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- (6) To use the loan evidenced by the note solely for purposes authorized by the Government.
- (7) 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.
- (8) To keep the property insured as required by and under insurance policies approved by, delivered to, and retained by the Government.
- (9) To maintain improvements in good repair and make repairs required by the Government, operate the property in a good and husband-like manner, comply with such farm conservation practices and farm and home management plans as the Government from time to time may prescribe, and not to abandon the property, or cause or permit waste, lessening or impairment of the security covered hereby, or, without the written consent of the Government, cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals except as may be necessary for ordinary domestic purposes.
- (10) To comply with all laws, ordinances, and regulations affecting the property.

(11) To pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and priority hereof and to the enforcement of or the compliance with the provisions hereof and of the note and any supplementary agreement, whether before or after default, including but not limited to costs of evidence of title to any survey of the property, costs of recording this and other instruments, attorneys' fees, trustees' fees, court costs, and expenses of advertising, selling, and conveying the property.

(12) Neither the property nor any portion thereof or interest therein shall be leased, assigned, sold, transferred, or encumbered, voluntarily or otherwise, without the written consent of the Government. The Government shall have the sole and exclusive rights as mortgagee hereunder, including but not limited to the power to grant consents, partial releases, subordinations, and satisfaction, and no insured holder shall have any right, title or interest in or to the lien or any benefits hereof.

(13) At all reasonable times the Government and its agents may inspect the property to ascertain whether the covenants and agreements contained herein or in any supplementary agreement are being performed.

(14) The Government may extend and defer the maturity of and renew and reamortize the debt evidenced by the note or any indebtedness to the Government secured hereby, release from liability to the Government any party so liable thereon, release portions of the property from and subordinate the lien hereof, and waive any other rights hereunder, without affecting the lien or priority hereof or the liability to the Government of Borrower or any other party for payment of the note or indebtedness secured hereby except as specified by the Government in writing.

(15) If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, upon the Government's request, apply for and accept such loan in sufficient amount to pay the note and any indebtedness secured hereby and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan.

(16) Default hereunder shall constitute default under any other real estate, or other personal property or other security instrument held or insured by the Government and executed or assumed by Borrower, and default under any such other security instrument shall constitute default hereunder.

(17) SHOULD DEFAULT occur in the performance or discharge of any obligation secured by this instrument, or should any one of the parties named as Borrower die or be declared an incompetent, a bankrupt, or an insolvent, or make an assignment for the benefit of creditors, the Government at its option, with or without notice, may (a) declare the entire amount unpaid under the note and any indebtedness to the Government hereby secured immediately due and payable, (b) for the amount of Borrower's loan and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property, (c) upon application by or production of this instrument, without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, (d) foreclose this instrument as provided herein or by law, and enforce any and all other rights and remedies provided herein or by present or future law.

(18) The proceeds of foreclosure sale shall be applied in the following order to the payment of (a) costs and expenses incident to enforcing or complying with the provisions hereof, (b) any priorities required by law or a competent court to be so paid, (c) the debt evidenced by the note and all indebtedness to the Government secured hereby, (d) costs and expenses of sale required by law or a competent court to be so paid, (e) at the Government's option, any other indebtedness of Borrower owing to or secured by the Government, and (f) any balance to Borrower. At foreclosure or other sale, all or any part of the proceeds the Government and its agents may bid and purchase as a stranger and may pay the Government's share of the purchase price by retaining such amount in its debt of Borrower owing to or insured by the Government in the order prescribed above.

(19) Borrower recognizes that, pursuant to Federal law, the Government will not be bound by any present or future state laws, a provision for valuation, appraisal, time-lapse or exemption of the property, prohibiting maintenance of an action for a deficiency judgment or limiting the amount thereof or the time within which such action may be brought, or prescribing any other statute of limitations, or allowing any right of redemption or success in following a foreclosure sale, or any other conditions which the Government may by regulation impose, limiting the interest rate or rate range, as well as the method of appraising a transfer of the property to a new Borrower. Borrower expressly waives the benefit of all such laws.

(20) If any part of the lien for which this instrument is given shall be used to finance the purchase of another parcel of property to be used as an owner-occupied dwelling, hereinafter called the "new dwelling," and if Borrower desires to sell or rent the dwelling and has obtained the Government's consent to do so, a notice of sale or rental of the new dwelling will be given to the Government if a bona fide offer, refuse to negotiate for the sale or rental of the new dwelling, or otherwise make it impossible or impracticable to acquire because of race, color, religion or national origin, and if Borrower neglects or refuses to give such notice, the Government may attempt to enforce any restrictive covenants in this instrument, and may also attempt to enforce any such restrictive covenants.

(21) This instrument shall be subject to the present regulations of the Federal Home Administration, and to its future regulations not inconsistent with the express provisions hereof.

(22) Notices given hereunder shall be sent by certified mail, unless otherwise required by law, addressed, unless another address is designated in a notice so given, in the case of the Government, to the Director, Federal Home Administration, United States Department of Agriculture, at Columbia, South Carolina 29002, and to the local Government office at the address stated above.

(23) If any provision of this instrument or application therefor to any person or circumstances is held invalid, such invalidity will not affect other provisions or applications of the instrument which can be given effect without the invalid provision or application, and to that end the provisions hereof are declared to be severable.

IN WITNESS WHEREOF, Borrower has hereunto set his hand and seal, and the Government has hereunto set its hand and seal, this _____ day of _____, 19____.

[Signature]

 (Witness)

John S. Daniel (SEAL)
Walter C. Daniel (SEAL)