

STATE OF ALABAMA)
COUNTY OF SHELBY)

**FIRST AMENDMENT TO
LOAN ASSUMPTION AGREEMENT**

THIS FIRST AMENDMENT TO LOAN ASSUMPTION AGREEMENT ("this Amendment") dated as of August 16, 1997 (the "Effective Date") is entered into by Scotch Building & Development Co., Inc., an Alabama corporation (the "Borrower"), Marengo Building & Development, Inc., an Alabama corporation (the "Assumptor"), Wayne J. Scotch and Joe A. Scotch, Jr. (collectively, the "Guarantors"), and National Bank of Commerce of Birmingham, a national banking association (the "Lender").

Recitals

A. The Lender previously made a loan to the Borrower in the original principal amount of \$590,000 (the "Loan"), as evidenced by that certain Master Note - Commercial Loans dated as of January 16, 1997 in said principal amount (the "Note").

B. The Loan is secured by, among other things, (i) a certain Mortgage dated January 16, 1997 on certain property located in Shelby County, Alabama and more particularly described on Exhibit A attached hereto (the "Property"), which Mortgage is filed for record in the Office of the Judge of Probate of Shelby County, Alabama (the "Recording Office") in Instrument #1997-02467 (the "Mortgage"); and (ii) various guaranty agreements dated January 16, 1997 executed by each of the Guarantors (the "Guaranty Agreements", and collectively with the Note, the Mortgage and any other documents executed in connection therewith, the "Loan Documents").

C. The Borrower, the Assumptor and the Lender have previously entered into that certain Loan Assumption Agreement dated July 11, 1997 (the "Assumption Agreement"), which Assumption Agreement is filed for record in the Recording Office in Instrument #1997-22413, and pursuant to which the Assumptor assumed the obligations of the Borrower under the Note and the other Loan Documents.

D. Subsequent to the execution and recording of the Assumption Agreement, it was discovered that the Assumption Agreement incorrectly stated that the Note had an unpaid principal balance of \$167,865.22, and the parties have agreed to execute this Amendment in order to correct such inaccuracy.

Agreement

NOW, THEREFORE, in consideration of the premises and the mutual agreements set forth in this Amendment, effective as of the Effective Date, the parties hereby agree as follows:

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1. Capitalized terms used in this Amendment and not otherwise defined herein have the respective meanings attributed thereto in the Assumption Agreement.

2. From and after the Effective Date, the Assumption Agreement shall be, and it is hereby, amended by replacing subsection (a) of Section 2 in its entirety with the following:

(a) As of the date hereof, the Note has an unpaid principal balance of \$ 538,134.78;

3. Except as hereby expressly modified and amended the Assumption Agreement and the Assignment shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, each of the undersigned has executed this Amendment or caused this Amendment to be executed in its name and on its behalf by its duly authorized officer or member, as the case may be, all as of the Effective Date first set forth above.

"BORROWER":

SCOTCH BUILDING & DEVELOPMENT CO., INC.

By: Joe A. Scotch
Joe A. Scotch, Its Vice President

"ASSUMPTOR":

MARENGO BUILDING & DEVELOPMENT, INC.


By: Joe A. Scotch
Joe A. Scotch, Its Vice President

"GUARANTOR":

Joe A. Scotch, Jr.
Joe A. Scotch, Jr.
Wayne J. Scotch
Wayne J. Scotch

"LENDER":

NATIONAL BANK OF COMMERCE OF BIRMINGHAM

By: 
C. Houston Gillespy,
Assistant Vice President . . .

STATE OF ALABAMA)
COUNTY OF Shelby)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Joe A. Scotch, Jr., whose name as Vice President of Scotch Building & Development Co., Inc., an Alabama 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 said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal, this 6th day of August, 1997.

Judy L. Cox
Notary Public

[AFFIX SEAL]

My Commission Expires NOTARY PUBLIC STATE OF ALABAMA AT LARGE.
COMMISSION EXPIRES: Aug. 8, 1998.
BONDED THRU NOTARY PUBLIC UNDERWRITERS.

STATE OF ALABAMA)
COUNTY OF Shelby)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Joe A. Scotch, Jr., whose name as Vice President of Marengo Building & Development, Inc., an Alabama 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 said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal, this 6th day of August, 1997.

Judy L. Cox
Notary Public

[AFFIX SEAL]

My Commission Expires NOTARY PUBLIC STATE OF ALABAMA AT LARGE.
COMMISSION EXPIRES: Aug. 8, 1998.
BONDED THRU NOTARY PUBLIC UNDERWRITERS.

STATE OF ALABAMA)
COUNTY OF Shelby)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Joe A. Scotch, Jr., 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 on the day the same bears date.

Given under my hand and official seal, this 6th day of August, 1997.

Judy L. Cox
Notary Public

[AFFIX SEAL]

My Commission Expires: Aug. 8, 1998.
NOTARY PUBLIC STATE OF ALABAMA
BONDED THRU NOTARY PUBLIC UNDERWRITERS

STATE OF ALABAMA)
COUNTY OF Shelby)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Wayne J. Scotch, 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 on the day the same bears date.

Given under my hand and official seal, this 6th day of August, 1997.

Judy L. Cox
Notary Public

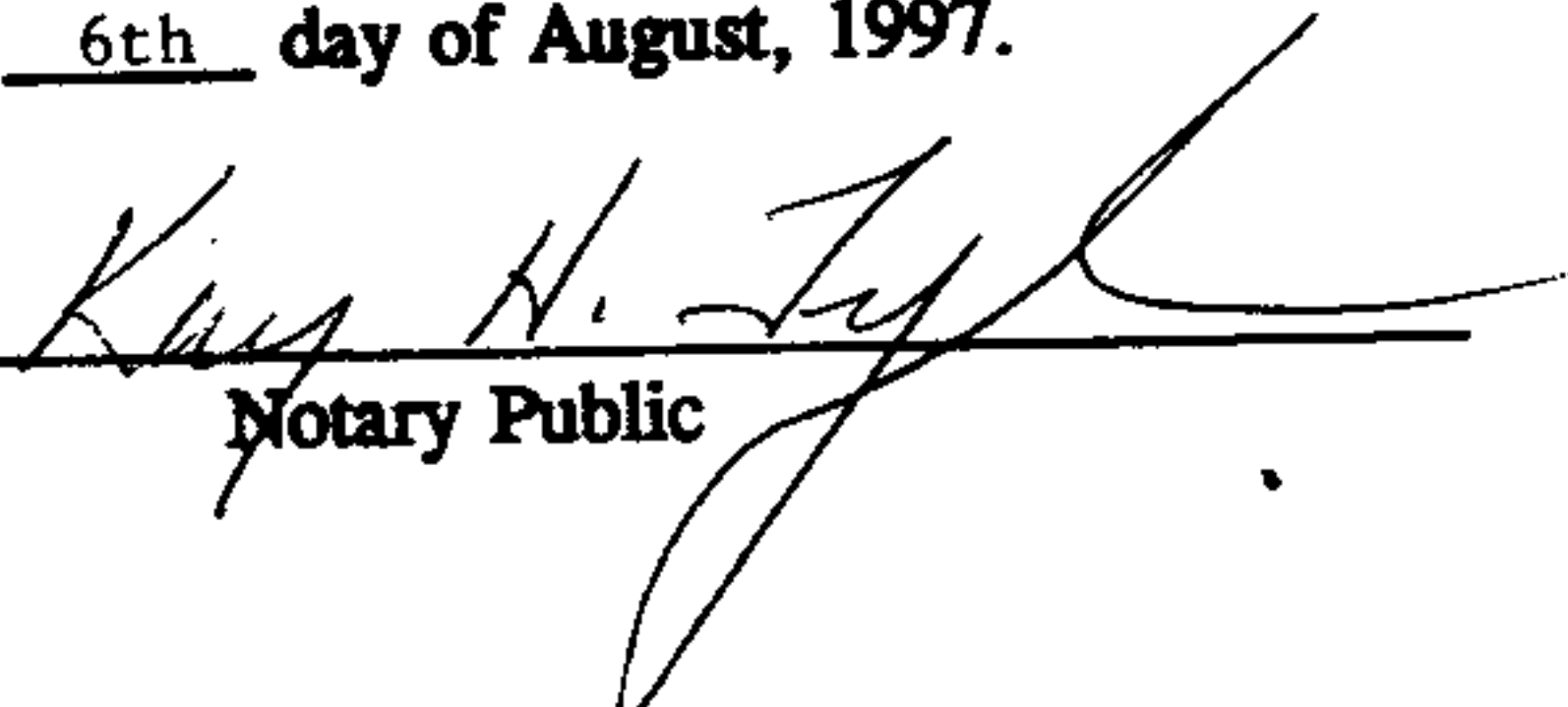
[AFFIX SEAL]

My Commission Expires: Aug. 8, 1998.
NOTARY PUBLIC STATE OF ALABAMA
BONDED THRU NOTARY PUBLIC UNDERWRITERS

STATE OF ALABAMA)
COUNTY OF Jefferson)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that C. Houston Gillespy, whose name as Assistant Vice President of National Bank of Commerce of Birmingham, a national banking association, 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 officer and with full authority, executed the same voluntarily for and as the act of said national banking association.

Given under my hand and official seal, this 6th day of August, 1997.



Notary Public

[AFFIX SEAL]

My Commission Expires: 11/6/00

This instrument was prepared by:

Thomas C. Clark III, Esq.
MAYNARD, COOPER & GALE, P.C.
1901 Sixth Avenue North
2400 AmSouth/Harbert Plaza
Birmingham, Alabama 35203-2602
(205) 254-1000

Exhibit A

(Legal Description)

A PARCEL OF LAND BEING LOCATED IN SECTION 23, TOWNSHIP 22 SOUTH, RANGE 2 WEST, SHELBY COUNTY, ALABAMA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF SECTION 23, TOWNSHIP 22 SOUTH, RANGE 2 WEST, SHELBY COUNTY, ALABAMA; THENCE SOUTH 00 DEG. 09 MIN. 09 SEC. EAST, 310.00 FEET TO THE NORTHEAST CORNER OF THE SHADY HILLS SUBDIVISION, AND THE POINT OF BEGINNING; THENCE NORTH 64 DEG. 02 MIN. 58 SEC. EAST, 796.73 FEET; THENCE SOUTH 29 DEG. 53 MIN. 34 SEC. EAST, 134.59 FEET; THENCE SOUTH 09 DEG. 53 MIN. 34 SEC. EAST, 230.00 FEET; THENCE SOUTH 00 DEG. 06 MIN. 26 SEC. WEST 620.02 FEET; THENCE SOUTH 00 DEG. 06 MIN. 26 SEC. WEST 209.98 FEET; THENCE SOUTH 34 DEG. 51 MIN. 39 SEC. WEST 270.00 FEET; THENCE SOUTH 50 DEG. 08 MIN. 21 SEC. EAST, 420.00 FEET; THENCE SOUTH 1 DEG. 50 MIN. 49 SEC. EAST 498.84 FEET TO THE NORTHEASTERLY RIGHT OF WAY OF SHELBY COUNTY ROAD NO. 306; THENCE NORTH 50 DEG. 29 MIN. 13 SEC. WEST, 1490.71 FEET TO THE P.C. OF A CURVE TO THE RIGHT WITH A RADIUS OF 25.00 FEET AND A CHORD BEARING OF NORTH 15 DEG. 49 MIN. 36 SEC. WEST; THENCE RUN ALONG THE ARC OF SAID CURVE 30.64 FEET TO THE PRC OF THE CURVE TO THE LEFT WITH A RADIUS OF 511.10 FEET AND A CHORD BEARING OF NORTH 18 DEG. 30 MIN. 15 SEC. EAST; THENCE RUN ALONG THE ARC OF SAID CURVE 13.39 FEET TO THE SOUTHWEST CORNER OF LOT 14 OF THE SHADY HILLS SUBDIVISION; THENCE SOUTH 72 DEG. 38 MIN. 27 SEC. EAST, 26.71 FEET; THENCE NORTH 58 DEG. 58 MIN. 29 SEC. EAST 144.89 FEET TO THE SOUTHEAST CORNER OF LOT 14; THENCE NORTH 00 DEG. 09 MIN. 35 SEC. WEST, 758.37 FEET TO THE POINT OF THE BEGINNING; BEING SITUATED IN SHELBY COUNTY, ALABAMA.

Inst # 1997-26016

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SHELBY COUNTY JUDGE OF PROBATE
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