

AGREEMENT OF MODIFICATION OF PROMISSORY NOTE AND DEED OF TRUST

NOTE TO BORROWER: This modification contains a provision allowing for changes in the interest rate. Increases in the interest rate will result in higher payments. Decreases in the interest rate will result in lower payments, except that in no event shall the interest rate be decreased below 2.75 %

WHEREAS, UNION PLANTERS BANK NATIONAL ASSOCIATION, (Lender) loaned LINDA L. COST

hereinafter referred to as "Borrower-Seller," the sum of NINETY-SIX THOUSAND FOUR HUNDRED AND 00/100 (\$96,400.00) Dollars, evidenced by a Promissory Note (Note) and secured by a Deed of Trust, both dated FEBRUARY 28, 1997 which Deed of Trust is recorded under Register's No. 1997-07016 in the Register's Office of Shelby County, AL to which reference is here made; and

WHEREAS, the said Borrower-Seller desires to sell the property described in said Deed of Trust to ELIZABETH M. BISHOP, A SINGLE INDIVIDUAL

hereinafter referred to as "Purchaser-Borrower," who desires to purchase said property and assume the indebtedness evidenced by the aforesaid Note and secured by said Deed of Trust, and in consideration of the holder of said indebtedness, Union Planters Bank, N. A. not accelerating the maturity of said indebtedness, the undersigned Purchaser-Borrower agrees that the interest rate specified in said Note be adjusted as set out below.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the undersigned Purchaser-Borrower and Union Planters Bank N.A. modify the said Note and Deed of Trust as follows:

1. BORROWER'S PROMISE TO PAY

In return for the loan that I have assumed, which has a balance as of JULY 6, 1999 of U.S. \$ 93,899.62, I promise to pay said balance plus any increased amounts added in accordance with Section 5(A) of this modification (the total amount is called "principal"), plus interest, to the order of the Lender. The Lender is UNION PLANTERS BANK NATIONAL ASSOCIATION. I understand that the Lender may transfer the Note as modified. The Lender or anyone who takes the Note by transfer and who is entitled to receive payments under the Note is called the "Note Holder."

2. INTEREST

(A) Beginning on the date of this modification, I will owe interest at a yearly rate of 7.25 % ("Initial Interest Rate") The rate of interest I will owe will change on the first day of March 2000, and every (12) months thereafter.
twelve

Each date on which the rate of interest could change is called an "Interest Change Date." The new rate of interest will become effective on each Interest Change Date.

(B) The Index

Any changes in the rate of interest will be based on changes in the Index. The "Index" is (X) the weekly average yield on United States Treasury Securities adjusted to a constant maturity of 1 year as made available by the Federal Reserve Board; ()

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

The most recently available Index figure as of the date forty-five (45) days before each Interest Change Date is called the "Current Index." The first Index figure for the Note is 4.55 %. It is called the "Original Index."

(C) Calculation of Changes

Before each Interest Change Date, the Note Holder will determine any change in my rate of interest. The Note Holder will calculate the amount of the difference, if any, between the Current Index and the Original Index. If the Current Index is higher than the Original Index, the Note Holder will add the difference to the Initial Rate of Interest. If the Current Index is lower than the Original Index, the Note Holder will subtract the difference from the Initial Rate of Interest. The Note Holder will then round the result of this addition or subtraction to the nearest one-eighth of one percentage point (0.125%). This rounded amount will be the new rate of interest I am required to pay; however, in no event shall the interest rate be decreased below 2.75 %.

Property Address: 114 Windsor Ridge Drive, Pelham, AL 35124

Prepared in office of: UNION PLANTERS BANK NATIONAL ASSOCIATION

ATTN: Velita N. Carr - AX2

7130 Goodlett Farms Pkwy, Cordova, TN 38018 1999-29842

GREEN

1.118 Rev 7/87

07/16/1999-29842
10:33 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
004 CRH 16.00

(12) Interest After Default

The rate of interest required by this Section 2 is the rate I will owe both before and after any default described in said Note.

3. CALCULATION OF AMOUNTS OWED EACH MONTH

On the Interest Change Date, the Note Holder will calculate my Full Monthly Amount. The "Full Monthly Amount" is the amount of the monthly principal and interest payment which would be sufficient to repay the unpaid principal balance of my loan in full at the rate of interest I am required to pay by Sections 2(A) and 2(C) above in substantially equal payments on or before March 1, 20 27, which is called the "Maturity Date." My first Full Monthly Amount is U.S. \$ 656.12 (OF PRINCIPAL AND INTEREST). Before each Interest Change Date, the Note Holder will calculate the new Full Monthly Amount which I will owe each month beginning on the first monthly payment date after the Interest Change Date.

The Full Monthly Amount I owe may be more or less than the amount I am required to pay each month. Section 4 below states the amount of my monthly payment and how it will change. Section 5 below describes how my unpaid principal balance will change if the amount of my monthly payment and the Full Monthly Amount are different.

4. PAYMENTS

(A) Time and Place of Payments

I will pay principal and interest by making payments every month. My monthly payment will be applied to interest before principal.

I will make each of my monthly payments on the first day of each month beginning on AUGUST 19 99. I will make the payments every month until I have paid all the principal and interest and any other charges described below that I may owe under the Note. If I still owe amounts under the Note on the maturity date, I will pay those amounts in full on that date. Those amounts could be greater than the amount of my last monthly payments before the maturity date.

I will make my monthly payments at P. O. Box ¹⁷⁸⁵, Memphis, Tennessee, or at a different place if required by the Note Holder. 38101-1785

(B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S. \$ 656.12 (OF PRINCIPAL AND INTEREST)

The Note Holder will change my monthly payment as required by Section 4(C) below beginning with the 12th month and on every 12th month thereafter.

Each of these dates is called a "Payment Change Date." The Note Holder will also change my monthly payment on any Interest Change Date if Section 5(B) below requires me to pay the Full Monthly Amount.

(C) Calculation of Monthly Payment Changes

Before each Payment Change Date, the Note Holder will calculate a new monthly payment sufficient to repay the unpaid principal balance on my loan in full on the Maturity Date at the Payment Rate in substantially equal payments.

5. UNPAID PRINCIPAL BALANCE

(A) Changes in my Unpaid Principal Balance

My monthly payment could be less than the amount of the interest portion of the first Full Monthly Amount I owe or less than the interest portion of my first Full Monthly Amount after an Interest Change Date. If so, the Note Holder will subtract the amount of my monthly payment from the amount of interest I owe and will add the difference to my unpaid principal balance each month until the next Interest Change Date. The Note Holder will also add interest on the amount of this difference to my unpaid principal balance each month. Until the next Interest Change Date when the Note Holder determines my new rate of interest on my then unpaid principal balance, the rate of interest on the interest added to principal will be the rate determined in Section 2 above.

My monthly payment could be more than the amount of the Full Monthly Amount. If so, the Note Holder will subtract the difference from the unpaid principal balance of my loan each month until the next Interest Change Date as if I had made a partial prepayment as provided in the Note.

(B) Limit on Unpaid Principal Balance; Required Full Monthly Amount

My unpaid principal balance can never exceed a maximum amount equal to one-hundred twenty-five percent (125%) of the principal amount I assumed. If my paying the amount of my monthly payment after any Interest Change Date would cause the unpaid principal balance to exceed that maximum amount at any time, I must pay instead the Full Monthly Amount as my monthly payment until the next Payment Change Date.

6. NOTICE OF CHANGES

At least thirty (30) and no more than forty-five (45) days prior to the Payment Change Date, the Note Holder will mail or deliver to me a notice of any changes in the Full Monthly Amount and my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

7. 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

EB

as a "prepayment". When I make a prepayment, I will tell the Note Holder in a letter than I am doing so.

I may make a full prepayment or a partial prepayment without paying any penalty. 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 delays in the due dates of my monthly payments unless the Note Holder agrees in writing to those delays. My partial prepayment will reduce the amount of my monthly payment only after the first Payment Change Date following my partial prepayment. However, any reduction due to my partial prepayment may be offset by an interest rate increase.

The above Deed of Trust is modified as follows:

Borrower shall pay all taxes, assessments, and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust ("Security Instrument"), and leasehold payments or grounds rents, if any, in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Deed of Trust ("Security Instrument"); provided, that the Borrower shall not be required to discharge any such lien so long as Borrower: (a) shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender; (b) shall in good faith contest such lien by, or defend against enforcement of such lien in legal proceedings in, which in the opinion of Lender operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof; or (c) shall secure from the holder of such lien an agreement in a form satisfactory to Lender subordinating such lien to this Deed of Trust ("Security Instrument").

If Lender determines that all or any part of the Property is subject to a lien which may attain a priority over this Deed of Trust ("Security Instrument"), Lender shall send Borrower notice identifying such lien. Borrower shall satisfy such lien or take one or more of the actions set forth above within ten (10) days of the giving of notice.

Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Deed of Trust ("Security Instrument") shall be given by delivering it or by mailing it by first class mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by first class mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Deed of Trust ("Security Instrument") shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

This form of Deed of Trust ("Security Instrument") combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. This Deed of Trust ("Security Instrument") shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provisions or clause of this Deed of Trust ("Security Instrument") or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust ("Security Instrument") or the Note which can be given effect without the conflicting provision, and to this end the provisions of this Deed of Trust ("Security Instrument") and the Note are declared to be severable.

If the loan secured by the Deed of Trust ("Security Instrument") is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed permitted limits, then: (1) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limits; and (2) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment under the Note.

If, after the date hereof, enactment or expiration of applicable laws have the effect either of rendering the provisions of the Note, the Deed of Trust ("Security Instrument") or this Agreement of Modification of Promissory Note and Deed of Trust (other than this paragraph) unenforceable according to their terms, or all or any part of the sums secured hereby uncollectible, as otherwise provided in the Deed of Trust ("Security Instrument") and this Agreement of Modification of Promissory Note and Deed of Trust, or of diminishing the value of Lender's security, the Lender, at Lender's option, may declare all sums secured by the Deed of Trust ("Security Instrument") to be immediately due and payable. In such event, Borrower shall not have the right to reinstate otherwise provided in Non-Uniform Covenant 19 of the Deed of Trust ("Security Instrument").

Covenant 13 of the Deed of Trust does not apply when the property is sold or transferred within five (5) years of the date of this Modification to a buyer who qualifies to assume a loan of the Note Holder.

Covenant 9 of the Deed of Trust ("Future Advances") is deleted.

The Borrower-Seller is hereby released from any and all liability under the aforementioned Note and Deed of Trust.

In all other respects, said Note and Deed of Trust shall remain in full force and effect and the undersigned Purchaser-Borrower promises to pay said indebtedness as herein stated and perform all other obligations in said Note and Deed of Trust as therein provided.

The undersigned agrees to pay the above described modified obligation.

EXECUTED this 6th day of July 1999Elizabeth M. Bishop
Elizabeth M. Bishop

(Purchaser-Borrower)

UNION PLANTERS BANK NATIONAL ASSOCIATION

By: Valerie Milam
Valerie Milam,
ASSISTANT VICE PRESIDENTSTATE OF Alabama
COUNTY OF ShelbyOn this 6th day of July 1999, before me, a Notary Public, in and for said State and County, at Memphis, duly commissioned and qualified, personally appeared Elizabeth M. Bishop to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as free act and deed.

WITNESS my hand and Notarial Seal at office the day and year above written.

Notary Public

My commission expires:

2-20-03PEGGY L. MURPHREE
MY COMMISSION EXPIRES FEBRUARY 20, 2003STATE OF TENNESSEE
COUNTY OF SHELBYPersonally appeared before me, the undersigned, a Notary Public within and for said State and County, at Memphis, duly commissioned and qualified, VALERIE MILAMwith whom I am personally acquainted, upon oath, acknowledged HER self to be the ASSISTANT VICE PRESIDENT of UNION PLANTERS BANK NATIONAL ASSOCIATION the within named bargainor; and that he as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by HER self as such officer.WITNESS my hand and Notarial Seal at office this the 14TH day of JULY 1999.Velita N. Carr
VELITA N. CARR Notary Public

My commission expires:

02/13/02

Inst # 1999-29842

07/16/1999-29842
10:33 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
004 CRN 16.00