

LOAN MODIFICATION AGREEMENT

This Loan Modification Agreement ("Agreement") made this 25th day of August, 2000 between **VISTA HOMES, INC.** ("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 February 14, 2000 and recorded in Instrument #2000-04523, 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, the real property described being set forth as follows:

Lot 118, according to the Survey of Greystone Legacy, 1st Sector, as recorded in Map Book 26, Page 79 A, B & C, in the Probate Office of Shelby County, Alabama; being situated in Shelby County, Alabama..

The 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. On August 25, 2000, the amount payable under the Note and Security Instrument (the "Unpaid Principal Balance") is hereby increased from U.S. \$420,000.00 to U.S. \$455,920.00 consisting of the amount(s) loaned to the Borrower by the Lender and any interest capitalized to date.

The Borrower will make such payments at NEW SOUTH FEDERAL SAVINGS BANK, 510 Lorna Square, Birmingham, AL 35216 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.

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.

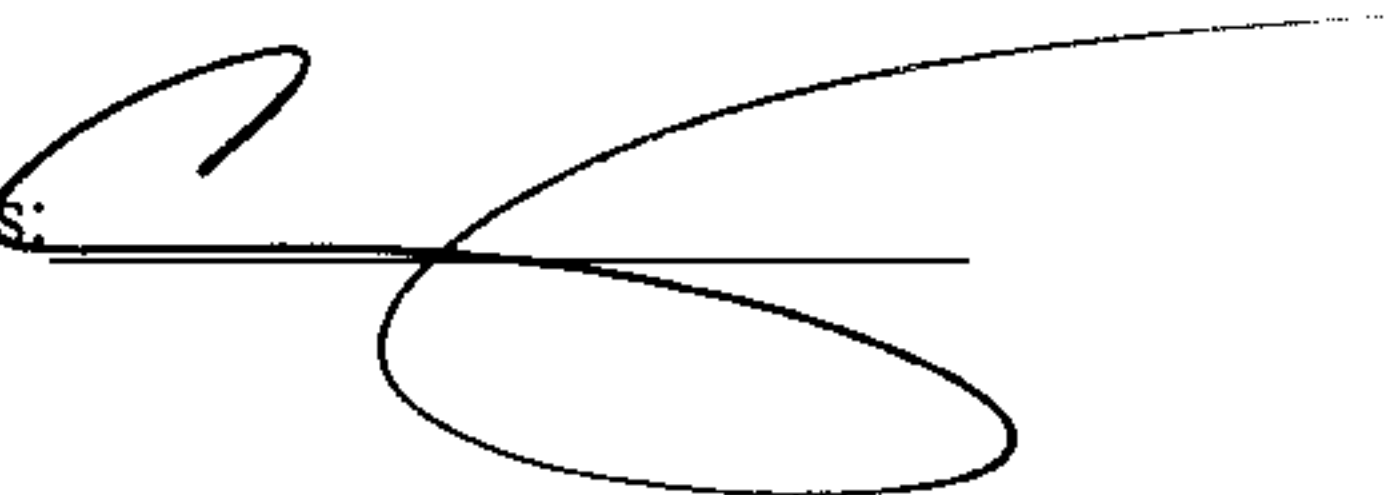
It is further understood and agreed that:

(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 are hereby deleted; and

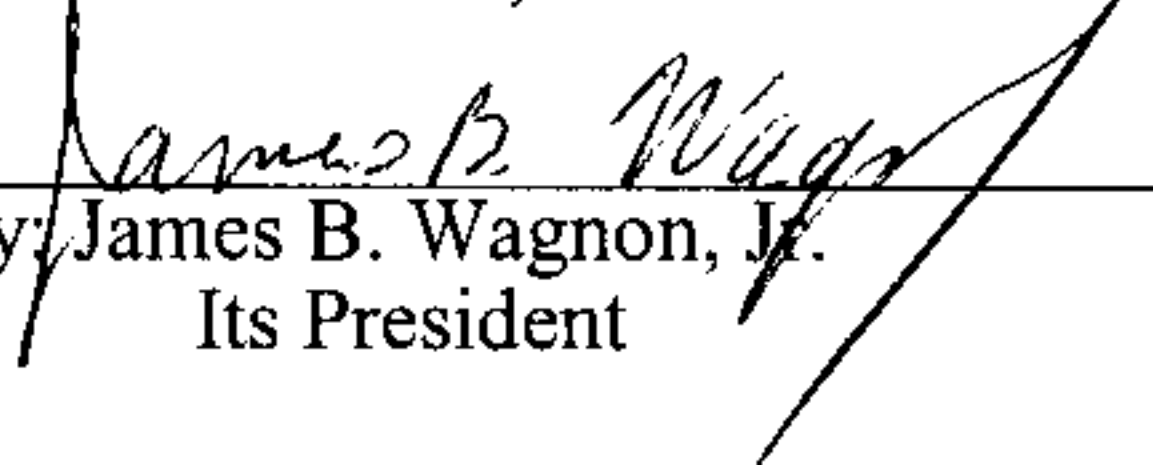
(b) all terms and provisions of any adjustable rate rider or other instrument or document that is affixed to, wholly or partially incorporated into, or is part of, the Note or Security Instrument and that contains any such terms and provisions as those referred to in (a) above are hereby deleted.

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:



VISTA HOMES, INC.

By  (Seal)
James B. Wagnon, Jr.
Its President

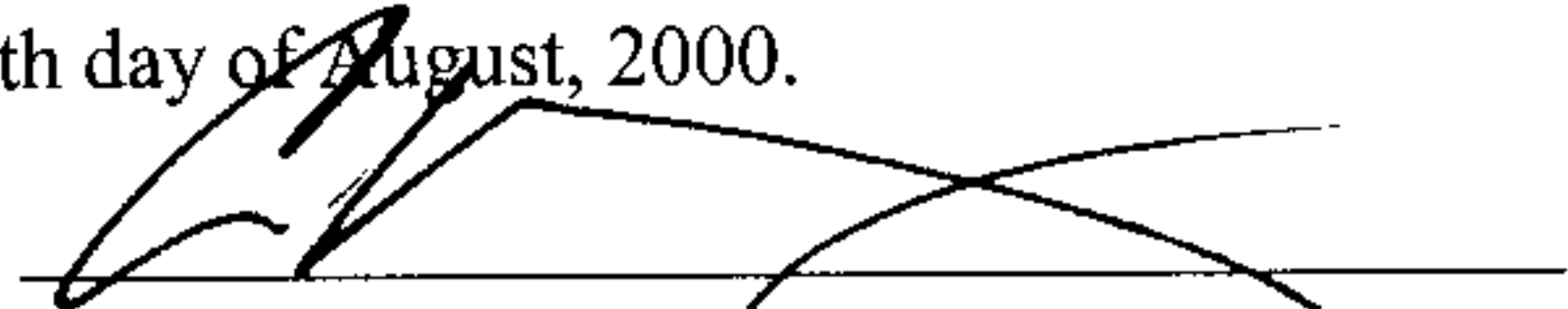
Inst # 2000-32023

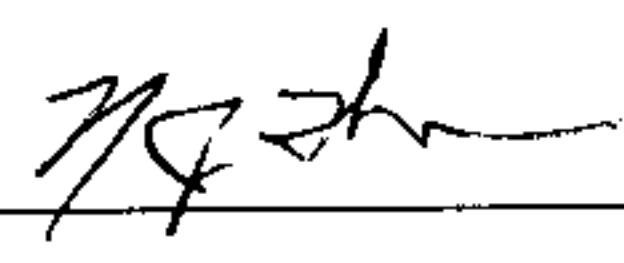
STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that James B. Wagnon, Jr., whose name as President of Vista Homes, Inc. 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, as such officer and with full authority executed the same voluntarily as the act of said corporation.

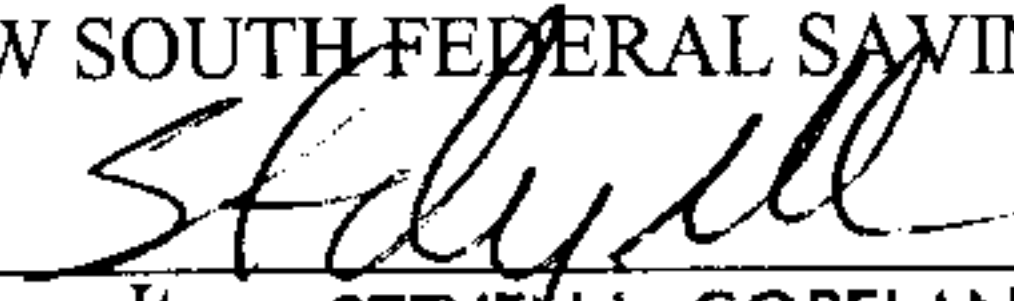
Given under my hand and official seal this 25th day of August, 2000.

My Commission expires: 6-5-2003


Notary Public

Witness: 

NEW SOUTH FEDERAL SAVINGS BANK

By: 

Its: STEVEN L. COPELAND
SR. VICE PRESIDENT

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that STEVEN L. COPELAND, whose name as SR. VICE PRESIDENT of New South Federal Savings Bank, 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, _____ as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and official seal this 8 day of ^{September} ~~August~~, 2000.

My Commission expires: MY COMMISSION EXPIRES JUNE 22, 2002


Notary Public

EXHIBIT "A"
PROMISSORY NOTE
(CONSTRUCTION LOAN MASTER NOTE)

\$ 448,000.00

Date: August 25, 2000

FOR VALUE RECEIVED, the undersigned Borrower (jointly and severally, if more than one) promises to pay to the order of NEW SOUTH FEDERAL SAVINGS BANK, a Federally Chartered Savings Bank, herein called the "Bank" or collectively with any other holder of this note, the "Holder," at the office of Bank or at such other place as Holder may from time to time designate, the sum of Four Hundred Fifty-Five Thousand Nine Hundred Twenty ----- Dollars (\$ 455,920.00) with interest thereon, to be repaid as follows:

On demand, if not sooner demanded, then at maturity.

Interest from date on the outstanding unpaid principal balance, which shall in no event exceed the maximum amount permissible by law, shall be at the rate of One percent (1.00 %) per annum above the "Prime Interest Rate" (as hereinafter defined), payable as set forth herein. Both principal and interest shall be payable in lawful money of the United States of America at the Office of New South Federal Savings Bank, 524 Lorna Square, Birmingham, Alabama 35216, Attention: Construction Loan Division, or at such other place as the Holder hereof may designate in writing from time to time. Principal is to be advanced from time to time in installments pursuant to a written Construction Loan Agreement (The "Loan Agreement") of even date herewith between the undersigned and New South Federal Savings Bank, a Federally Chartered Savings Bank.

The term "Prime Interest Rate" shall mean the interest rate as published in the Money Rates Column in the financial section of The Wall Street Journal on that date (or if such date is not a publication date, then on the last publication date preceding such adjustment date); except that the rate shall be rounded to the nearest one-eighth of one percent (0.125%). The interest rate shall continue to be adjusted to the same index every day thereafter until paid. In the event such index should be discontinued, the existing interest rate as last adjusted shall continue until a comparable index shall be substituted by the holder. The rate of interest on this Note shall change each time the Prime Interest Rate changes, on the date on which the change in the Prime Interest Rate is effective. Interest shall be computed hereunder with respect to each day during the term of this Note by multiplying the outstanding principal balance hereunder at the close of business on that day (or on the most recent day on which Lender was open for business) by a daily interest factor, which daily interest factor shall be calculated by dividing the aforesaid interest rate per annum in effect on that day by 360. Interest so computed shall accrue for each and every day (365 days per year, 366 days per leap year) on which any indebtedness remains outstanding hereunder, including the day on which funds are initially advanced regardless of the time of day such advance is made, and including the day on which funds are repaid unless repayment is credited prior to close of business. Payments in federal funds immediately available in the place designated for payment received by Lender prior to 2:00 p.m. local time at said place of payment shall be credited prior to close of business, while other payments may, at the option of Lender, not be credited until immediately available to Lender in federal funds in the place designated for payment prior to 2:00 p.m. local time at said place of payment on a day on which Lender is open for business.

Interest on the outstanding principal balance shall be due and payable on the first day of each calendar month following the date hereof until the entire principal balance hereof has been paid in full. In the event that any interest payment due hereunder is not received by the Holder hereof on or before the sixteenth (16th) day of the month, the undersigned may be charged a late charge of four percent (4%).

The outstanding principal balance of this Note may be prepaid in full or in part at any time without penalty.

Contemporaneously herewith, the undersigned have executed with the Holder hereof a mortgage, which secures this note with interest, and a construction loan agreement. A default in any of the provisions of said mortgage or construction loan agreement shall constitute a default of this Note.

Bank may but shall not be required to, apply, on or after demand, to the payment of this debt, any funds, credit, or property held by or in possession of Bank, on deposit, in trust or otherwise, for account of any borrower.

In the event Borrower (which shall mean and include any maker, endorser, surety or guarantor hereof) fails to pay when due or perform any of the Obligations (meaning thereby this note and any and all renewals and extensions thereof and all other liabilities and indebtedness of Borrower to Holder now existing or hereinafter incurred or arising, direct or indirect, and however incurred) or any part thereof or fails to pay when due any other liability to Holder or in the event Holder deems itself insecure for any reason and Borrower fails to deposit additional collateral satisfactory to Holder or on the happening of any one or more of said events, Holder shall have the right at its election and without notice to Borrower to declare the obligations immediately due and payable with interest to date. No delay in making such election shall be construed as a waiver of the right to make such election to accelerate shall be effective. In the event of the death of, insolvency of, general assignment by, judgment against, filing of petition in bankruptcy by or against, filing of application in any court for receiver for, or issuance of writ of garnishment or attachment in a suit or action against any of the assets of Borrower, or on the happening on any one or more of said events, the Obligations shall immediately become due and payable with interest to date, unless Holder shall, on notice of such event, elect to waive such acceleration by written notation hereon. Upon any such acceleration, whether automatic or at the election of Holder, both principal and accrued interest shall bear interest from the accelerated date of maturity at the rate first stated above or at the maximum legal rate, if less.

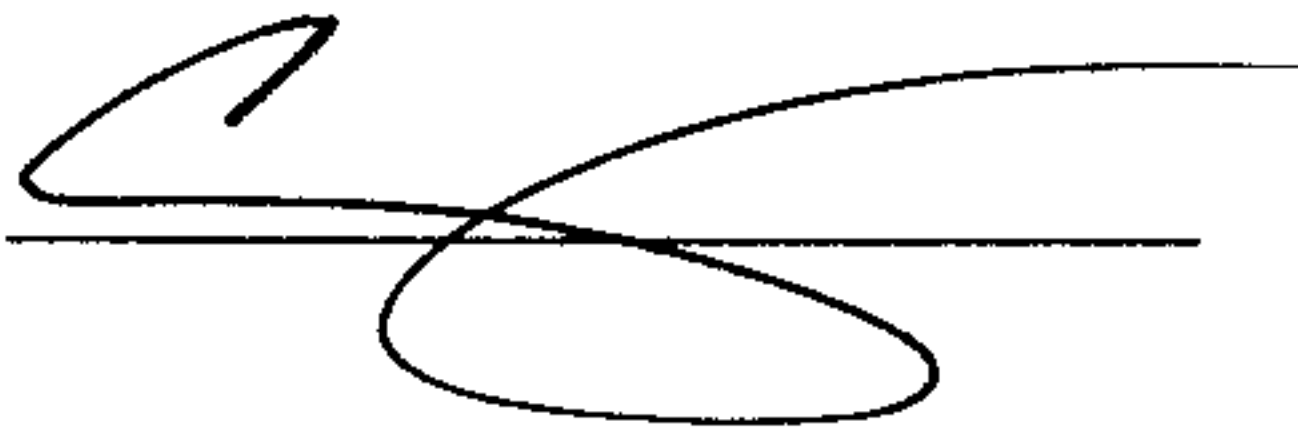
Each of the Borrowers hereby severally (a) waives as to this debt or any renewal thereof all rights of exemption under the Constitution or laws of Alabama or any other state as to real or personal property; (b) waives demand, presentment, protest, notice of protest, notice of dishonor, suit against any party and all other requirements necessary to hold him; (c) agrees that time of payment may be extended or renewal notes taken or other indulgence granted without notice of or consent to such action and without release of liability as to any Borrower; (d) agrees to pay all costs of collecting or attempting to collect or secure this note, including reasonable attorneys' fees not exceeding 15% of the unpaid debt. This note shall be construed in accordance with the laws of the State of Alabama.

The undersigned have subscribed their names hereto without condition that anyone else should sign or become bound hereon and without any other condition whatever being made. The provisions hereof are binding on the heirs, executors, administrators, assigns and successors of each and every Borrower and shall inure to the benefit of Bank, its successors and assigns, and every subsequent holder of this note. Borrower acknowledges receipt of a completed copy hereof and of any other instrument executed by Borrower before this transaction is consummated.

CAUTION

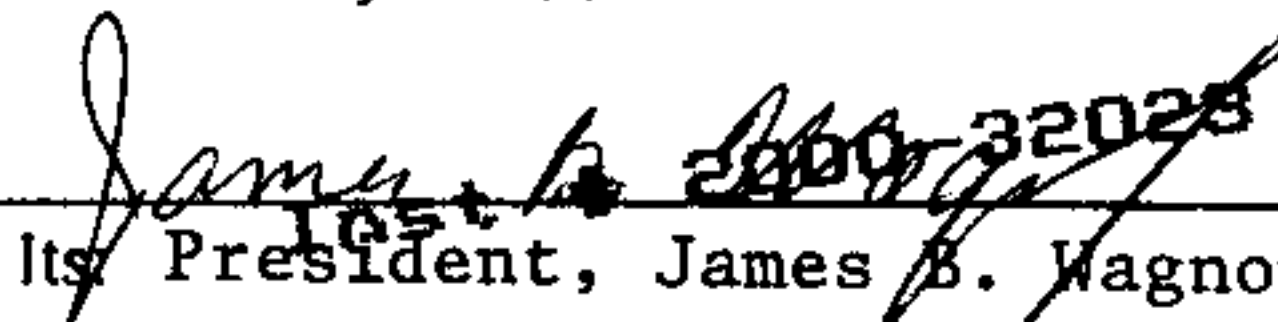
-IT IS IMPORTANT THAT YOU THOROUGHLY READ THE CONTRACT BEFORE YOU SIGN IT-

WITNESS:



Vista Homes, Inc.

BY:


Its President, James B. Wagnon, Jr.

09/14/2000-32023
10:44 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
004 CJ1 70.00