

MODIFICATION AGREEMENT

STATE OF ALABAMA)
COUNTY OF SHELBY)

Account Number: 82-815895

THIS AGREEMENT of Modification made and entered into by and between Acton, Homes, Inc. (hereinafter referred to as "Borrower") and First National Bank of Shelby County, formerly known a First National Bank of Columbiana (hereinafter referred to as FNBS), on this the 27th day of January, 1997.

W I T N E S S E T H :

WHEREAS, Borrower, on the 27th day of September, 1996, executed to FNBS a Note in the principal sum of \$450,000.00, ("Note"), which Note is secured by a mortgage conveying certain property situated in Shelby County, Alabama, which mortgage is recorded in the Probate Office of said County, Instrument Number 1996-32166 ("Mortgage"), reference being hereby made to the Mortgage for a particular description of the Note and the description of the property securing the payment of the Note (the "Mortgage Property") and

WHEREAS, the Borrower is the owner of the Mortgage Property, and has requested to increase said amount from \$450,000.00 to \$498,750.00, (an increase of \$48,750.00) and

WHEREAS, there are no liens or encumbrances against the Mortgage Property, or judgments against the Borrower, and

WHEREAS, the amount due under the Note and Mortgage is \$498,750.00. As of this date, the sum of \$304,748.20 has been advanced out of the total amount available.

WHEREAS, Borrower is desirous of paying the balance of the Note and Mortgage in accordance with a loan plan of FNBS, and the rules and regulations governing same;

NOW, THEREFORE, in consideration of the mutual benefits to flow to each of the parties hereto, the undersigned hereby agree and covenant as follows, viz:

1. The Borrower agrees to pay the Indebtedness secured by the Mortgage in the amount of \$498,750.00 in accordance with the following loan plan of FNBS.

(a) Interest shall accrue on the amount of the unpaid principal at the rate of 10.25% and shall be paid monthly.

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(b) The entire principal and any interest thereon shall be due and payable on the 27th day of October, 1997.

2. The Mortgage will secure the advance as a valid first lien against the Mortgage Property.

3. Except as modified by this Agreement, all conditions, terms, obligations, agreements and stipulations made in the Mortgage and Note shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, in duplicate, on the date and year first hereinabove written.

Acton Homes, Inc.

Danny F. Acton
Danny F. Acton, President

FIRST NATIONAL BANK OF SHELBY COUNTY

By: William R. Justice
William R. Justice

As Its: In-House Counsel

STATE OF ALABAMA
COUNTY OF SHELBY

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Danny F. Acton, whose name as President of Acton Homes, 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 in his capacity as President and with full authority, executed the same voluntarily for and as the act of the corporation. Given under my hand and official seal this 27th day of February, 1997.

Anne B. Shelby
Notary Public

My Commission Expires: 10-15-97

STATE OF ALABAMA
COUNTY OF SHELBY

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that William R. Justice, whose name as In-House Counsel for First National Bank of Columbiana, 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 in his capacity as In-House Counsel and with full authority, executed the same voluntarily for and as the act of the corporation. Given under my hand and seal of office on this 27th day of February, 1997.

Francis J. Harrison
Notary Public

My Commission Expires: MY COMMISSION EXPIRES JAN 1 1999

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