

MODIFICATION AGREEMENT

THIS MODIFICATION AGREEMENT, Made by and between Collateral Mortgage, Ltd., ("Lender"), and Ken M. Peeks and wife, Wendi L. Peeks, ("Borrowers").

WHEREAS, Borrower (or Borrower's predecessor in title, if applicable) has made, executed and delivered to Lender (or Lender's predecessor, if applicable) a Mortgage Note and Mortgage ("Instrument") dated June 28, 1996, in the original principal amount of \$150,000.00, which said mortgage is recorded in the Probate Office of Shelby County, Alabama in Instrument 1996-21248.

WHEREAS, Lender is willing to modify the terms of the Instrument(s) in consideration of Borrower's representations and covenants.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Borrower promises to repay the Instrument(s) according to the following terms:

The principal balance of the loan shall be increased from \$150,000.00 to \$178,300.00.

Commencing with the monthly installment due on February 1, 1997, monthly payments of principal and interest shall be \$1,277.36. (This does not include the payments for real estate taxes and insurance, if applicable.)

2. Lender shall credit the lump sum payment, if required herein, to Borrower's principal balance. If this Agreement is not accepted by Lender, the payment shall be returned to Borrower without recourse to Lender.
3. BORROWER HEREBY DECLARES AND AFFIRMS THAT BORROWER POSSESSES SUFFICIENT AND ADEQUATE FINANCIAL ABILITY TO MEET THE TERMS OF THIS AGREEMENT.
4. IT IS EXPRESSLY UNDERSTOOD THAT NEITHER BORROWER NOR LENDER IS OBLIGATED TO EXECUTE THIS AGREEMENT AND IT SHALL HAVE NO FORCE OR EFFECT UNLESS AND UNTIL BOTH PARTIES HAVE EXECUTED.
5. IN THE EVENT OF A DEFAULT UNDER THIS AGREEMENT, LENDER MAY AT ITS SOLE OPTION TERMINATE THIS AGREEMENT AND WITHOUT NOTICE OR DEMAND, REINSTATE THE INSTRUMENT(S) AND ANY MODIFICATIONS THERETO IN ACCORDANCE WITH THEIR TERMS PRIOR TO THIS AGREEMENT.
6. IN ALL OTHER RESPECTS, THE PROVISIONS OF THE INSTRUMENT(S) SHALL REMAIN UNCHANGED. THIS AGREEMENT DOES NOT CONSTITUTE THE CREATION OF A NEW DEBT OR THE EXTINGUISHMENT OF THE DEBT EVIDENCED BY THE INSTRUMENT(S), NOR DOES IT IN ANY WAY AFFECT OR IMPAIR THE LIEN OF THE INSTRUMENT(S) WHICH BORROWER HEREBY ACKNOWLEDGES TO BE A VALID AND EXISTING FIRST LIEN, IT IS FURTHER AGREED THAT SAID LIEN SHALL CONTINUE IN FULL FORCE AND EFFECT, UNAFFECTED AND UNIMPAIRED BY THIS AGREEMENT, AND THE SAME SHALL SO CONTINUE UNTIL FULLY SATISFIED.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the dates indicated opposite their signatures set forth below.

Borrower: Ken M. Peeks (SEAL) Date: December 17, 1996
Ken M. Peeks

Borrower: Wendi L. Peeks (SEAL) Date: December 17, 1996
Wendi L. Peeks

Lender: COLLATERAL MORTGAGE, LTD.

BY: Mary Guined Date: 1-3-97
Title ASSISTANT VICE PRESIDENT
MARY GUINED

01/14/1997-01360
09:13 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
002 SHA 53.45

Inst # 1997-01360

State of Alabama)
County of Shelby)

I, the undersigned, hereby certify that Ken M. Peaks and wife, Wendi L. Peaks, whose names are signed to the foregoing conveyance and who are known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, they executed the same voluntarily on the day of same bears date.

GIVEN UNDER MY HAND THIS 17TH DAY OF DECEMBER, 1996.

My Commission Expires: 3/5/99


Notary Public

State of Alabama)
County of Shelby)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Mary Guined, whose name as Assistant Vice President Collateral Mortgage, Ltd., a corporation, is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

GIVEN UNDER MY HAND THIS THE 17TH DAY OF DECEMBER, 1996.

My Commission Expires:

02-26-00


Notary Public

Inst # 1997-01360

01/14/1997-01360
09:13 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
002 SNA 53.45