

CONSOLIDATION AND MODIFICATION AGREEMENT

THIS AGREEMENT entered into effective this 14th day of August, 1979, by and among W. M. HUMPHRIES and wife SANDRA HUMPHRIES (collectively "Humphries"); W. M. HUMPHRIES ENTERPRISES, INC., successor by way of merger to Humphries Development Company, Inc. ("Enterprises"); SANDEE HOMES, INC., d/b/a HUMPHRIES REMODELING COMPANY, a corporation ("Remodeling"); CHANDALAR DEV., INC., an Alabama corporation ("Chandalar"); HUMPHRIES CONSTRUCTION COMPANY, INC., an Alabama corporation ("Construction Company") (all of the hereinabove described hereinafter collectively referred to as the "Borrower" or "Borrowers"); and BIRMINGHAM TRUST NATIONAL BANK, a national banking association (the "Lender").

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R E C I T A L S

Borrower is indebted to Lender for money loaned by Bank to Borrower in the sum as of the date of this agreement of Five Million Three Hundred Eighty-eight Thousand Eight Hundred Sixty-six and 42/100 Dollars (\$5,388,866.42) consisting of \$4,997,923.57 in principal and \$390,942.85 in accrued interest (the "Indebtedness"). In addition, various Borrowers are indebted to Lender for substantial additional sums, all of which are secured by various mortgages executed by Borrower to Lender, all of which are guaranteed by Humphries. The Indebtedness is evidenced by numerous promissory notes executed and delivered by various of the Borrowers to the Lender, a schedule of which is attached hereto as Exhibit "A" and made a part hereof (the "Notes"). The Notes are secured by various mortgages executed and delivered by Borrower to Lender including, but not limited to, the herein described mortgages recorded in the Office of the Judge of Probate of Shelby County, Alabama:

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BOOK



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<u>DATE</u>	<u>MORTGAGOR</u>	<u>AMOUNT OF MORTGAGE</u>	<u>RECORDING DATA</u>	<u>COUNTY</u>
15-12-1976	W. M. Humphries Const. Co., Inc. and W. M. Humphries Enterprises, Inc.	\$ 600,000.00	Book 387, Page 191	Shelby
22-4-1977	Chandalar Dev., Inc. and W. M. Humphries Enterprises, Inc.	\$1,800,000.00	Book 370, Page 462	Shelby
4-8-1978	W. M. Humphries Enterprises, Inc.	\$1,338,000.00	Book 382, Page 139	Shelby
4-2-1977	W. M. Humphries Enterprises, Inc.	\$ 293,000.00	Book 362, Page 243	Shelby
1-10-1975	W. M. Humphries Enterprises, Inc.	\$ 875,000.00	Book 349, Page 341	Shelby
16-12-1976	W. M. Humphries Enterprises, Inc.	\$ 105,600.00	Book 360, Page 677	Shelby

and the herein described mortgages recorded in the Office of
the Judge of Probate of Jefferson County, Alabama:

<u>DATE</u>	<u>MORTGAGOR</u>	<u>AMOUNT OF MORTGAGE</u>	<u>RECORDING DATA</u>
10-7-1978	W. M. Humphries Enterprises, Inc.	\$1,037,400.00	Real 374, Page 774 Jefferson (Bessemer) Real 1630, Page 88 Jefferson
2-6-1976	W. M. Humphries Enterprises, Inc.	275,000.00	Real 279, Page 632 Jefferson (Bessemer)

(the "Mortgages"). All of the outstanding capital stock of
Enterprises, Construction Company, Remodeling, and Chandalar
is owned by Humphries. Humphries has guaranteed to Lender
the payment of the Indebtedness and all other sums now or
hereafter owing by Borrower to Lender. Borrowers are the
various owners of all the property encumbered by the Mortgages,
which constitute the only encumbrances thereon, and Lender
is the owner and holder of all the Notes and Mortgages.
The parties hereto have mutually agreed to modify the terms
of the Notes and Mortgages and the obligations secured
thereby in the manner hereinafter appearing. Borrower and
Lender further desire to consolidate the indebtedness evidenced
by the Notes so that from and after this date there shall be

but one indebtedness secured by the Mortgages on all of the property of Borrowers, other than as excepted therein, and more particularly described in a restated mortgage being executed and delivered contemporaneously with the execution and delivery of this Consolidation and Modification Agreement (the "New Mortgage").

AGREEMENT

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NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, and in pursuance of this agreement, and other good and valuable consideration each to the other in hand paid, the receipt and sufficiency of which is hereby acknowledged, the parties hereto mutually covenant and agree as follows:

(1) The liens of the Mortgages are hereby restated and reconfirmed and shall be further evidenced by the New Mortgage securing the sum of \$5,403,120.78, with interest thereon; and the Notes secured by the aforementioned Mortgages and the New Mortgage are hereby consolidated into a single indebtedness which is hereby extended and renewed and payable as hereinafter provided.

(2) The Borrowers, jointly and severally, will pay the Indebtedness and interest thereon to Lender as follows:

Interest only at the rate of four percent (4%) shall be due and payable upon demand. The entire principal balance of the Indebtedness with interest thereon shall be due and payable on demand, but if not sooner demanded on the 1st day of September, 1980.

(3) All the provisions of the New Mortgage are incorporated by reference herein and shall supersede all the provisions of the Mortgages, including, but not limited to, the legal descriptions thereof and all the other terms and provisions thereof and the Borrower agrees to comply with and be subject to all the terms, covenants and conditions of the New Mortgage except that the definition therein of the term "Note" shall mean the Indebtedness. If the terms or provisions contained in this agreement shall be inconsistent with the terms and

provisions of the Mortgages, the New Mortgage or the obligations secured by the Mortgages, the terms and provisions hereof shall prevail.

(4) As an inducement to the Lender to enter into this agreement, the Borrower warrants and represents that there are no defenses or offsets to the Indebtedness.

(5) Except as otherwise specifically modified and amended hereby, the terms, covenants, conditions, agreements, and stipulations of the Notes and Mortgages shall remain in full force and effect and Borrower does hereby ratify and reconfirm the Notes and Mortgages.

(6) This agreement, as well as the obligations secured by the Mortgages and the New Mortgage shall be governed by the laws of the State of Alabama.

(7) This agreement shall inure to and be binding upon the undersigned, their respective heirs, administrators, executors, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the Borrowers have each caused this instrument to be properly executed as of the day and year first above written.

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W. M. Humphries (SEAL)
W. M. Humphries

Sandra Humphries (SEAL)
Sandra Humphries

W. M. HUMPHRIES ENTERPRISES, INC.

By W. M. Humphries
Its Pres.

SANDEE HOMES, INC., d/b/a
HUMPHRIES REMODELING COMPANY

By W. M. Humphries
Its Pres.

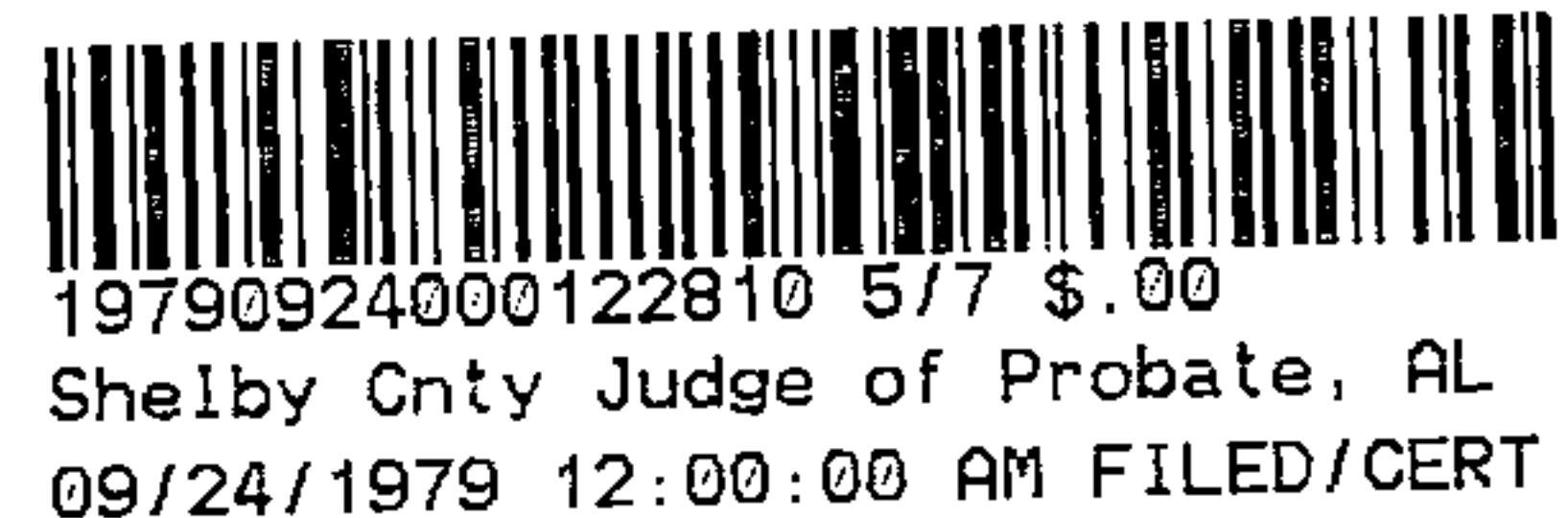
CHANDALAR DEV., INC.

By W. M. Humphries
Its Pres.

HUMPHRIES CONSTRUCTION COMPANY, INC.

By W. M. Humphries

STATE OF ALABAMA
COUNTY OF Jefferson



I, the undersigned, a Notary Public in and for said County in said State, hereby certify that W. M. Humphries and wife Sandra Humphries, 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 the instrument, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 14th day of AUGUST, 1979.

Wanda P. Sisson
Notary Public
My Commission Expires May 4, 1980

STATE OF ALABAMA
COUNTY OF Jefferson

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I, the undersigned, a Notary Public in and for said County in said State, hereby certify that William M. Humphries, whose name as President of W. M. Humphries Enterprises, Inc., a corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 14th day of AUGUST, 1979.

Wanda P. Sisson
Notary Public
My Commission Expires May 4, 1980

STATE OF ALABAMA
COUNTY OF Jefferson

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that W. M. Humphries, whose name as President of Sandee Homes, Inc., d/b/a Humphries Remodeling Company, a corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 14th day of AUGUST, 1979.

Wanda P. Sisson
Notary Public
My Commission Expires May 4, 1980

STATE OF ALABAMA
COUNTY OF Jefferson

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that W. M. Humphries, whose name as President of Chandalar Dev., Inc., a corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 14th day of AUGUST, 1979.

Wanda P. Lissom
Notary Public

My Commission Expires May 4, 1980

STATE OF ALABAMA
COUNTY OF Jefferson

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that W. M. Humphries, whose name as Vice President of Humphries Construction Company, Inc., a corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 14th day of AUGUST, 1979.

Wanda P. Lissom
Notary Public

My Commission Expires May 4, 1980

This instrument was prepared by J. Fred Powell, Attorney at Law, 1600 Bank for Savings Building, Birmingham, Alabama 35203.



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EXHIBIT "A"

<u>Borrower</u>	<u>Note #</u>	<u>Principal Amount</u>	<u>Interest thru 8/14/79</u>
Chandalar Dev. Co., Inc.	6000330	\$970,831.93	\$84,000.49
Humphries Const. Co., Inc.	0004233	15,000.00	611.47
" " "	0052057	980,887.21	107,250.32
" " "	4100036	14,142.42	795.00
" " "	4203448	19,917.80	793.11
" " "	4203451	20,884.65	833.39
" " "	4203452	17,313.69	689.06
" " "	4203453	20,363.83	833.42
" " "	4204213	18,172.50	763.33
" " "	6001690	13,026.28	616.03
" " "	6053567	7,189.01	470.49
" " "	6053576	103,327.70	5,766.17
" " "	6056422	74,471.18	4,301.05
Humphries Dev. Co., Inc.	6050560	361,950.89	18,999.95
" " "	6053575	33,740.03	1,768.59
Humphries Enterprises, Inc.	4050041	287,387.51	22,555.73
" " "	6003250	825,951.09	62,173.83
" " "	6003251	977,646.20	58,019.05
" " "	6053563	94,266.30	7,466.39
" " "	6053573	33,247.88	1,745.35
" " "	6054260	20,162.95	2,228.65
Humphries Remodeling Co.	0000872	39,500.00	3,745.19
" " "	0001738	15,000.00	2,108.83
" " "	0002266	8,172.60	286.00
" " "	0002743	10,000.00	958.87
" " "	0002938	15,369.86	1,164.09
		\$4,997,923.57	\$390,942.85

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JUDGE OF PROBATE

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