

Inst # 1996-38018

AGREEMENT

THIS AGREEMENT entered into this day by and between First Union National Bank ("First Union"), located at 600 South West Broad Street, Southern Pines, North Carolina 28387, Alabama Affordable Housing, L.L.C. ("AAH"), located at 275 S.E. Broad Street, Southern Pines, North Carolina 28387, and Thomas C. Anderson and Jacquelyn S. Anderson (jointly, the "Andersons"), residing at 1014 River Highlands Circle, Birmingham, Alabama 35242.

RECITALS

A. The Andersons and AAH are entering into an Option to Purchase ("Option") agreement concerning certain real estate more particularly described on Exhibit A attached hereto (the "Real Estate")

B. AAH has executed a mortgage on the Real Estate in favor of First Union, dated of even date herewith and recorded simultaneously herewith (the "Mortgage").

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the parties agree as follows:

1. First Union will give actual written notification to the Andersons prior to any foreclosure action of the Mortgage. For a period of 90 days, the Andersons shall have the right to purchase the Mortgage and underlying indebtedness for its pay-off amount. Upon payment of the purchase price, First Union will convey all its rights and title to the Mortgage and underlying indebtedness.

2. In the event that the Andersons purchase the Mortgage and related indebtedness, that certain Option dated of even date herewith executed by AAH in favor of the Andersons and recorded simultaneously herewith shall be deemed in all respects to be superior to the rights under the Mortgage.

3. First Union agrees to cause any successor or assignee of First Union under the terms of the Mortgage and underlying indebtedness to be bound by the terms hereof.

4. This agreement shall inure to the benefit of the parties and their successors and assigns.

11/18/1996-38018
10:54 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
0051 NEL 21.50

IN WITNESS WHEREOF, each of the undersigned has executed this Option to Purchase as set forth on the date below.

Date: 10/25/96

FIRST UNION NATIONAL BANK

By: Stuart J. Struckland
Its: VICE PRESIDENT

Date: 10/23/96

ALABAMA AFFORDABLE HOUSING, L.L.C.

By: Robert Logan
Its: Manager

Date: 11/14/96

Thomas C. Anderson
Thomas C. Anderson

Date: 11/14/96

Jacquelyn S. Anderson
Jacquelyn S. Anderson

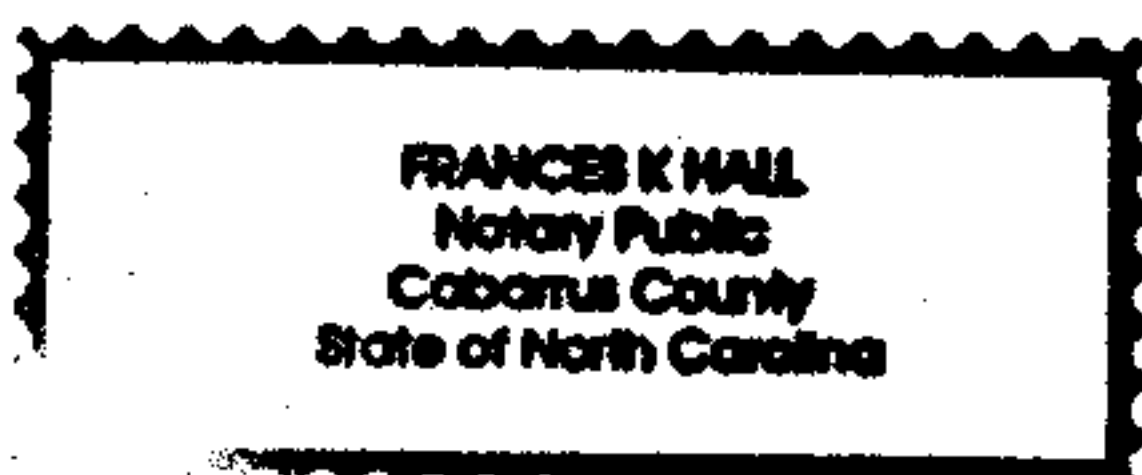
STATE OF North Carolina
Cabarrus COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Stuart J. Struckland whose name as Vice President of First Union National Bank, 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 office and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this the 25 day of October, 1996

Frances K. Hall
Notary Public
My Commission Expires: 4/12/2000

AFFIX SEAL



STATE OF NC)
)
Moore COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that W. Robert Logan whose name as Manager of Alabama Affordable Housing, L.L.C, 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 office and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this the 23rd day of October, 1996

Louise S. Harward
Notary Public
My Commission Expires: 2-11-98

AFFIX SEAL

STATE OF Alabama)
)
Jefferson COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Thomas C. Anderson whose name 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 executed the same voluntarily.

Given under my hand and official seal this the 14th day of November, 1996

Quita L. Hawn
Notary Public
My Commission Expires: 10/17/98

AFFIX SEAL

STATE OF Alabama)
)
Jefferson COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Jacquelyn S. Anderson whose name 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, she executed the same voluntarily.

Given under my hand and official seal this the 14th day of November, 1996.

Quita R. Gann

Notary Public

My Commission Expires: 10/17/98

AFFIX SEAL

EXHIBIT A

(Real Estate Description)

As follows:

{ State of Alabama }
{ Shelby County }

Address: 1009 AUTUMN CIRCLE

LOT FIVE of EAGLE WOOD ESTATES, FIRST SECTOR as recorded in Map Book 7, Page 45 in the office of the Judge of Probate, Shelby County, Alabama.

I, Amos Cory, a Registered Land Surveyor, hereby state that all parts of this survey and drawing have been completed in accordance with the requirements of the Minimum Technical Standards for the Practice of Land Surveying in the State of Alabama, and that I have consulted the Federal Insurance Administration Flood Hazard Boundary Maps and found that the above described property is not within a special flood hazard area.

According to my survey this 21st day of February 1996.

Type Survey: Loan or Closing

Job#: 063-95


Amos Cory P.L.S. #10550
3120 Highway 52, West
(Mail=P.O. Box 684) Pelham, AL 35124
Pho (205) 663-9379 Fax (205) 663-9155

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