

USDA-FmHA
Form FmHA 427-1 AL
(Rev. 12-87)

Position 5

1418

The form of this instrument was drafted by the Office of the General Counsel of the United States Department of Agriculture, Washington, D.C., and the material in the blank spaces in the form was inserted by or under the direction of

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P. O. Box 587, Columbiana, Ala. 35051

(Address)

REAL ESTATE MORTGAGE FOR ALABAMA

THIS MORTGAGE is made and entered into by Ellie A. Newman and wife, Eileen Boe Newman

residing in Shelby County, Alabama, whose post office address is Route 1, Box 320, Harpersville, Alabama 35078,

herein called "Borrower," and the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture, herein called the "Government,"

WHEREAS Borrower is indebted to the Government as evidenced by one or more promissory note(s) or assumption agreement(s), herein called "note," which has been executed by Borrower, is payable to the order of the Government, authorizes acceleration of the entire indebtedness at the option of the Government upon any default by Borrower, and is described as follows:

<u>Date of Instrument</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Due Date of Final Installment</u>
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Description of Notes shown on Exhibit "A" which is attached hereto and made a part hereof as fully as if set out herein and is signed by Borrower for identification.

(The interest rate for limited resource farm ownership or limited resource operating loan(s) secured by this instrument may be increased as provided in the Farmers Home Administration regulations and the note.)

And the note evidences a loan to Borrower, and the Government, at any time, may assign the note and insure the payment thereof pursuant to the Consolidated Farm and Rural Development Act, or Title V of the Housing Act of 1949, or any other statute administered by the Farmers Home Administration;

And it is the purpose and intent of this instrument that, among other things, at all times when the note is held by the Government, or in the event the Government should assign this instrument without insurance of the note, this instrument shall secure payment of the note; but when the note is held by an insured holder, this instrument shall not secure payment of the note or attach to the debt evidenced thereby, but as to the note and such debt shall constitute an indemnity mortgage to secure the Government against loss under its insurance contract by reason of any default by Borrower.

And this instrument also secures the recapture of any interest credit or subsidy which may be granted to the Borrower by the Government pursuant to 42 U.S.C. §1490a.

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NOW THEREFORE, in consideration of the loan(s) and (a) at all times when the note is held by the Government, or in the event the Government should assign this instrument without insurance of the payment of the note to secure prompt payment of the note and any renewals and extensions thereof and any agreements contained therein, including any provision for the payment of an insurance or other charge, (b) at all times when the note is held by an insured holder, to secure performance of Borrower's agreement herein to indemnify and save harmless the Government against loss under its insurance contract 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 expenditures made by the Government, with interest, as hereinafter described, and the performance of every covenant and agreement of Borrower contained herein or in any supplementary agreement, Borrower does hereby grant, bargain, sell, convey, and assign unto the Government, with general warranty, the following property situated in the State of Alabama, County(ies) of Shelby :

$E\frac{1}{2}$ of $SW\frac{1}{4}$ and the $W\frac{1}{2}$ of $SE\frac{1}{4}$, Section 35, Township 19, Range 2 East, containing 160 acres, more or less.

The $SE\frac{1}{4}$ of $SE\frac{1}{4}$, Section 35, Township 19, Range 2 East, containing 40 acres, more or less.

That part of the $SW\frac{1}{4}$ of $SW\frac{1}{4}$, Section 35, Township 19, Range 2 East in Shelby County, Alabama, described as follows: Beginning at the SE corner of said $SW\frac{1}{4}$ of $SW\frac{1}{4}$ of said Section 35, and run thence North 3 deg. West a distance of 676 feet; run thence West 48 deg. 30 min. South a distance of 1030 feet to the NE right of way line of U. S. Highway No. 91; run thence South 55 deg. 30 min. East along said right of way line of said highway a distance of 210 feet, more or less, to the point of intersection with the South line of said $SW\frac{1}{4}$ of $SW\frac{1}{4}$ of said Section 35; run thence North 87 deg. 00 min. East along the South line of said 40 acres 643.9 feet to point of beginning, and containing 8.25 acres, more or less. Situated in Shelby County, Alabama.

Subject to Right of Way to State of Alabama for U.S. Highway 280 4-lane as shown by records in Probate Office of Shelby County, Alabama in Lis Pendens Book 26, page 397.

Subject to transmission line permits and public road rights of way of record.

This Mortgage is given not in satisfaction of but given as additional security for those certain mortgages to U.S.A. executed by mortgagors herein recorded in the Probate Office of Shelby County, Alabama in Mortgage Book 227, page 439; in Mortgage Book 264, page 137; in Mortgage Book 296, page 634; in Mortgage Book 306, page 953; in Mortgage Book 355, page 461; in Mortgage Book 397, page 708; in Book 22, page 133, and UCC Financing Statements as recorded in UCC 00795, 013362 and 09758 in said Probate Office.

together with all rights (including the rights to mining products, gravel, oil, gas, coal or other minerals), interests, easements, hereditaments and appurtenances thereunto belonging, the rents, issues, and profits thereof and revenues and income therefrom, all improvements and personal property now or later attached thereto or reasonably necessary to the use thereof, including, but not limited to, ranges, refrigerators, clothes washers, clothes dryers, or carpeting purchased or financed in whole or in part with loan funds, 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 condemnation of any part thereof or interest therein-all of which are herein called "the property";

TO HAVE AND TO HOLD the property unto the Government and its assigns forever in fee simple.

BORROWER for Borrower's self, Borrower's heirs, executors, administrators, 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) 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 note by reason of any default by Borrower. At all times when the note is held by an insured holder, Borrower shall continue to make payments on the note to the Government, as collection agent for the holder.

(2) To pay to the Government such fees and other charges as may now or hereafter be required by regulations of the Farmers Home Administration.

(3) If required by the Government, to make additional monthly payments of 1/12 of the estimated annual taxes, assessments, insurance premiums and other charges upon the mortgaged premises.

(4) Whether or not the note is 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 Borrower 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 rate borne by the note which has the highest interest rate.

(5) All advances by the Government as described in this instrument, with interest, shall be immediately due and payable by Borrower to the Government without demand at the place designated in the latest note and shall be secured hereby. No such advance by the Government shall relieve Borrower from breach of Borrower's covenant to pay. Any payment made by Borrower may be applied on the note or any indebtedness to the Government secured hereby, in any order the Government determines.

(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, including all charges and assessments in connection with water, water rights, and water stock pertaining to or reasonably necessary to the use of the real property described above, 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 the Government and, at its request, to deliver such policies to the Government.

(9) To maintain improvements in good repair and make repairs required by the Government; operate the property in a good and husbandmanlike 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 and survey of the property, costs of recording this and other instruments, attorneys' fees, trustees' fees, court costs, and expenses of advertising, selling, or conveying the property.

(12) Except as provided by the Farmers Home Administration regulations, 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 (a) extend or defer the maturity of, and renew and reschedule the payments on, the debt evidenced by the note or any indebtedness to the Government secured by this instrument, (b) release any party who is liable under the note or for the debt from liability to the Government, (c) release portions of the property and subordinate its lien, and (d) waive any other of its rights under this instrument. Any and all this can and will be done without affecting the lien or the priority of this instrument or Borrower's or any other party's liability to the Government for payment of the note or debt secured by this instrument unless the Government says otherwise in writing. HOWEVER, any forbearance by the Government—whether once or often—in exercising any right or remedy under this instrument, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

(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 under any 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 in this instrument or secured by this instrument, or should the parties named as Borrower die or be declared incompetent, or should any one of the parties named as Borrower be discharged in bankruptcy or declared 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 account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property, (c) upon application by it and production of this instrument, without other evidence and 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 (e) 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 prior liens 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) inferior liens of record 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 insured by the Government, and (f) any balance to Borrower. At foreclosure or other sale of all or any part of the property, the Government and its agents may bid and purchase as a stranger and may pay the Government's share of the purchase price by crediting such amount on any debts of Borrower owing to or insured by the Government, in the order prescribed above.

(19) Borrower agrees that the Government will not be bound by any present or future State laws, (a) providing for valuation, appraisal, homestead or exemption of the property, (b) prohibiting maintenance of an action for a deficiency judgment or limiting the amount thereof or the time within which such action may be brought, (c) prescribing any other statute of limitations, or (d) limiting the conditions which the Government may by regulation impose, including the interest rate it may charge, as a condition of approving a transfer of the property to a new Borrower. Borrower expressly waives the benefit of any such State laws. Borrower hereby relinquishes, waives, and conveys all rights, inchoate or consummate, of descent, dower, and curtesy.

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(20) If any part of the loan for which this instrument is given shall be used to finance the purchase, construction or repair of property to be used as an owner-occupied dwelling (herein called "the dwelling") and if Borrower intends to sell or rent the dwelling and has obtained the Government's consent to do so (a) neither Borrower nor anyone authorized to act for Borrower will, after receipt of a bona fide offer, refuse to negotiate for the sale or rental of the dwelling or will otherwise make unavailable or deny the dwelling to anyone because of race, color, religion, sex, or national origin and (b) Borrower recognizes as illegal and hereby disclaims, and will not comply with or attempt to enforce any restrictive covenants on the dwelling relating to race, color, religion, sex, or national origin.

(21) Borrower further agrees that the loan(s) secured by this instrument will be in default should any loan proceeds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as further explained in 7 CFR Part 1940, Subpart G, Exhibit M.

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

(23) Notices given hereunder shall be sent by certified mail, unless otherwise required by law, addressed, unless and until some other address is designated in a notice so given, in the case of the Government to Farmers Home Administration, at Montgomery, Alabama 36104, and in the case of Borrower at the address shown in the Farmers Home Administration Finance Office records (which normally will be the same as the post office address shown above).

(24) Upon default by the Borrower as aforesaid, the Government and its assigns may take possession of the property and foreclose this mortgage by sale to the highest bidder, for cash, at the courthouse door of any county in which all or a part of the property is situated, after advertising the time, place and terms of sale once a week for three successive weeks in a newspaper of general circulation in each county in which a portion of the property is situated.

(25) If any provision of this instrument or application thereof 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 Borrower's hand(s) and seal(s) this 22nd day of November, 19 89.

Signed, sealed, and delivered in the presence of:

(Witness)

(Witness)

Ellie A. Newman (SEAL)
Eileen Boe Newman (SEAL)

STATE OF ALABAMA

SHELBY COUNTY

ss:

ACKNOWLEDGEMENT

I, the undersigned, a Notary Public in and for said County, in said State, do hereby certify that Ellie A. Newman and wife, Eileen Boe Newman

whose name(s) are signed to the foregoing conveyance and who are known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, they executed the same voluntarily on the day the same bears date.

Given under my hand and seal this 22nd day of November, 19 89.

(SEAL)

My commission expires: 12/3/92

Laurie D. Smith
Notary Public

EXHIBIT "A"

<u>Date of Instrument</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Due Date of Final Installment</u>
September 26, 1967	\$1,500.00	5%	September 26, 1997
November 12, 1965	2,500.00	5%	November 12, 1990
March 31, 1981	8,500.00	13%	March 31, 1985
Reamortized by: March 27, 1985	12,907.89	10 1/4%	March 27, 2000
Reamortized by: November 22, 1989	12,907.89	8 3/4%	November 22, 2000
October 26, 1979	39,150.00	9%	October 26, 2019
Reamortized by: March 27, 1985	53,947.82	9%	March 27, 2018
Reamortized by: November 22, 1989	61,936.94	8 3/4%	November 22, 2018
December 23, 1959	9,000.00	5%	December 23, 1989
Reamortized by: March 27, 1985	4,174.41	5%	March 27, 1992
Reamortized by: November 22, 1989	4,960.69	5%	November 22, 1999
June 18, 1976	70,000.00	5%	June 18, 2016
Reamortized by: March 27, 1985	77,769.60	5%	March 27, 2015
Reamortized by: November 22, 1989	92,325.29	5%	November 22, 2015
August 2, 1979	18,000.00	5%	August 2, 1986
Reamortized by: March 27, 1985	18,495.95	5%	March 27, 2000
Reamortized by: November 22, 1989	21,979.78	5%	November 22, 2004
March 23, 1953	11,935.00	4%	March 23, 1993
Reamortized by: March 27, 1985	6,092.23	4%	March 27, 1992
Reamortized by: November 22, 1989	7,010.24	4%	November 22, 1993
August 6, 1984	3,000.00	10 1/4%	August 6, 1985
Reamortized by: March 27, 1985	1,629.43	7 1/4%	March 27, 2000
Reamortized by: November 22, 1989	2,074.45	7 1/4%	November 22, 2004

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STATE OF ALA. SHELBY CO.
I CERTIFY THIS
INSTRUMENT WAS FILED

89 NOV 22 PM 11:44

NO TAX COLLECTED

1.00
12.50
3.00

Ellie A. Newman

Eileen Sue Newman