

NOTE AND MORTGAGE
MODIFICATION AGREEMENT

THIS NOTE AND MORTGAGE MODIFICATION AGREEMENT made this
1st day of July, 1981, by and between VALLEYDALE
VILLAGE, INC., a corporation (herein "Borrower") and
PROTECTIVE LIFE INSURANCE COMPANY, a corporation (herein
"Lender").

R E C I T A L S

On October 3, 1979, Borrower executed and delivered to
Birmingham Trust National Bank, a national banking associa-
tion, its Promissory Note in the principal sum of Nine
Hundred Thirty Thousand Dollars (\$930,000.00) (herein
"Note"), which Note is secured by a Mortgage and Security
Agreement dated October 3, 1979, and recorded in the Office
of the Judge of Probate of Shelby County, Alabama in Book
396, Page 912 (herein "Mortgage"), and an Assignment of
Lease(s) recorded in the aforesaid Probate Office in Book
32, Page 994 (herein "Assignment of Leases"). The Note,
Mortgage and Assignment of Leases were modified by an
Amendment to Note, Mortgage and Assignment of Leases made as
of the 30th day of December, 1980, and recorded in Book 38,
Page 904, in the aforesaid Probate Office, and, as modified,
the Note, Mortgage and Assignment of Leases were transferred
and assigned by Birmingham Trust National Bank to Lender by
Assignment of Note, Mortgage and Assignment of Leases dated
December 30, 1980, and recorded in the aforesaid Probate
Office in Book 38, Page 910. Borrower has requested the
consent of Lender to a sale, conveyance and transfer of the
Mortgaged Property, as such term is defined in the Mortgage
(herein "Mortgaged Property"), to Valleydale Village Prop-
erties, an Alabama General Partnership, and to the other
transactions and matters hereinafter set forth in Paragraph
3 hereof. As a condition precedent to giving its consent,
Lender has required and Borrower and Lender have agreed to

*Litman, Siegal & Payne P.A.
425 First Ala. Bank Bldg.
B'ham, Al 35203*

increase the rate of interest contained in the Note and to modify the monthly installments contained in the Note, as heretofore modified, as hereinafter set forth and to make the other modifications hereinafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the premises, the parties hereto agree as follows:

1. Subparagraph (c) of the Note, as modified by the Amendment to Note, Mortgage, and Assignment of Leases, is hereby expressly deleted and there is substituted in lieu thereof the following:

"(c) Commencing on July 1, 1981, interest shall accrue at the rate of eleven percent (11%) per annum, and the principal and interest shall be payable in monthly installments of Eight Thousand Five Hundred Seventy and 66/100 Dollars (\$8,570.66) on the first day of each and every month commencing on the first day of August, 1981, and a like amount shall be paid on the first day of each month thereafter to and including the first day of November, 2005, and on the first day of December, 2005, the entire unpaid principal balance, and all accrued interest thereon, shall be due and payable. Said monthly payments shall be applied first to interest at the rate of eleven percent (11%) per annum due monthly upon the principal sum or so much thereof as shall from time to time remain unpaid, and the balance of each monthly payment shall be applied to late charges, if any, and then on account of principal."

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2. The Mortgage and Assignment of Leases are hereby modified and amended to provide that it secures the Note as modified and amended hereby.

3. Lender does hereby evidence its consent to the following:

- (a) The sale, conveyance and transfer of an undivided four-fifths (4/5) interest in and to the Mortgaged Property by Borrower to Valleydale Village Properties, an Alabama General Partnership;
- (b) The Plan of Liquidation to effect the complete liquidation and dissolution of the Borrower in conformity with § 337 of the Internal Revenue Code of the United States (herein "Plan");
- (c) The sale, conveyance and transfer of an undivided one-fifth (1/5) interest in and to the Mortgaged Property by the Borrower to Sam W. Bennett, its sole stockholder, pursuant to such Plan;

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- (d) The sale, conveyance and transfer of an undivided one-fifth (1/5) interest in and to the Mortgaged Property by Sam W. Bennett to Valleydale Village Properties, an Alabama General Partnership;
 - (e) The dissolution and liquidation of Borrower pursuant to such Plan; and
 - (f) The execution and filing of any and all documents and the taking of any and all actions which are necessary or advisable to carry out the purposes and intentions of such Plan and the sales, conveyances and transfers hereinabove set forth.

4. Borrower does hereby appoint Lender as his true and lawful attorney-in-fact for the purpose of making the above amendments to the Note, Mortgage and Assignment of Leases and for the purpose of attaching a copy of this Note and Mortgage Modification Agreement thereto.

5. Except as otherwise expressly modified and amended hereby, the Note, Mortgage, Assignment of Leases and other collateral documents now or hereafter held by Lender shall remain in full force and effect and the same are expressly ratified and confirmed by the parties hereto.

6. All of the partners of Valleydale Village Properties, an Alabama General Partnership (herein "Partnership"), join in the execution of this Note and Mortgage Modification Agreement to evidence the consent of the Partnership to assume and be bound by all of the terms and provisions of this Note and Mortgage Modification Agreement and the Note, Mortgage and Assignment of Leases, as heretofore modified and as further modified hereby. In consideration therefor, Lender hereby agrees with the Partnership and its partners that all of the terms and provisions of the Note, Mortgage and Assignment of Leases, as modified, shall inure to the benefit of the Partnership and its partners and (i) that in the event of foreclosure or exercise of the power of sale contained in the Mortgage securing the Note, the Lender or the holder thereof shall not seek or enforce a deficiency judgment and (ii) that in the event a suit is brought on the Note, any judgment obtained in such suit shall be enforced

only against the Mortgaged Property and the rents, issues and profits thereof, all as more specifically set forth in the Note and Mortgage.

7. This Agreement shall inure to and be binding upon the undersigned, their respective heirs, administrators, executors, successors and assigns.

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

VALLEYDALE VILLAGE, INC.

By
Its

PROTECTIVE LIFE INSURANCE COMPANY

By
Its

Sam W. Bennett, Partner

F. Don Siegal, Partner

M. J. Perlman, Partner

Ben Perlman, Partner

Milton Domit, Partner

Eddie Leitman, Partner

Jerry D. Leitman, Partner

Robert M. Fierman, Partner

Dr. Alan Siegal, Partner

Jackson M. Payne, Partner

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MARIE INVESTMENT COMPANY, an
Alabama General Partnership

By MD [Signature]
Its General Partner

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Sam W. Bennett, whose name as President of Valleydale Village, 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 1st day of July, 1981.

Cathy J. Miller
Notary Public

My Commission Expires: 8-31-81

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that A. S. Williams II, whose name as Vice President of Protective Life Insurance 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 1st day of July, 1981.

Mel Cleveland
Notary Public

MEL CLEVELAND, NOTARY PUBLIC
STATE OF ALABAMA AT LARGE

My Commission Expires MY COMMISSION EXPIRES APRIL 19, 1985

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public, in and for said County in said State, hereby certify that Sam W. Bennett, whose name as a partner of Valleydale Village Properties, an Alabama General Partnership, 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, in his capacity as such partner, executed the same voluntarily on the day the same bears date.

Given under my hand this the 1st day of July, 1981.

Cathy S. Miller
Notary Public

My Commission Expires: 8-31-81

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public, in and for said County in said State, hereby certify that F. Don Siegal, whose name as a partner of Valleydale Village Properties, an Alabama General Partnership, 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, in his capacity as such partner, executed the same voluntarily on the day the same bears date.

Given under my hand this the 1st day of July, 1981.

Cathy S. Miller
Notary Public

My Commission Expires: 8-31-81

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public, in and for said County in said State, hereby certify that M. J. Perlman, whose name as a partner of Valleydale Village Properties, an Alabama General Partnership, 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, in his capacity as such partner, executed the same voluntarily on the day the same bears date.

Given under my hand this the 1st day of July, 1981.

Cathy S. Miller
Notary Public

My Commission Expires: 8-31-81

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public, in and for said County in said State, hereby certify that Ben Perlman, whose

name as a partner of Valleydale Village Properties, an Alabama General Partnership, 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, in his capacity as such partner, executed the same voluntarily on the day the same bears date.

Given under my hand this the 1st day of July, 1981.

Cathy S. Miller
Notary Public

My Commission Expires: 8-31-81

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public, in and for said County in said State, hereby certify that Milton Domit, whose name as a partner of Valleydale Village Properties, an Alabama General Partnership, 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, in his capacity as such partner, executed the same voluntarily on the day the same bears date.

Given under my hand this the 1st day of July, 1981.

Cathy S. Miller
Notary Public

My Commission Expires: 8-31-81

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public, in and for said County in said State, hereby certify that Eddie Leitman, whose name as a partner of Valleydale Village Properties, an Alabama General Partnership, 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, in his capacity as such partner, executed the same voluntarily on the day the same bears date.

Given under my hand this the 1st day of July, 1981.

Cathy S. Miller
Notary Public

My Commission Expires: 8-31-81

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STATE OF ALABAMA)

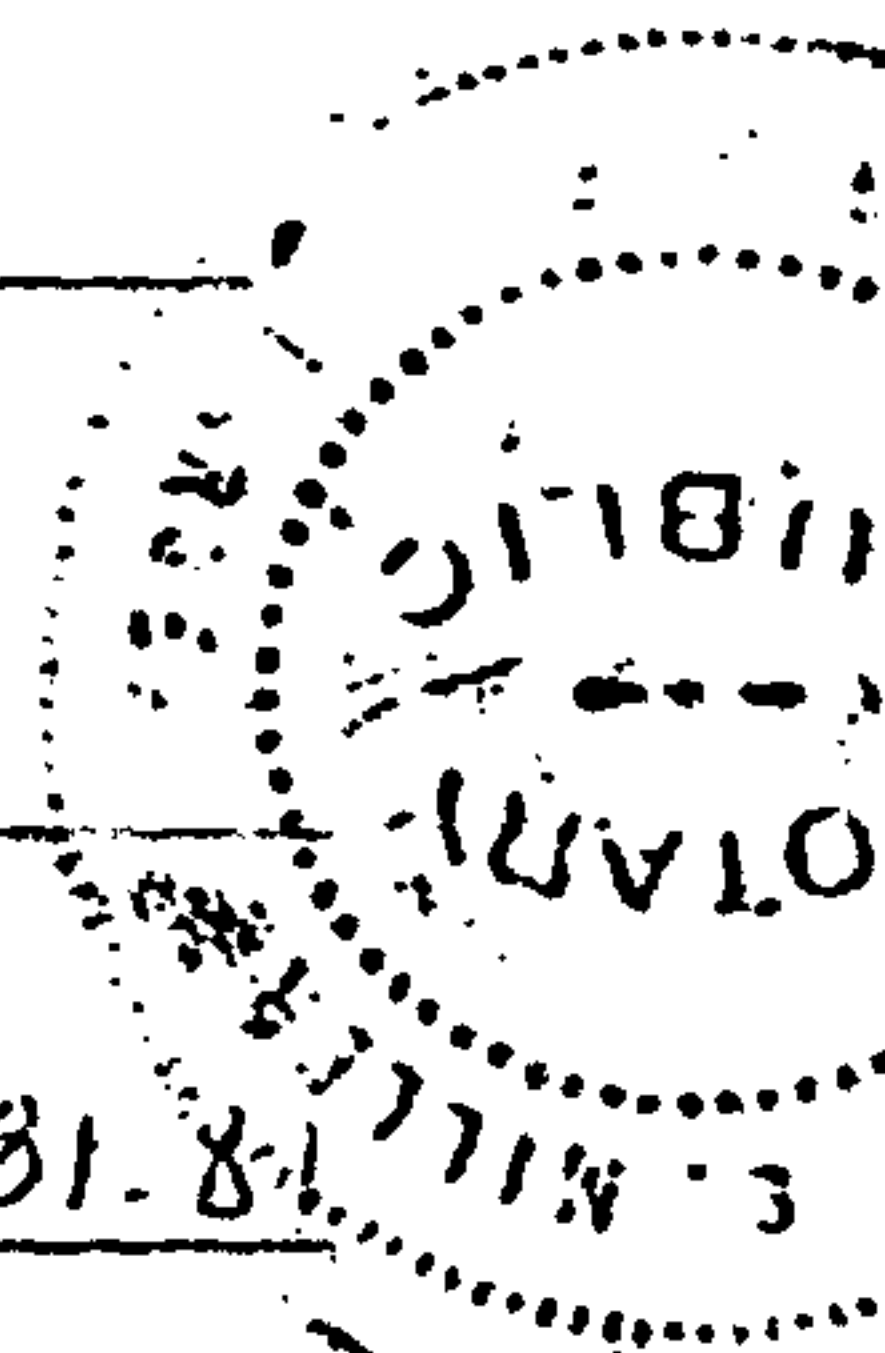
JEFFERSON COUNTY)

I, the undersigned, a Notary Public, in and for said County in said State, hereby certify that Jerry D. Leitman, whose name as a partner of Valleydale Village Properties, an Alabama General Partnership, 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, in his capacity as such partner, executed the same voluntarily on the day the same bears date.

Given under my hand this the 1st day of July, 1981.

Cathy S. Miller
Notary Public

My Commission Expires: 8.31.81



STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public, in and for said County in said State, hereby certify that Robert M. Fierman, whose name as a partner of Valleydale Village Properties, an Alabama General Partnership, 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, in his capacity as such partner, executed the same voluntarily on the day the same bears date.

Given under my hand this the 1st day of July, 1981.

Cathy S. Miller
Notary Public

My Commission Expires: 8.31.81



STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public, in and for said County in said State, hereby certify that Dr. Alan Siegal, whose name as a partner of Valleydale Village Properties, an Alabama General Partnership, 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, in his capacity as such partner, executed the same voluntarily on the day the same bears date.

Given under my hand this the 1st day of July, 1981.

Cathy S. Miller
Notary Public

My Commission Expires: 8.31.81



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STATE OF ALABAMA)
JEFFERSON COUNTY)

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Shelby Cnty Judge of Probate, AL
07/01/1981 00:00:00 FILED/CERTIFIED

I, the undersigned, a Notary Public, in and for said County in said State, hereby certify that Jackson M. Payne, whose name as a partner of Valleydale Village Properties, an Alabama General Partnership, 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, in his capacity as such partner, executed the same voluntarily on the day the same bears date.

Given under my hand this the 1st day of July, 1981.

Cathy S. Miller
Notary Public

My Commission Expires: 8-31-81

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Mike Krawcheck whose name as General Partner of Marie Investment Company, an Alabama General Partnership, as a partner of Valleydale Village Properties, an Alabama General Partnership, 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 said instrument, he, as such partner and with full authority, executed the same voluntarily for and as the act of said partnership, acting in its capacity as such partner as aforesaid.

Given under my hand this the 1st day of July, 1981.

Cathy S. Miller
Notary Public

My Commission Expires: 8-31-81

This instrument was prepared by:

Jackson M. Payne, Attorney at Law
LEITMAN, SIEGAL & PAYNE, P.A.
425 First Alabama Bank Building
Birmingham, AL 35203

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