

THIS INSTRUMENT PREPARED BY: Richard W. Theibert, Attorney  
Najjar Denaburg, P.C.  
2125 Morris Avenue, Birmingham, Alabama 35203

MORTGAGE MODIFICATION AGREEMENT

THE STATE OF ALABAMA)  
COUNTY OF SHELBY )

Inst # 1994-37269

This Agreement is by and between Compass Bank, (hereinafter referred to as "Bank") and J. C. Ranelli, a married man, and Paul P. Salter, III, a married man, (hereinafter referred to as "Borrower").

WHEREAS, Borrower is indebted to Bank as evidenced by the original Promissory Note dated February 17, 1987 ("Note"); and secured by a Mortgage on real property situated in Shelby County, Alabama, said Mortgage being recorded in Real Volume 227, Page 818, in the Office of the Judge of Probate of Shelby County, Alabama, ("Mortgage"); and

WHEREAS, Borrower and Bank desire to modify the terms of said Mortgage set forth herein.

NOW, THEREFORE, for and in consideration of the premises, Borrower and Bank agree that the Mortgage is modified as follows:

A Renewal Promissory Note, which is hereby attached and incorporated by reference, dated December 20, 1994 in the amount of \$250,000.00 modifying certain terms of that Promissory Note as mentioned above in has been executed by the above referenced Borrower to be secured by the above referenced Mortgage.

Except as modified herein, all of the terms and conditions of the Mortgage shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed effective this 20th day of December, 1994.

LENDER:

Compass Bank


BY:

  
Paul E. Allen, Real Estate Officer

WITNESS

BORROWER:

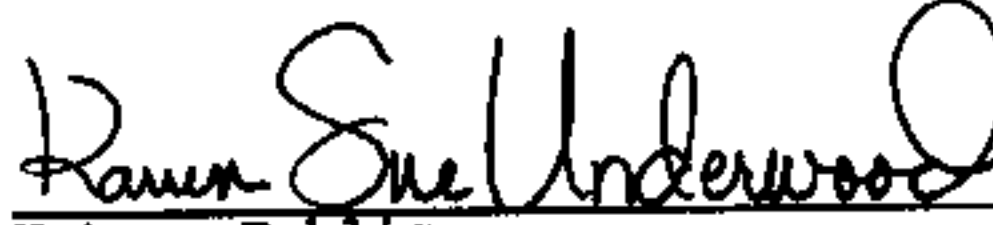
  
J. C. Ranelli

  
Paul P. Salter, III

THE STATE OF ALABAMA )  
COUNTY OF JEFFERSON )

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that Paul E. Allen whose name as Real Estate Officer of Compass Bank, a Bank, is signed to the foregoing conveyance, and who is known to me, acknowledged before me and with full authority, executed the same voluntarily for and as the act of said Bank.

Given under my hand and official seal this 20th day December, 1994.



Notary Public

My commission expires: MY COMMISSION EXPIRES JUNE 23, 1997

THE STATE OF ALABAMA )  
COUNTY OF JEFFERSON )

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that J. C. Ranelli, a married man, and Paul P. Salter, III, a married man, 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 this instrument, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 20th day December, 1994.



Notary Public

My commission expires: MY COMMISSION EXPIRES JUNE 23, 1997



RENEWAL

J. C. Ranelli

## PROMISSORY NOTE

FILE UNDER:	Paul P. Salter, III
Birmingham ALABAMA	\$ 250,000.00
December 20, 1994	LOAN OFFICER P. Allen

1. **Promise to Pay**  
FOR VALUE RECEIVED, this the 20th day of December, 19 94, the undersigned, jointly and severally, if more than one (herein, the "Borrower", whether one or more), promises to pay to the order of COMPASS BANK (herein called "Bank", or Bank and any subsequent holder hereof, as applicable, are referred to as the "Holder"), at the Bank's office or at such other place as Holder may designate from time to time without grace and in lawful money of the United States of America, the principal sum of Two Hundred Fifty Thousand and No/100 Dollars (\$ 250,000.00),

(or if there is more than one advance hereunder, the aggregate principal amount of all advances by Holder to Borrower pursuant to this Note), together with interest thereon, all as evidenced by the records of Holder. Borrower promises to pay principal and interest as set forth in Sections 2 and 3 below. Unless otherwise elected by Holder, all payments shall be applied as billed by Holder, and if not billed, then first to late and other charges, if any, payable hereunder or under any Loan Document, then to interest and then to principal.

2. **Payment of Principal** (2.4 relates to principal and interest) Principal shall be paid as follows: (check one)

2.1 ( ) On demand.

2.2 ( ) \_\_\_\_\_ after the date hereof, due on \_\_\_\_\_.

2.3 (X) Principal payments shall be made in 84 consecutive monthly installments of \$ 2,976.20 each, commencing January 1, 1995, and a final installment equal to the total unpaid principal, interest and charges, due and payable in full on December 1, 2001, which date shall be the maturity date of this Note.

2.4 ( ) Principal and interest payments shall be made in \_\_\_\_\_ consecutive \_\_\_\_\_ installments of \$ \_\_\_\_\_ each, commencing \_\_\_\_\_, and a final installment equal to the total unpaid principal, interest and charges, due and payable in full on \_\_\_\_\_, which date shall be the maturity date of this Note.

3. **Interest, Payment of Interest**

Interest from date on the outstanding unpaid principal balance shall be calculated by multiplying the product of the principal amount and the applicable rate set forth herein by the actual number of days elapsed, and dividing by 360. "Compass Bank Prime", as used herein, is a reference rate established by the Bank for use in computing and adjusting interest, is subject to increase, decrease or change at the Bank's discretion, and is only one of the reference rates or indices that the Bank uses. The Bank may lend to others at rates of interest at, or greater or less than, Compass Bank Prime or the rate provided herein. In no event shall the rate of interest calculated hereunder exceed the maximum amount allowed by law. Any principal amounts outstanding hereunder after maturity shall continue to bear interest at the rate, and calculated in the manner, set forth herein. The applicable rate hereunder shall be determined and paid as follows (check one):

3.1 ( ) The applicable rate shall be \_\_\_\_\_ %. Interest shall be billed and paid \_\_\_\_\_.

3.2 (X) The applicable rate shall be equal to 1 percentage points above Compass Bank Prime from time to time prevailing at Bank. In no event shall the applicable rate exceed 27 % or be less than 7 %. Any change in said rate resulting from a change in Compass Bank Prime shall take effect immediately. Interest shall be billed and paid monthly beginning 1/1/95.

3.3 ( ) The applicable rate shall be equal to \_\_\_\_\_ percentage points above Compass Bank Prime from time to time prevailing at Bank. The applicable rate is subject to adjustment in accordance with the provisions of this Section 3.3 based on the formula set forth below, relating (i) the average net usable funds of the non-interest bearing deposit balances maintained during the preceding \_\_\_\_\_ months ("Averaging Period") by Borrower with Bank to (ii) the Borrower's average outstanding loan balance during the Averaging Period (herein "Compensation"). The Averaging Period may not be the immediate preceding \_\_\_\_\_ month period because of time needed for computational purposes. Any change in the applicable rate resulting from a change in Compass Bank Prime shall take effect \_\_\_\_\_.

Interest shall be billed and paid \_\_\_\_\_.

As used herein, the term "net usable funds" shall mean the investable, collected funds held by Bank after deducting the reserve requirements imposed upon Bank and Bank's standard service charges and other actual charges incurred by Bank with respect to the account(s). Collected funds are determined and calculated based on the then current Federal Reserve Bank availability schedules, and, if not covered thereby, when actually collected. The average net usable funds shall be reviewed monthly, at which time the applicable rate will be adjusted in increments of 1/2 (.50) percentage points, based on Compass Bank Prime on the last day of the Averaging Period pursuant to the following formula. No reduction shall be applicable when Compass Bank Prime on the last day of the Averaging Period is less than 5%.

Compass Bank Prime on the Last Day of the Averaging Period	Compensation Required To Reduce Applicable Rate by 1/2 Percentage Point	Compass Bank Prime on the Last Day of the Averaging Period	Compensation Required To Reduce Applicable Rate by 1/2 Percentage Point
5% to 5.9%	14%	12% to 12.9%	5%
6% to 6.9%	11%	13% to 14.9%	4.5%
7% to 7.9%	9%	15% to 16.9%	4%
8% to 8.9%	8%	17% to 18.9%	3.5%
9% to 9.9%	7%	Greater than 19%	3%
10% to 11.9%	6%		

A minimum of \$ \_\_\_\_\_ in average net usable funds is required to qualify for any reduction to the applicable rate. If the greater of (i) this minimum amount, or (ii) an amount of compensation sufficient to qualify for a 1/2 percentage point rate reduction has not been satisfied for any three (3) consecutive monthly review periods, the Bank shall have no further obligation to make such reviews, and the Borrower thereafter shall not be entitled to any reduction to the applicable rate.

**Rate floor and ceiling**

(a) ( ) In no event shall the applicable rate under this Section 3.3 exceed \_\_\_\_\_ % or be less than \_\_\_\_\_ %. If a minimum of \$ \_\_\_\_\_ in average net usable funds is not maintained for three (3) consecutive monthly reviews, thereafter the provisions of paragraph (b) below shall apply in lieu of the provisions of this paragraph (a).

(b) ( ) In no event shall the applicable rate under this Section 3.3 exceed \_\_\_\_\_ % or be less than the greater of \_\_\_\_\_ percentage points \_\_\_\_\_ Compass Bank Prime or \_\_\_\_\_ %.

3.4 ( ) If checked, see Addendum 1 for applicable interest formula and payment of interest.

4. **Security**

(Check and complete applicable options) Borrower has given Bank:

4.1 ( ) title to and a security interest under the Uniform Commercial Code of Alabama or other state, as applicable, in the collateral described in the separate security agreement(s) ("Security Agreement");

4.2 ( ) a mortgage on, or deed of trust, deed to secure debt, or other lien or interest in real property and improvements ("Mortgage");

4.3 (X) Existing mortgage of record & a Mortgage Modification Agreement

The Security Agreement, Mortgage, loan agreement and any other Loan Document evidencing, securing or guaranteeing all or any part of the indebtedness hereunder are sometimes collectively referred to as "Loan Documents". This Note also may be secured by other property given to Holder as collateral in other agreements from time to time existing between the Borrower and the Holder. Borrower acknowledges having read and understood the Holder's rights under such separate agreements. References to the Loan Documents and to such other agreements shall not affect or impair the absolute and unconditional obligation of the Borrower to pay the principal of and interest on this Note when due.

To the extent permitted by applicable law, Holder may, but shall not be required to, apply to or set off against any amount owed under this Note, without notice to Borrower, any funds, credit or property held by, in transit to or in possession of, Holder for the account of any Borrower.

5. **Purpose of Loan**

The purpose of the loan is: to set up loan on an amortizing basis; originally to purchase property

The Borrower represents and warrants to the Bank that this transaction is exclusively for the business purposes of the Borrower.

6. **Prepayment**

Prepayments may result in an early maturity date. (check one)

(X) This Note may be prepaid in whole or in part at any time without a prepayment charge.

( ) This Note may be prepaid \_\_\_\_\_.

Sections 7, 8, 9 & 10 appearing on the reverse side are a part of this Note.

Ranelli's CAUTION — IT IS IMPORTANT THAT YOU THOROUGHLY READ THE CONTRACT BEFORE YOU SIGN IT.

2816 Berkeley Drive 2865 Skelton Rd

Birmingham, Alabama 35242 B'ham 35223

By \_\_\_\_\_

Its \_\_\_\_\_

X

991-0757

Phone Number

Paul P. Salter, III

7. Late Charges for Overdue Payments

Any scheduled payment of principal or principal plus interest in default ten (10) days or more will be subject to a late charge of five percent (5%) of such scheduled payment. The late charge shall not exceed \$100 for any late payment, except that such limitation shall be inapplicable if this Note is secured by real property. The late charge shall be charged only once for any late payment.

8. Default

Any one or more of the following events or conditions of Borrower (which shall mean and include any maker, endorser, surety or guarantor, hereof) shall constitute a default under this Note: (a) failure to pay when due or to perform or comply with any of the (i) obligations or provisions under this Note and any renewals, modifications, refinancings and extensions thereof, (ii) obligations or provisions under any Loan Document, or (iii) other obligations and indebtedness of Borrower to Holder now existing or hereafter incurred or arising, direct or indirect, and however incurred or any part thereof (collectively, the "Indebtedness"); or (b) if Holder deems itself insecure for any reason and Borrower fails to deposit additional collateral satisfactory to Holder. Upon the happening of any one or more of said events of default, Holder shall have the right at its election and without notice to Borrower, to declare the full amount of principal, interest, and charges under this Note and all other Indebtedness of Borrower to Holder immediately due and payable with interest to date. No delay in making such election shall be construed as a waiver of the right to make such election. In the event of the death or insolvency of Borrower, general assignment by, judgment against, filing of petition in bankruptcy by or against, or the filing of application in any court for a receiver for Borrower, or issuance of writ of garnishment or attachment in a suit or action against any of the assets of Borrower, the full amount of principal, interest and charges under this Note and all other Indebtedness of Borrower shall immediately become due and payable with interest to date, unless Holder shall, on notice of such event, elect to waive such acceleration by written notation hereon. Upon any such acceleration, whether automatic or at the election of Holder, both principal and accrued interest shall bear interest from the accelerated date of maturity at the rate set forth in Section 3 above.

9. Waivers, Costs of Collection, Miscellaneous

Each Borrower, to the extent not prohibited by applicable law or regulation, hereby severally (a) waives as to this debt or any renewal, modification, extension or refinancing thereof all rights of exemption under the Constitution or laws of Alabama or any other state as to real or personal property; (b) waives demand, presentment, protest, notice of protest, notice of dishonor, suit against any party and all other requirements necessary to hold Borrower liable hereunder; (c) agrees that time of payment may be extended or renewal notes taken or other indulgence granted without notice of or consent to such action and without release of liability as to any Borrower; and (d) agrees to pay all costs of collecting or attempting to collect or secure this Note, including reasonable attorneys' fees. This Note shall be construed in accordance with the laws of the State of Alabama. If any provision of this Note is or becomes invalid or unenforceable, the remaining provisions shall not be affected thereby. Any change or modification to this Note must be in writing signed by both Holder and Borrower.

10. Execution

The undersigned have subscribed their names hereto without condition that anyone else should sign or become bound hereon and without any other condition whatever being made. The provisions hereof are binding on the heirs, executors, administrators, assigns and successors of each Borrower and shall inure to the benefit of Bank, its successors and assigns, and every subsequent Holder of this Note. Borrower acknowledges receipt of a completed copy hereof and of any other instrument executed by Borrower before this transaction is consummated.

1994-37869  
12/27/1994-37869  
09:08 AM CERTIFIED  
SHELBY COUNTY JUDGE OF PROBATE  
004 MEL 391.00