

USDA-FmHA  
Form FmHA 427-1 AL  
(Rev. 9-11-79)

Position 5

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 Charles E. Elliott, Jr. County Supvr.  
Farmers Home Administration

(Name)  
P. O. Box 797  
Columbiana, AL 35051  
(Address)

### REAL ESTATE MORTGAGE FOR ALABAMA

THIS MORTGAGE is made and entered into by James D. Rasco and wife

Betty L. Rasco

residing in Shelby County, Alabama, whose post office address is Route 1, Box 49, Columbiana, Alabama 35051, herein called "Borrower," and:

WHEREAS Borrower is indebted to the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture, herein called the "Government," as evidenced by one or more promissory notes, 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>
January 30, 1979	\$74,000.00	8 $\frac{1}{2}$ %	January 30, 2019
November 12, 1980	4,000.00	11 %	November 12, 1985
March 23, 1981	5,760.00	5 %	March 23, 1986

(If the interest rate is less than \_\_\_\_\_% for farm ownership or operating loan(s) secured by this instrument, then the rate may be changed as provided in the note.)

And the note evidences a loan to Borrower, and the Government, at any time, may assign the note and interest thereon 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:

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

Alabama, County(ies) of Shelby

DESCRIPTION OF PROPERTY: The NW $\frac{1}{4}$  of NW $\frac{1}{4}$  and the North 132 feet of SW $\frac{1}{4}$  of NW $\frac{1}{4}$ , Section 31, Township 21 South, Range 1 East, Shelby County, Alabama.

West part of SE $\frac{1}{4}$  of NE $\frac{1}{4}$ , Section 31, Township 20, Range 1 East, lying NW of Fourmile Creek in Shelby County, Alabama.

SW $\frac{1}{4}$  of NE $\frac{1}{4}$ , Section 32, Township 20 South, Range 1 East, District FmHA 427-1 AL (Rev. 9-11-79)

Shelby County, Alabama.

Continued Over

Description of Property-Cont.

SE $\frac{1}{4}$  of SW $\frac{1}{4}$ , Section 32, Township 20 South, Range 1 East; S $\frac{1}{4}$  of NE $\frac{1}{4}$  of SW $\frac{1}{4}$  of Section 32, Township 20 South, Range 1 East, Shelby County, Alabama.

E $\frac{1}{2}$  of W $\frac{1}{2}$  of SE $\frac{1}{4}$  of Section 27, Township 20 South, Range 1 East lying South of Fourmile Road, in Shelby County, Alabama.

Also, right of way described in Deed Book 183, page 372, in the Probate Office of Shelby County, Alabama.

SUBJECT TO: Transmission line permits to Alabama Power Company recorded in Probate Office of Shelby County, Alabama in Deed Book 102, page 57; in Deed Book 107, page 289; in Deed Book 113, page 121; in Deed Book 117, page 279; in Deed Book 118, page 114; in Deed Book 133, page 162; in Deed Book 102, page 99; in Deed Book 218, page 378; Right-of-way to Shelby County recorded in said Probate Office in Deed Book 147, page 452; Easement for Right-of-way recorded in said Probate Office in Deed Book 183, page 372; Agreement for certain equipment to retain character as personality between present owners and the Falco Corporation recorded in said Probate Office in Deed Book 262, page 647, Subject to exclusion of a 1 $\frac{1}{2}$  aced strip of land extending across the South portion of E $\frac{1}{2}$  of SW $\frac{1}{4}$  of SE $\frac{1}{4}$  of Section 27, Township 20 South, Range 1 East excepted in Deed dated January 16, 1905, recorded in said Probate Office in Deed Book 27, page 428; Subject to right of way agreement contained in Deed Book 183, page 372 in said Probate Office and further subject to the cancelation provisions contained therein and subject to all terms and provisions contained therein.

This Mortgage is given fourth and subordinate to that certain mortgage from mortgagors herein to the Federal Land Bank of New Orleans, dated July 9, 1976, recorded in the Probate Office in Shelby County, Alabama in Mortgage Book 356, page 121, and thirdly to Farmers Home Administration, recorded in Book 387, page 825, in the Shelby County Probate Office and also, mortgage recorded in Book 407, Page 580 in the Probate Office, Shelby County, Alabama.

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together with all rights, 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 competing 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) 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, subordination, 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 of this instrument or Borrower's or any other party's liability to the Government for payment of the debt or debts 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 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 declared 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 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 or 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 dower, curtesy, and courtesy.

(20) Any part of the loan for which this instrument is given shall be used to finance the purchase, construction or repair of the property to be used as an owner-occupied dwelling, to be used after the date of the sale of the property, and if Borrower has obtained such a loan from another source, Borrower or 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 not sell, lease, or deny the dwelling to anyone because of race, color, religion, sex, or national origin and (b) Borrower will not discriminate against anyone in the sale or rental of the dwelling.

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

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(22) 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, 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).

(23) 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.

(24) 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 23rd day of March, 19 81.

Signed, sealed, and delivered in the presence of:

James D. Rasco (SEAL)  
James D. Rasco  
Betty L. Rasco (SEAL)  
Betty L. Rasco  
1981 MAR 23 PM 2:10 (Witness)  
1981 MAR 23 PM 2:10 (Witness)

ACKNOWLEDGEMENT  
STATE OF ALABAMA  
Shelby COUNTY  
ss: James D. Rasco, A Notary Public in and for said County, in said State, do hereby certify that James D. Rasco and wife Betty L. Rasco

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, have executed the same voluntarily on the day the same bears date.

Given under my hand and seal this 23rd day of March, 19 81

(SEAL)

My commission expires: March 82  
James D. Rasco  
Notary Public