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AGREEMENT

THIS AGREEMENT made this 15th day of September, 1983, by and among SCOTCH BUILDING & DEVELOPMENT COMPANY, INC., an Alabama corporation (the "Borrower"), JOE A. SCOTCH, JR., WAYNE J. SCOTCH, MYRNA C. SCOTCH, and MARTHA B. SCOTCH (collectively the "Guarantors"), and SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION (formerly Birmingham Trust National Bank), a national banking association (the "Lender").

R E C I T A L S:

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A. Borrower and Guarantors are indebted to Lender in connection with a promissory note dated June 12, 1981, as modified by Agreement dated December 12, 1982, in the original principal amount of \$1,330,000, which note was secured by, among other things, a mortgage on real and personal property recorded in the Office of the Judge of Probate of Shelby County, Alabama, in Real Volume 413 at Page 509, the original description of which is set forth in Exhibit "A" hereto. Advances have been made pursuant to the terms and conditions of a construction loan agreement dated June 12, 1981. The outstanding principal balance of this loan (hereinafter for convenience referred to as "Loan No. 1) as of August 1st is \$509,243.52 principal and \$38,424.67 in accrued interest as of June 1, 1983. .

B. Borrower and Guarantors are further indebted to Lender in the principal sum of \$12,500 plus accrued and unpaid interest, pursuant to a Note dated May 27, 1982 (Loan No. 2).

C. Borrower and Guarantors are indebted to Lender in the principal sum of \$69,326.61 plus accrued and unpaid interest, pursuant to a Note dated October 13, 1978, and renewed July 9, 1980, which loan is secured by a construction loan agreement, and a mortgage dated October 13, 1978, and recorded in the aforesaid office in Real Volume 384, Page 411 (Loan No. 3).

D. Joe Scotch, Jr. is indebted to the Lender in the principal sum of \$2,000 plus accrued and unpaid interest as evidenced by a Promissory Note dated April 4, 1983 (Loan No. 4").

SOUTHTRUST BANK OF ALABAMA,
NATIONAL ASSOCIATION
MORTGAGE LOAN DEPARTMENT
P. O. BOX 2554
BIRMINGHAM, AL. 35290

E. Borrower since August 1, 1983 has repaid to Lender the sum of \$124,000. Borrowers have pending contracts on nine additional lots which are mortgaged to Lender and which will close within 120 days from the date of execution of this Agreement at a released value of \$15,500 which shall further reduce Borrower's loan by an additional \$139,500.

F. Borrower and Guarantors have requested that the Lender renew and extend certain of the above referred to loans and the parties have agreed to modify and amend the same under the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto covenant and agree as follows:

1. With respect to Loan No. 1, in addition to the eight lots heretofore closed, Borrower will, within 120 days from the execution of this document, sell and close an additional nine lots and apply not less than \$15,500 per lot to the principal balance of Loan No. 1. Borrower has contracts with prospective purchasers wherein it is agreed between Borrower and such prospective purchasers that three lots per month will be closed. The outstanding principal balance of Loan No. 1 shall bear interest at the rate of eight percent (8%) per annum on the unpaid balance as of June 1, 1983, with all accrued and unpaid interest to be due and payable on September 1, 1984. Also, on September 1, 1984 the entire outstanding principal balance which has not been reduced by the payment of proceeds from closing of lots at a release value of \$15,500 or reduced otherwise shall be due and payable. The unpaid interest from December 1, 1982 to June 1, 1983 in the sum of \$38,424.67 shall also be deferred, and if not sooner paid, shall be due and payable on September 1, 1984.

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Provided Borrower and Guarantors are not in default hereunder or in any other document executed by Borrower or Guarantor to Lender, Lender agrees to release from the operation and lien of the mortgage on Loan No. 1 individual lots at the rate of \$15,500 per lot. The release of three lots per month at a release price of \$15,500 shall be on a cumulative basis, and any remaining unpaid principal and interest shall be due and payable on September 1, 1984.

2. Provided Borrower and Guarantors are not in default hereunder or in any other document executed by Borrower or Guarantors to Lender, Lender covenants and agrees to lend Borrower an additional \$123,000 to be guaranteed by Guarantors, and to be disbursed pursuant to the terms of the mortgage on Loan No. 1 for the completion of streets, paving and gutters and other subdivision improvements on the property described in the mortgage securing Loan No. 1. Prior to the commencement of any such subdivision improvements, all such contracts shall be submitted to Lender for Lender's written approval. Lender shall have no obligation to make any disbursements hereunder unless it has approved all such contracts submitted to it. Lender agrees to advise Borrower in writing within 4 working days of receiving any contracts submitted to Lender of Lenders acceptance or rejection. Funds shall be released upon completion of subdivision improvements, satisfactory inspection by the Lender, and satisfactory invoices being submitted to Lender. Lender agrees upon receiving notification from Borrower that improvements have been completed to inspect the same within 4 working days. Borrower and Lender agree that prior to the execution of this agreement, Borrower has substantially submitted to Lender all information concerning the development costs that remain to complete the subdivision.

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3. Within 15 days from the execution of this Agreement, Borrower will pay Loan No. 2 in full, and Joe Scotch, Jr. will pay Loan No. 4 in full.
4. Effective on July 1, 1983, Loan No. 3 shall bear interest at the rate of 1% over the publicly announced prime rate of Lender with interest only due and payable on the 1st day of each month and with payment in full of all principal and interest on or before September 1, 1984.
5. Borrower and Guarantors shall have the right to prepay any of the above notes as modified hereby in whole or in part at any time.
6. All of the mortgages and collateral described above shall continue to secure the various notes as modified and amended hereby. With respect to such loans, Borrower and Guarantors represent and warrant to Lender that all of the properties encumbered by the above referred to mortgages are free and clear of all liens and encumbrances whatsoever except for the mortgages held by the Lender.
7. The lien of the mortgages on all of the property covered therein is hereby restated, reconfirmed, and ratified and shall secure each of the notes as hereby extended, renewed, and modified, and payable as herein provided.
8. The Guarantors acknowledge that their guarantees are in full force and effect as to the entire indebtedness described herein.
9. Except as otherwise specifically modified and amended hereby, the terms, covenants, conditions, agreements and stipulations of the various collateral documents described above shall remain in full force and effect and Borrower and Guarantors do hereby ratify and reconfirm the notes, mortgages, loan agreements,

and other documents executed and delivered by the Borrower and Guarantors to the Lender to evidence and secure the aforesaid indebtedness.

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

ATTEST:

SCOTCH BUILDING &
DEVELOPMENT COMPANY, INC.

Joe A. Scotch, Jr.
Its Vice President

By Wayne J. Scotch
Its President

~~Joe A. Scotch, Jr.~~

~~Wayne J. Scotch~~

~~Myrna C. Scotch~~

~~Martha B. Scotch~~

SOUTHTRUST BANK OF ALABAMA
NATIONAL ASSOCIATION

By Lee Brown
Its V.P.

STATE OF ALABAMA)
COUNTY OF Jefferson)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Wayne J. Scotch & Joe A. Scotch, Jr., whose name as Pres & Vice Pres of Scotch Building & Development Company, Inc., is sined to the foregoing agreement and who is known to me, acknowledged before me on this day that, being informed of the contents of such agreement, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporaion.

day of Sept, 1983 Given under my hand and official seal this 15th

Notary Public

STATE OF ALABAMA)
COUNTY OF _____)

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I, the undersigned, hereby certify that Joe A. Scotch, Jr., whose name is signed to the foregoing agreement and who is known to me, acknowledged before me on this day that, being informed of the contents of the agreement, he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this _____ day of _____, 1983.

Notary Public

STATE OF ALABAMA)
COUNTY OF _____)

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I, The undersigned, a Notary Public in and for said County in said State, hereby certify that Myrna C. Scotch, whose name is signed to the foregoing agreement and who is known to me, acknowledged before me on this day that, being informed of the contents of the agreement, she executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this _____ day of _____, 1983.

Notary Public

STATE OF ALABAMA)
COUNTY OF _____)

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I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Martha B. Scotch, whose name is signed to the foregoing agreement and who is known to me, acknowledged before me on this day that, being informed of the contents of the agreement, she executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this _____ day of _____, 1983.

Notary Public

STATE OF ALABAMA)
COUNTY OF Jefferson)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Lee Brown, whose name as Vice President of SouthTrust Bank of Alabama, National Association, a national banking association, is signed to the foregoing agreement and who is known to me, acknowledged before me on this day that, being informed of the contents of the agreement, he, as such officer and with full authority, executed the same voluntarily for and as the act of said association.

Given under my hand and official seal this 15 day of September, 1983.

Sandra M. Sharp
Notary Public

My Commission Expires February 9, 1986.

EXHIBIT "A"

That certain property situated in the NE 1/4 of the SW 1/4 and the N 1/2 of the SE 1/4 of Section 12, Township 19, Range 2 West, described as follows:

PARCEL I:

Beginning at the southeast corner of said quarter-quarter section run thence in a westerly direction along the south line of said quarter-quarter section for a distance of 150.26 feet; thence turn an angle to the right of 89°-29'-41" and run in a northerly direction for a distance of 187.42 feet; thence turn an angle to the right of 90°-00' and run in an easterly direction for a distance of 9.87 feet; thence turn an angle to the left of 90° and run in a northerly direction for a distance of 30.00 feet; thence turn an angle to the right of 7°-15'-00" and run in a northeasterly direction for a distance of 215.00 feet; thence turn an angle to the left of 20°-00'-00" and run in a northwesterly direction for a distance of 206.00 feet; thence turn an angle to the right of 12°-33'-15" and run in a northerly direction for a distance of 505.19 feet; thence turn an angle to the left of 90°-00'-00" and run in a westerly direction for a distance of 9.0 feet; thence turn an angle to the right of 90° and run in a northerly direction for a distance of 30.00 feet; thence turn an angle to the left of 9°-00' and run in a northwesterly direction for a distance of 164.31 feet to the north line of said quarter-quarter section; thence turn an angle to the right of 99°-23'-33" and run along the north line of said quarter-quarter section in an easterly direction for a distance of 147.47 feet to the northeasterly corner of said quarter-quarter section; thence turn an angle to the right of 87°-43'-18" and run in a southerly direction along the easterly line of said quarter-quarter section for a distance of 1330.68 feet to the point of beginning.

STATE OF ALA. SHELBY CO.
I CERTIFY BY THIS
NOTARIAL ACT WAS FILED

1983 SEP 26 AM 9:24

Rec 10.50
Dud 1.00
11.50

PARCEL II:

Beginning at the southwest corner of said quarter-quarter section run thence in a northerly direction along the west line of said quarter-quarter section for a distance of 1330.68 feet to the northwest corner of said quarter-quarter section; thence turn an angle to the right of 91°-58'-22" and run in an easterly direction along the north line of said quarter-quarter section for a distance of 1324.49 feet to the northeast corner of said quarter-quarter section; thence turn an angle to the right of 122°-24'-49" and run in a southwesterly direction for a distance of 177.22 feet; thence turn an angle to the left of 6°-18'-49" and run in a southwesterly direction for a distance of 177.73 feet; thence turn an angle to the right of 7°-40' and run southwesterly for a distance of 435.00 feet; thence turn an angle to the right of 34°-55' and run southwesterly for a distance of 224.55 feet; thence turn an angle to the left of 25°-20' and run southwesterly for a distance of 249.93 feet; thence turn an angle to the left of 20°-24'-58" and run southwesterly for a distance of 115.96 feet; thence turn an angle to the right of 16°-44'-53" and run southwesterly for a distance of 376.11 feet to the south line of said northwest quarter of southeast quarter; thence turn an angle to the right of 50°-28'-56" and run in a westerly direction along said south line for a distance of 197.63 feet to the point of beginning.

Parcel III:

Lots 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 13 and 14 in Block 1; Lots 5, 6, 7 and 11 in Block 2; Lots 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13 and 14 in Block 3; Lots 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15 and 16 in Block 4; all according to the Survey of Broken Bow, as recorded in the Office of the Judge of Probate of Shelby County, Alabama in Map Book 7, page 145.