

Form FSA MN 427-4
(Rev. 5-24-01)

AGREEMENT BY VENDOR FOR BENEFIT OF LENDER

WHEREAS, _____
(HEREINAFTER CALLED "Vendor"), is the present holder of the legal title to real property described in that certain instrument entitled _____, dated _____, 20____, recorded _____, 20____, Records of _____ County, _____ (hereinafter called "the Contract"), which property is particularly described in Schedule A hereof; and,

WHEREAS, _____ and _____, hereinafter called the "Borrower"), is the vendee, or the assignee of or successor to the vendee, under the Contract and is the present equitable owner of said property; and

WHEREAS, Borrower has applied to the United States of America, acting through the Farm Service Agency, United States Department of Agriculture (hereinafter called "Lender"), for a loan in connection with which Lender requires said property as collateral security;

NOW, THEREFORE, in consideration of the making or insuring of said loan, Vendor hereby agrees for the benefit of Lender that:

1. Borrower may mortgage all of his and/or her right, title, and interest in and to said property to the Lender as security for all past, present, and future loans to Borrower made or insured by Lender.
2. Vendor will not sell or voluntarily transfer the Vendor's interest under the land contract or title to the property without the prior written consent of the Farm Service Agency State Executive Director.
3. Vendor will not encumber or cause any liens to be levied against the property.
4. In the event of the Borrower's default under the Contract, Vendor shall not exercise any of his/her remedies provided for in the Contract or by law without giving ninety days advance written notice of his intention to do so to Lender. Such notice shall be sent by certified mail(return receipt requested) or delivered personally to the State Executive Director, Farm Service Agency at _____, or such other address of which Lender

advises Vendor in writing. Such notice shall state the nature of the default, the amount due on the Contract, and the specific remedy(ies) Vendor intends to exercise.

5. At any time within said ninety days, or at any time thereafter before Vendor actually exercises any of said remedies, unless Borrower has meanwhile cured the default, Lender shall have the option and right to cure the default on behalf of the Borrower.
6. If the default is monetary, the Lender shall have the option to cure the specific default by paying the amount of the Borrower's delinquent payments or paying off the contract in full.
7. Vendor will, upon receiving payment-in-full on the contract from the Lender, assign his/her Vendor's interest in the contract to the Lender using an assignment form acceptable to the Lender; issue a warranty deed for the contract property to the Lender with the grantee in the deed being the United States of America, acting through the Farm Service Agency; and give the Lender a sworn statement setting out all payments made on the Contract, the current total balance owed for principal and interest and the total delinquency.
8. Should Borrower's default be cured or waived by Vendor, the requirements of paragraphs (4) and (5) hereof shall again apply to any subsequent defaults. Should Vendor decide to exercise remedies for any given default which were not specified in his/her notice to Lender under paragraph (4) hereof, a new notice shall be sent to Lender in the same manner the original, specifying such new remedies, and such new remedies will not be exercised until at least ninety days thereafter and then subject to the requirements of paragraphs (4) and (5) hereof as well as the other requirements herein.
9. Should Lender foreclose on any mortgage covering said property executed by Borrower in favor of Lender, Vendor may be named as a party defendant in the foreclosure suit; the property may be sold free and clear of Vendor's interest under the Contract and Vendor's interest thereunder paid in accordance with its priority; and Vendor will execute all deeds, releases, and other documents reasonably necessary to transfer the title to the foreclosure sale purchaser and to extinguish Vendor's interest under the Contract.
10. If Lender acquires the Vendee's interest under the Contract by voluntary conveyance, foreclosure or other means, Lender will not be deemed to have assumed any of the Vendee's obligations under the Contract, provided that the failure of Lender to perform any such obligations while it holds the Vendee's interest is a ground to commence an action to terminate the Contract.
11. The Vendor agrees not to take any actions to foreclose, terminate or forfeit the interest of the Vendee under the Contract because the Lender has acquired the Vendee's interest under the Contract by voluntary conveyance, foreclosure or other means or because the Lender has subsequently sold or assigned the Vendee's interest to a third party who will assume the Vendee's obligations under the Contract.
12. This Agreement shall be binding on Vendor, his/her heirs, successors, and assigns.

Executed on _____, 20 _____.

WITNESS

VENDOR

WITNESS

VENDOR

