

Inst # 1998-25678

LOAN MODIFICATION AGREEMENT
(Providing for Fixed Interest Rate)

This Loan Modification Agreement ("Agreement") made this 29th day of June, 1998 between **RODNEY L. BOYES and wife, JUDY BOYES** ("Borrower") and **NEW SOUTH FEDERAL SAVINGS BANK** ("Lender"), amends and supplements (1) the Mortgage, Deed of Trust or Deed to Secure Debt (the "Security Instrument"), dated January 6, 1998 and recorded in Instrument #1998-00941 and corrected and re-recorded in Instrument #1998-04063 in the Office of the Judge of Probate of Shelby County, Alabama, and (2) the Note bearing the same date as, and secured by, the Security Instrument, which covers the real and personal property described in the Security Instrument and 4047 Somerset Ridge, Birmingham, Alabama 35242, the real property described being set forth as follows:

Lot 1177, according to the Survey of Brook Highland, 11th Sector, Phase II, an cddleman Community, as recorded in Map Book 22 page 36 A & B, in the Probate Office of Shelby County, Alabama; being situated in Shelby County, Alabama.

The Fixed Rate Note attached hereto as Exhibit "A", is incorporated into this modification as though written herein.

In consideration of the mutual promises and agreements exchanged, the parties hereto agree as follows (notwithstanding anything to the contrary contained in the Note or Security Instrument):

1. As of June 1, 1998, the amount payable under the Note and Security Instrument (the "Unpaid Principal Balance") is U.S. \$315,900.00 consisting of the amount(s) loaned to the Borrower by the Lender and any interest capitalized to date.

2. The Borrower promises to pay the Unpaid Principal Balance, plus interest, to the order of he Lender. Interest will be charged on the Unpaid Principal Balance at the yearly rate of 7.375%, from July 1, 1998. The Borrower promises to make monthly payments of principal and interest of U.S. \$2,182.53 beginning on the 1st day of August, 1998 and continuing thereafter on the same day of each succeeding month until principal and interest are paid in full. If on January 1, 2028 (the "Maturity Date"), the Borrower still owes amounts under the Note and the Security Instrument, as amended by this Agreement, the Borrower will pay these amounts in full on the Maturity Date.

The Borrower will make such payments at NEW SOUTH FEDERAL SAVINGS BANK, 1900 Crestwood Boulevard, Birmingham, Alabama 35283-0180 or at such other place as the Lender may require.

3. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in the Borrower is sold or transferred and the Borrower is not a natural person) without the Lender's prior written consent, the Lender may, at its option, require immediate payment in full of all sums secured by the Security Instrument.

If the Lender exercises this option, the Lender shall give the Borrower notice of acceleration. The notice shall provide a period of not less than 30 day from the date the notice is delivered or mailed within which the Borrower must pay all sums secured by the Security Instrument. If the Borrower fails to pay these sums prior to the expiration of this period, the Lender may invoke any remedies permitted by the Security Instrument without further notice or demand to the Borrower.

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SHELBY COUNTY JUDGE OF PROBATE
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CLAYTON T. SWEENEY, ATTORNEY AT LAW

4. The Borrower also will comply with all other covenants, agreements, and requirements of the Security Instrument, including without limitation, the Borrower's covenants and agreements to make all payments of taxes, insurance premiums, assessments, escrow items, impounds, and all other payments that the Borrower is obligated to make under Security Instrument.

(a) all terms and provisions of the Note and Security Instrument (if any) providing for, implementing or relating to, any change or adjustment in the rate of interest payable under the Note; and

(b) all terms and provisions of any adjustable rate rider or other instrument or document that is affixed to, wholly or partially incorporated into, or is part of, the Note or Security Instrument and that contains any such terms and provisions as those referred to in (a) above.

5. Nothing in this Agreement shall be understood or construed to be a satisfaction or release in whole or in part of the Note and Security Instrument. Except as otherwise specifically provided in this Agreement, the Note and Security Instrument will remain unchanged, and the Borrower and Lender will be bound, by and comply with, all of the terms and provisions thereof, as amended by this Agreement.

Witness: Glynnis F. Sonich

Rodney L. Boyes (Seal)
RODNEY L. BOYES

Witness: Lucy Gerhardt
Lucy Gerhardt

Judy Boyes (Seal)
JUDY BOYES

STATE OF MICHIGAN)
COUNTY OF Genesee)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that JUDY BOYES, 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 the instrument, she executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 29 day of JUNE, 1998.

My Commission expires: 04-06-02

Lucy Gerhardt

_____-Notary Public
_____-Genesee County, MI
My Commission Expires Apr. 6, 2002

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that RODNEY L. BOYES, 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 the instrument, he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 30th day of June, 1998.

My Commission expires: 09/10/01

Glynnis F. Sonich
Notary Public

Loan Number : 252749

NOTE

JUNE 29, 1998

[Date]

BIRMINGHAM

[City]

ALABAMA

[State]

4047 SOMERSET RIDGE, BIRMINGHAM, ALABAMA 35242
[Property Address]

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S.\$ 315,900.00 (this amount is called "principal"), plus interest, to the order of the Lender. The Lender is New South Federal Savings Bank. I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

Interest will be charged on unpaid principal until the full amount of principal has been paid. I will pay interest at a yearly rate of 7.375 %.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

3. PAYMENTS

(A) Time and Place of Payments

I will pay principal and interest by making payments every month.

I will make my monthly payments on the 1st day of each month beginning on August 1, 1998.

I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. My monthly payments will be applied to interest before principal. If, on January 1, 2028, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "maturity date."

I will make my monthly payments at
1900 Crestwood Boulevard
Birmingham, Alabama 35283-0180

or at a different place if required by the Note Holder.

(B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S.\$ 2,182.53

4. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment." When I make a prepayment, I will tell the Note Holder in writing that I am doing so.

I may make a full prepayment or partial prepayments without paying any prepayment charge. The Note Holder will use all of my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

5. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

6. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charge for Overdue Payments

If the Note Holder has not received the full amount of any monthly payment by the end of 15 calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5.000 % of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

(B) Default

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

(C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is delivered or mailed to me.

(D) No Waiver By Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

7. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

8. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

9. WAIVERS

I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

10. UNIFORM SECURED NOTE

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

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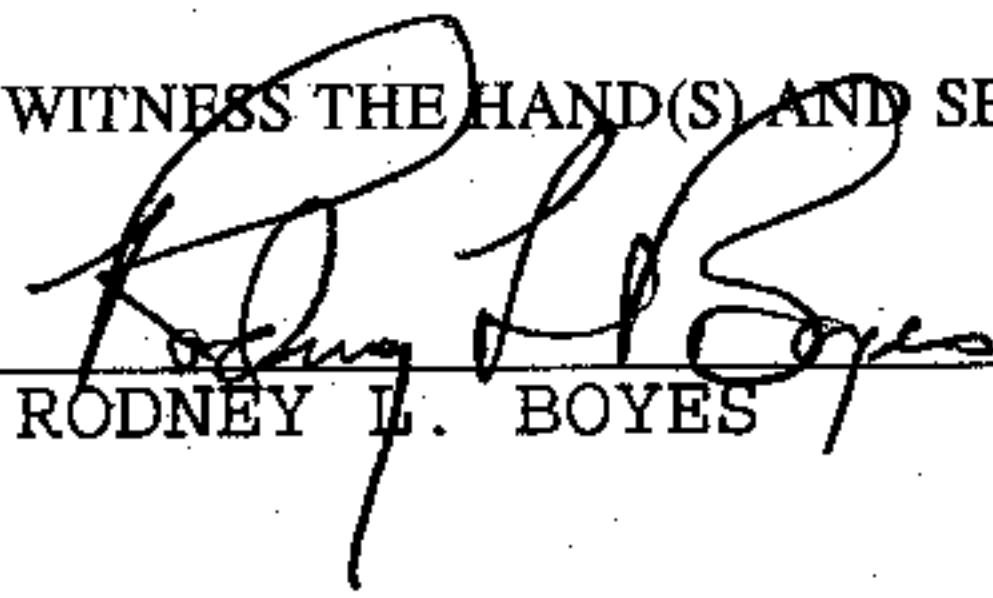
GREATLAND ■

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

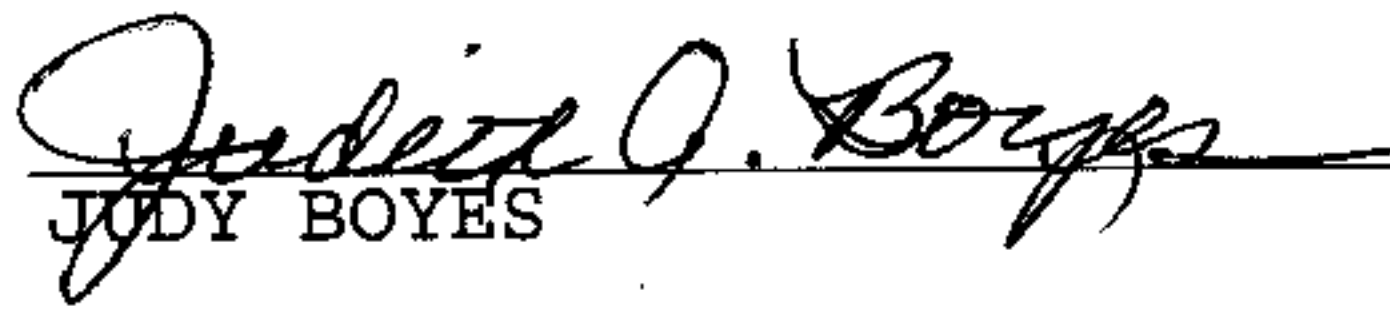
Borrower has executed and acknowledges receipt of pages 1 through 3 of this Note.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.



RODNEY L. BOYES

(Seal)
-Borrower



JUDY BOYES

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

[Sign Original Only]

NOTE RIDER

(Construction/Permanent Loan)
(Fixed Rate Mortgage)

The Note Rider is hereby incorporated into and made a part of the certain "Note" of even date herewith executed by the undersigned, as "Borrower" in favor of NEW SOUTH FEDERAL SAVINGS BANK (the "Lender"). Unless modified by this Note Rider, the remaining terms and conditions of the Note are ratified, confirmed and renewed in all respects. Capitalized terms not defined herein shall have the same meaning as ascribed to them in the Construction/Permanent Loan Agreement, and any Addendum attached thereto (the "Loan Agreement"). In further consideration for the indebtedness evidenced by the Note, Borrower hereby acknowledges and agrees as follows, ANYTHING CONTAINED IN THE NOTE, SECURITY INSTRUMENT OR ANY OTHER DOCUMENT OR AGREEMENT TO THE CONTRARY NOTWITHSTANDING:

1. CONSTRUCTION PHASE INTEREST RATE

The construction phase of this Note will be for a period of time not less than SIX Months, beginning on the date of disbursement by the closing agent of funds, whether Loan Funds or Borrower's funds, in accordance with the HUD-1 Settlement Statement (the "Disbursement Date"), and ending on the last day of the month which is SIX (6) months from the Disbursement Date. During the construction phase of this Note, interest shall accrue on the unpaid principal balance advanced by Lender to Borrower, from time to time, according to the terms and conditions of the Loan Agreement and this Note, at the highest prime rate, as established each day in *The Wall Street Journal*, and shall change each time the highest prime rate, as established each day in *The Wall Street Journal*, changes, on the date on which the change occurs.

The permanent phase of this Note commences on the day following the maturity of the construction phase. During the permanent phase of this Note, interest shall accrue on the unpaid principal balance at the rate set forth in the Note to which this Note Rider is attached.

2. INTEREST ONLY PAYMENTS DURING CONSTRUCTION PHASE

During the construction phase the Borrower shall pay to the Lender all interest accruing on the unpaid principal balance advanced by Lender to Borrower, from time to time, pursuant to the Note and in accordance with the Loan Agreement on the fifteenth day of the month following the first advance of principal under this Note, and on the fifteenth day of each month thereafter until maturity of the construction phase. If Lender has not received the full amount of any interest only payment before 15 calendar days after the date it is due, the Borrower will pay a late charge equal to the late charge percentage described in the Note for the overdue interest only payment.

All interest only payments during the construction phase shall be made at P. O. Box 830672, Birmingham, AL 35283-0672 or at such other place as Lender may designate in writing.

3. COMMENCEMENT OF PRINCIPAL AND INTEREST PAYMENTS

On the first day of the month as described in the Note, and thereafter, on the first day of each succeeding month until the maturity date set forth in the Note, the Borrower shall pay to the Lender the amortized payments of principal and interest prescribed in and in accordance with the Note, together with sums for escrow items, as described in the Security Instrument.

The amortized payments of principal and interest shall be based upon the total principal called for in the Note regardless of (i) any principal that may be held in escrow by the Lender following the maturity of the construction phase, as described in the Loan Agreement or (ii) the progress of construction of the improvements to the New Residence, as described and defined in the Loan Agreement.

4. DEFAULT

Contemporaneously herewith, and in addition to the Security Instrument, the Borrower has executed with the Lender the Loan Agreement and various other agreements pertaining to the Note and Loan Agreement (collectively, the "Loan Documents"). A default in the Security Instrument, the Loan Agreement or any Loan Document, which remains uncured after the expiration of any applicable cure periods, shall constitute a default of this Note, and Lender, at its sole option, shall have the right to declare the entire indebtedness due under this Note to be at once due and payable in full, without notice, time being of the essence. Upon such acceleration, the Lender shall be entitled to exercise all remedies available to the Lender under the Loan Documents, the Note and the Security Instrument, without notice, including but not limited to, the right to apply any Funds (as defined in the Loan Agreement) to the indebtedness evidenced by this Note.

5. PREPAYMENT PREMIUM

During the construction phase and for a period of ninety (90) days following the completion of the improvements as determined by a satisfactory final inspection, the Borrower may prepay the indebtedness in whole, or in part, upon the payment of a prepayment premium of 2.5% of the amount so prepaid. Thereafter, the Note may be prepaid without premium, in the manner described in the Note.

6. ADDENDUMS TO NOTE RIDER

If marked, the attached addendum is made a part of the Note Rider hereof:

(XX) Permanent Phase Interest Rate Modification Option

THE UNDERSIGNED HEREBY ACKNOWLEDGE THAT I/WE HAVE READ THE ABOVE FOREGOING NOTE RIDER IN ITS ENTIRETY AND AGREE TO BE BOUND BY ITS TERMS AND CONDITIONS.

BORROWER:

RODNEY L. BOYES

DATE:

JUNE 29, 1998

BORROWER:

JUDY BOYES

DATE:

JUNE 29, 1998

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Fixed Rate Note Rider - MultiState 5/97

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