

MORTGAGE

STATE OF ALABAMA, TALLADEGA COUNTY

Mortgagor(s)
DARLENE K KYSER, 436 HIGHWAY 83, HARPERSVILLE, AL 35078-5602

Mortgagee
1st FRANKLIN FINANCIAL CORPORATION
41162 US Hwy 280
SYLACAUGA, AL 35151

THIS INDENTURE, made and entered into this 16th December, 20 11 between the Mortgagor(s) named above (herein called "Mortgagor") and 1st Franklin Financial Corporation, a Georgia Corporation, whose address is shown above (herein called "Mortgagee"), to secure the payment of NINE THOUSAND EIGHT HUNDRED NINETY THREE AND 17/100 Dollars (\$ 9,893.17) as evidenced by a Loan Agreement and Note of even date herewith (the "Note") and payable according to the terms of said Note.

NOW, THEREFORE, Mortgagor and all others executing this mortgage, in consideration of the premises, and to secure the payment of said indebtedness evidenced by Note herein specifically referred to, any renewal, extension, modification or refinancing thereof, and any and all other indebtedness(es) due or to become due as herein generally referred to, and the compliance with all of the covenants and stipulations herein contained, has bargained and sold, and does hereby grant, bargain, sell, alien, convey, transfer and mortgage unto Mortgagee, its successors and assigns, the following described real estate, together with buildings and improvements thereon (hereinafter sometimes called the "real estate" or the "mortgaged real estate"), lying and being situated in the County of SHELBY State of Alabama, and more particularly described on the reverse side hereof, together with all and singular the rights, privileges hereditaments, easements and appurtenances thereunto belonging or in anywise appertaining (hereinafter referred to as the "Premises"):

TO HAVE AND TO HOLD FOREVER, unto the said Mortgagee, Mortgagee's successors and assigns.

The Premises are warranted free from all encumbrances and against adverse claims, except as stated herein.

☐ If checked, the within Mortgage is a second mortgage and is subordinate to that certain prior mortgage as recorded in Mortgage Volume N/A, Page N/A, in the Office of the Judge of Probate of N/A County, Alabama; but this Mortgage is subordinate to said prior mortgage only to the extent of the current balance now due on the debt secured by said prior mortgage. This Mortgage will not be subordinated to any advances secured by the herein described prior mortgage, if said advances are made after the date of this Mortgage. Mortgagor hereby agrees not to increase the balance owed that is secured by said prior mortgage. In the event Mortgagor should fail to make any payments which become due on said prior mortgage, or should default in any of the other terms, provisions and conditions of said prior mortgage occur, then such default under the prior mortgage shall constitute a default under the terms and provisions of this Mortgage, and the Mortgagee herein may, at Mortgagee's option, declare the entire indebtedness due hereunder immediately due and payable and this Mortgage subject to foreclosure. Failure to exercise this option shall not constitute a waiver of the right to exercise same in the event of any subsequent default. The Mortgagee herein may, at Mortgagee's option, make on behalf of Mortgagor any such payments which become due on said prior mortgage, or incur any such expenses or obligations on behalf of Mortgagor, in connection with the said prior mortgage, in order to prevent the foreclosure of said prior mortgage, and all such amounts so expended by Mortgagee on behalf of Mortgagor shall become a debt to Mortgagee, or Mortgagee's assigns additional to the debt hereby secured, and shall be covered by this Mortgage, and shall bear interest from the date of payment by Mortgagee, or Mortgagee's assigns, at the same interest rate as the indebtedness secured hereby and shall entitle the Mortgagee to all of the rights and remedies provided herein, including at Mortgagee's option, the right to foreclose this Mortgage.

In the event the Mortgagor shall sell, encumber or otherwise transfer the Premises or any part thereof or any interest therein without the prior written consent of the Mortgagee, the Mortgagee shall be authorized to declare, at Mortgagee's option, all or any part of such indebtedness immediately due and payable.

For the purpose of further securing the payment of the indebtedness, the Mortgagor agrees to pay all taxes or assessments when imposed legally upon the Premises, and should default be made in the payment of same, the Mortgagee may at Mortgagee's sole option, pay off the same; and to further secure the indebtedness, Mortgagor agrees to keep the improvements on the Premises insured against loss or damage by fire, lightning, vandalism, tornado and other perils, and flood (if required by Mortgagee) in companies satisfactory to the Mortgagee, with loss, if any, payable to Mortgagee as Mortgagee's interest may appear, and to promptly deliver said policies, or any renewal of said policies to Mortgagee; and if the undersigned fails to keep the Premises insured, or fails to deliver said insurance policies to Mortgagee, then Mortgagee, or Mortgagee's assigns, may at Mortgagee's sole option insure the Premises, for Mortgagee's own benefit. All amounts so expended by Mortgagee for taxes, assessments or insurance, shall become a debt to Mortgagee or Mortgagee's assigns, additional to the debt hereby specially secured, and shall be covered by this Mortgage, and bear interest at the same interest rate as the indebtedness secured hereby from date of payment by Mortgagee or Mortgagee's assigns and be at once due and payable.

☐ If this box is checked, then you have voluntarily chosen to pay, or Federal Law requires us to collect, and you agree to pay, in addition to your monthly loan payment, a monthly amount to pay for your annual property taxes and insurance. This amount is called an **"Escrow Payment"**. This amount will be added to your monthly payment. Additional information about how your monthly Escrow Payment is calculated and other escrow requirements, terms, and conditions, are disclosed under the heading **"ESCROW PROVISIONS"** within this Mortgage. If you do not make full and on-time monthly payments, including the amount paid to escrow, or if you incur late charges, NSF (bad check) charges or other fees, then the amount of interest you pay may be higher, and the amount paid to reduce your Amount Financed may be less. In addition, because we apply your payments to fees, interest, and Amount Financed before paying to your Escrow account, you may not have enough in your Escrow account to pay your taxes and insurance. If that happens, you will be required to repay the shortage or deficiency in your Escrow account as explained in the **"ESCROW PROVISIONS"**.

ESCROW PROVISIONS:

1. Definitions.

"Security Instrument" means this Mortgage.

"Borrower" is the Mortgagor under this Mortgage.

"Lender" is the Mortgagee under this Mortgage.

"Note" means the Loan Agreement and Note signed by Borrower.

"Property" means the property that is described in this Mortgage.

"Loan" means the debt evidenced by the Loan Agreement and Note signed on the same day as this Mortgage, plus such charges, interest, and principal as stated therein.

"Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

"Escrow Items" means those items described in these Escrow Provisions.

"Periodic Payment" means the regularly scheduled amount due for (i) unpaid Amount Financed (principal) and interest under the Loan Agreement and Note, plus (ii) any amounts pursuant to these Escrow Provisions.

"RESPA" means the Federal government's Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

2. Funds for Escrow Items.

Borrower shall pay to Lender on the day Periodic Payments are due under the Loan Agreement and Note, until the debt is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; and (b) premiums for any and all insurance required by Lender. These items are called "Escrow Items." At origination or at any time during the term of the Loan Agreement and Note, Lender may (but is not required) to require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid for all Escrow Items. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may (but is not required to) waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items: (1) for first liens on Borrower's principal dwelling, if Borrower so requests in writing, which writing is received by Lender not earlier than 365 days after closing; or (2) for any other liens on Borrower's property, at any time after Lender receives Borrower's written request to cancel Escrow. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement of this Mortgage. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights to pay such amount and Borrower shall then be obligated immediately to repay to Lender any such amount advanced by Lender. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice mailed to Borrower at Borrower's last known address. Upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required by Lender in accordance with these Escrow Provisions.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality or entity, or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not and shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA. Lender and Borrower agree that Lender may, unless prohibited by Applicable Law, earn interest on the Funds held in escrow as a means to partially reimburse Lender for the costs associated with handling the Escrow Items.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall (if requested by Lender) pay to Lender the amount necessary to make up the shortage in accordance with RESPA. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. However, if Borrower defaults, as explained in the Loan Agreement and Note, then Lender may apply any or all of the Funds held in Escrow to Borrower's debt to Lender.

UPON CONDITION, HOWEVER, that if the Mortgagor pays the indebtedness, and reimburses Mortgagee or Mortgagee's assigns for any amounts Mortgagee may have expended, then this conveyance shall be null and void; but should default be made in the payment of any sum expended by the Mortgagee or Mortgagee's assigns, or should the indebtedness hereby secured, or any part thereof, or the interest thereon remain unpaid at maturity, or should the interest of Mortgagee or Mortgagee's assigns in the Premises become endangered by reason of the enforcement of any prior lien or encumbrance thereon, so as to endanger the debt hereby secured, then in any one of said events, the whole of the indebtedness hereby secured, at the option of Mortgagee or Mortgagee's assigns, shall at once become due and payable, and this Mortgage be subject to foreclosure as now provided by law in case of past due mortgages, and the Mortgagee, Mortgagee's agents or assigns shall be authorized to take possession of the Premises hereby conveyed, and with or without first taking possession, after giving notice of the time, place and terms of sale, by publication once a week for three consecutive weeks, in some newspaper published in the county and state where the real estate is located, sell the same in lots or parcels or en masse as Mortgagee, Mortgagee's agents or assigns deem best, in front of the courthouse door of the county (or the division thereof), where the real estate is located, at public outcry, to the highest bidder for cash, and apply the proceeds of sale: First, to the expense of advertising, selling and conveying, including such attorney's fees as are allowed by law; Second, to the payment of any amounts that may have been expended, or that it may then be necessary to expend, in paying insurance, taxes, or the other encumbrances, with interest thereon; Third, to the payment of the indebtedness in full, whether the same shall or shall not have fully matured at the date of said sale, but no interest shall be collected beyond the day of sale; and Fourth, the balance, if any, to be turned over to the Mortgagor or such other party who may have a legal right thereto. Mortgagor further agrees that Mortgagee, Mortgagee's agents or assigns may bid at said sale and purchase the Premises, if the highest bidder therefor. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

IN WITNESS WHEREOF, the undersigned Mortgagor(s) has (have) executed this Mortgage under seal on the day and year noted above.

Signed, sealed and delivered in the presence of:

[Signature]
Borrower ☐ Single ☐ Married ☒ Divorced ☐ Separated ☐ Widowed

[Signature] (L.S.)
Borrower ☐ Single ☐ Married ☐ Divorced ☐ Separated ☐ Widowed

[Signature] (L.S.)
Borrower ☐ Single ☐ Married ☐ Divorced ☐ Separated ☐ Widowed

[Signature] (L.S.)
Borrower ☐ Single ☐ Married ☐ Divorced ☐ Separated ☐ Widowed

[Signature] (L.S.)
Borrower ☐ Single ☐ Married ☐ Divorced ☐ Separated ☐ Widowed

[Signature] (L.S.)
Borrower ☐ Single ☐ Married ☐ Divorced ☐ Separated ☐ Widowed

STATE OF ALABAMA
COUNTY OF TALLADEGA

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that DARLENE K KYSER, _____, _____, and _____, whose names are signed to the foregoing instrument, and who are known to me, acknowledged before me on this day that, being informed of the contents of said instrument, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal, this the 16TH day of DECEMBER, 2011.

[Signature]
Notary Public
NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Mar 10, 2014
BONDED THRU NOTARY PUBLIC UNDERWRITERS
My Commission Expires: _____

Prepared By:
1ST FRANKLIN FINANCIAL CORP.
41162 US HWY 280
SYLACAUGA, AL 35150
(256)245-7799


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Shelby Cnty Judge of Probate, AL
12/20/2011 11:19:37 AM FILED/CERT

STATE OF ALABAMA, TALLADEGA COUNTY

Mortgagor(s)

DARLENE K KYSER, 436 HIGHWAY 83, HARPERSVILLE, AL 35078-5602

Mortgagee

1st FRANKLIN FINANCIAL CORPORATION
41162 US Hwy 280
SYLACAUGA, AL 35151

Property Description:

THE FOLLOWING DESCRIBED REAL ESTATE, SITUATED IN THE COUNTY OF SHELBY COUNTY, STATE OF ALABAMA, TO-WIT: THE EAST HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 19, RANGE 2 EAST, IN SHELBY COUNTY, ALABAMA, CONTAINING FIVE (5) ACRES, MORE OR LESS, SAID PROPERTY IS PART OF THE REAL ESTATE DESCRIBED IN THAT CERTAIN DEED FROM GRAY BARBER AND WIFE, TO LEVI BARBER WHICH IS RECORDED IN DEED BOOK 89, PAGE 14, IN THE PROBATE OFFICE OF SHELBY COUNTY, ALABAMA. ALSO A 20 FOOT EASEMENT FOR **INGRESS AND EGRESS ACROSS THE FOLLOWING DESCRIBED PROPERTY; THE SOUTH 10 FEET OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 19, RANGE 2 EAST, LYING EAST OF SHELBY COUNTY HIGHWAY NO. 83.** **SUBJECT TO ALL RESTRICTIONS, RESERVATIONS, RIGHTS, EASEMENTS, RIGHTS-OF-WAY, PROVISIONS, ENCROACHMENTS, COVENANTS, TERMS, CONDITIONS AND BUILDING SET BACK LINES OF RECORD.** **ADDRESS: 436 HWY 83; HARPERSVILLE, AL 35078 TAX MAP OR PARCEL ID NO.: 07-5-21-4-000-005.001 SUBJECT PROPERTY IS LOCATED IN SHELBY COUNTY**



20111220000385190 3/3 \$32.85
Shelby Cnty Judge of Probate, AL
12/20/2011 11:19:37 AM FILED/CERT