement of the mortgagee for any sums advanced in payment of taxes, insurance premiums, or other assessments, as herein provided, together with the interest due thereon; and second, the balance, if any, upon the principal remaining unpaid, in such a manner, however, as not to abate or reduce the semi-annual payments but to sooner retire and discharge the loan; or said mortgagee may, at its option, turn over and deliver to the then owner of said lands, either in whole or in part, any or all such sums, without prejudice to its rights to take and retain any future sum or sums, and without prejudice to any of its other rights under this mortgage. The transfer and conveyance hereunder to the mortgagee of said rents, royalties, bonuses and delay moneys shall be construed to be a provision for the payment or reduction of the mortgage debt, subject to the mortgagee's option as hereinbefore provided, independent of the mortgage lien on said real estate. Upon payment in full of the mortgage debt and the release of the mortgage of record, this conveyance shall become inoperative and of no further force and effect.

If the lands hereby conveyed shall ever, during the life of this mortgage, become included within the boundaries of any irrigation, drainage or other special assessment district and/or become subject to and liable for special assessments of any kind, for the payment of which said lands are not liable at the date of the execution of this mortgage, then the whole of the indebtedness hereby secured shall, at the option of the mortgagee, become due and payable forthwith.

If at any time, during the life of this mortgage, the premises conveyed hereby shall, in the opinion of the mortgagee, become insufficient to secure the payment to the mortgagee of the indebtedness