

LOAN MODIFICATION AGREEMENT

(Providing for Fixed Interest Rate)

This Loan Modification Agreement ("Agreement"), made this 25 day of August, 1999 between James V. Thomas, III and Lisa R. Thomas, Husband and Wife ("Borrower") and Union State Bank ("Lender"), amends and supplements (1) the Mortgage, Deed of Trust or Deed to Secure Debt (the "Security Instrument"), dated February 20, 1998

and recorded in Book or Liber Instr.# 1998-06299 of the Shelby County Records office

Judge of Probate Shelby County, Alabama

[Name of Records] [County and State, or other Jurisdiction]

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 defined therein as the "Property", located at 1174 Crosscut Road, Shelby, Alabama 35007

[Property Address]

the real property described being set forth as follows:
(Metes and Bounds)

The Northeast Quarter of the Northeast Quarter of Section 9, Township 21, Range 2 West and the South Half of the Southeast 4, Township 21, Range 2 West, All Being Located in Shelby County, Alabama.

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 August 25, 1999, the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") is U.S. \$ 675,0000, 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 the Lender. Interest will be charged on the Unpaid Principal Balance at the yearly rate of 8.75% from 8.5%. The Borrower promises to make monthly payment of principal and interest of U.S. \$ 6746.28 beginning on the 1 day of October, 1999 and continuing thereafter on the same day each succeeding month until principal and interest are paid in full September 1, 2002. If on (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.

Inst # 1999-39448

09/21/1999-39448
10:53 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
003 1995 1006.00

The Borrower will make such payments at:

Union State Bank
2267 Pelham Parkway
Pelham, Alabama 35124

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 this 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 days from the date the notice is delivered or mailed within which the Borrower must pay all sums secured by this 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 this Security Instrument without further notice or demand on the Borrower.

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 the Security Instrument; however, the following terms and provisions are forever canceled, null and void, as of the date specified in paragraph No. 1 above:

(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.

Borrower has executed and acknowledges receipt of pages 1-3 of this Loan Modification Agreement.

UNION STATE BANK


Borrower


Borrower


Borrower

By: 

PAUL JONES, VICE PRESIDENT

Borrower

Borrower

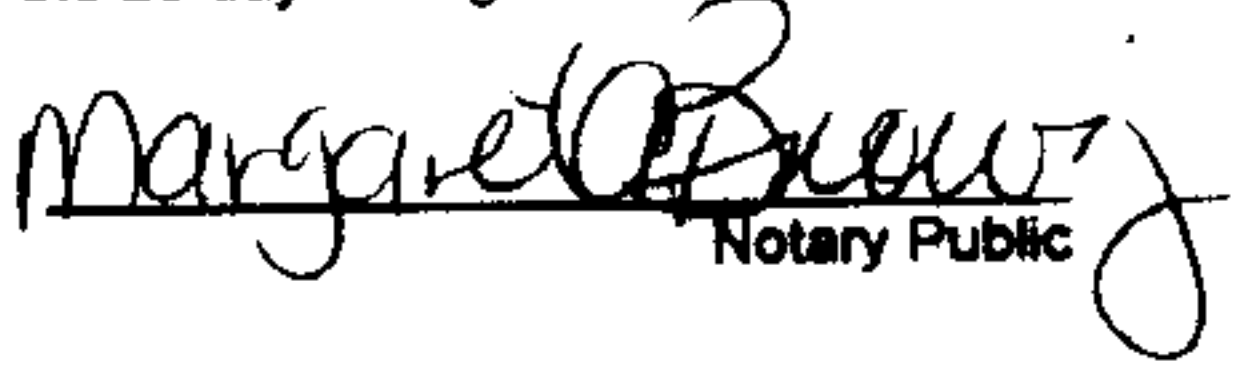
Borrower

State of Alabama
Shelby County

On this 25 day August of 1999 I, the unsigned, a Notary Public in and for said county and in said state, hereby certify that James V. Thomas, III and Lisa R. Thomas, husband and wife, whose name(s) are signed to the foregoing conveyance, and who are known to me, acknowledged before me that, being informed of the contents of the conveyance, they executed the same voluntarily and as their act on the day the same bears date.

Given under my hand and seal of office this the 25 day of August 1999

My Commission expires:


Notary Public

This instrument was prepared by :

Maggie Browning
Union State Bank
2267 Pelham Parkway
Pelham, Alabama 35124

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Nov. 13, 2002
BONDED THRU NOTARY PUBLIC UNDERWRITERS

09/21/1999-39448
10:53 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
003 HNS 1886.00

Inst # 1999-39448