

THIS INSTRUMENT PREPARED BY
AND SHOULD BE RETURNED TO:
William S. Wright
Balch & Bingham
P. O. Box 306
Birmingham, AL 35201

06/05/2001-22873
12:50 PM CERTIFIED

STATE OF ALABAMA)
COUNTY OF SHELBY)

~~SHELBY COUNTY JUDGE OF PROBATE~~
**LOAN MODIFICATION AGREEMENT AND
AMENDMENT TO MORTGAGES AND
OTHER LOAN DOCUMENTS**

**THIS LOAN MODIFICATION AGREEMENT AND AMENDMENT TO LOAN
DOCUMENTS** (this "Agreement") is being entered into as of the 30th day of May,
2001, by and between **NEW SOUTH FEDERAL SAVINGS BANK**, a federal savings
bank ("Lender") **AMERICAN HOMES AND LAND CORPORATION**, a Georgia
corporation ("Borrower") and **GARY W. THOMAS** ("Guarantor").

P R E A M B L E

Borrower has applied to Lender for a loan in the principal amount up to
\$3,100,000 (the "New Loan"). Borrower is obligated to Lender under one or more
other credit facilities with Lender either made by Lender to Borrower, assumed by
Borrower, or guaranteed by Borrower or Guarantor (collectively, together with the New
Loan, the "Loans"), pursuant to certain documents evidencing, securing, guaranteeing
or otherwise relating to one or more of the Loans (the "Loan Documents"). To induce
Lender to make the New Loan available to Borrower, Lender has required Borrower and
Guarantor to enter into this Agreement and Borrower and Guarantor have agreed to
modify and amend the Loan Documents as set forth herein.

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SHELBY COUNTY JUDGE OF PROBATE

Accordingly, the parties hereto have agreed that the Loans shall be modified, and that the Loan Documents shall be amended as set forth below.

A G R E E M E N T

NOW, THEREFORE, in consideration of the premises, the mutual agreements of the parties as set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce Bank to make the New Loan, the parties, intending to be legally bound hereby, agree as follows:

A. **Cross-Collateralization; Cross-Default.** The occurrence of any default or event of default, as applicable, under any one or more of the Loans or the Loan Documents shall constitute a default and event of default under each of the other Loans and each of the other Loan Documents. All collateral now or hereafter securing any one or more of the Loans or other indebtedness, obligations and liabilities of Borrower or Guarantor to Bank shall also secure each of the other Loans and all other indebtedness, obligations and liabilities of Borrower or Guarantor to Bank. To secure all indebtedness, obligations and liabilities of Borrower and Guarantor to Bank, now existing or hereafter created, incurred or arising, Borrower and Guarantor hereby grant to Bank a continuing mortgage, security interest and assignment of all real and personal property and fixtures which now or hereafter secure other indebtedness, obligations or liabilities of Borrower or Guarantor to Bank.

B. **Amendment of Loan Documents.** Each of the Loan Documents shall be and the same hereby is amended by inserting the following new provisions:

- I. In addition to any other events of default set forth herein, the occurrence of either of the following shall constitute an event of default hereunder:

(A) If Gary W. Thomas shall die, become disabled (as defined herein) or cease to be able to perform all of the duties and essential functions of Chief Executive Officer of American Homes and Land Corporation and a replacement Chief Executive Officer for said corporation acceptable to Lender in its sole judgment shall not be appointed and commence performance of all of the duties and essential functions of Chief Executive Officer of said corporation within thirty (30) days of the date on which Gary W. Thomas died, became disabled or ceased being able to perform all of the duties and essential functions of Chief Executive Officer of such corporation. As used herein, the term "disabled", shall mean that Gary W. Thomas is incompetent or is not able for a period of thirty (30) consecutive days to fulfill effectively the duties and essential functions of Chief Executive Officer of said corporation, whether by reason of accident, illness, sickness or other cause or condition, as determined by a physician acceptable to New South Federal Savings Bank within thirty (30) days of such bank's written request for such determination to American Homes and Land Corporation; provided, however, that if such determination by a physician acceptable to such bank is not made within thirty (30) days of its written request to American Homes and Land Corporation, Gary W. Thomas shall be deemed conclusively to be disabled. Gary W. Thomas hereby authorizes and directs any physician making such determination to release all information, records and determinations of such physician to New South Federal Savings Bank upon request of Lender; or

(B) If there shall occur any default or event of default under any indebtedness, obligation, or liability of Borrower or Gary W. Thomas to New South Federal Savings Bank or under any document or instrument evidencing, securing, guaranteeing or otherwise relating to any such indebtedness, obligation or liability.

II. All real and personal property and fixtures now or hereafter securing any indebtedness, obligation, or liability of Borrower to New South Federal Savings Bank now existing or hereafter incurred or arising shall also secure all other indebtedness, obligations and liabilities of Borrower to New South Federal Savings Bank now existing or hereafter incurred or arising.

C. **Effect on Loan Documents.** Each of the Loan Documents shall be deemed amended as set forth hereinabove and to the extent necessary to carry out the intent of this Agreement. Except as is expressly set forth herein, all of the Loan Documents shall remain in full force and effect in accordance with their respective terms and shall continue to evidence, secure, guarantee or relate to, as the case may be, the Loans.

D. **Representations and Warranties.** Each representation and warranty contained in the Loan Documents is hereby reaffirmed as of the date hereof. Borrower and Guarantor hereby represent, warrant and certify to Lender that no default, event of default, or any condition or event with which the giving of notice or the lapse of time or both would constitute a default or event of default under any of the Loan Documents or Loans, has occurred and is continuing, and that neither Borrower nor Guarantor has any offsets or claims against Lender arising under, related to, or connected with the Loans or any of the Loan Documents.

E. **Additional Documentation; Expenses.** Borrower shall provide to Lender (i) certified resolutions properly authorizing the transactions contemplated hereby and the execution of this Agreement and all other documents and instruments being executed in connection herewith; and (ii) all other documents and instruments required by Lender; all in form and substance satisfactory to Lender. Borrower shall pay any recording and all other expenses incurred by Lender in connection with the modification of the Loans and any other transactions contemplated hereby, including without limitation, title or other insurance premiums, survey costs, legal expenses, recording fees and taxes.

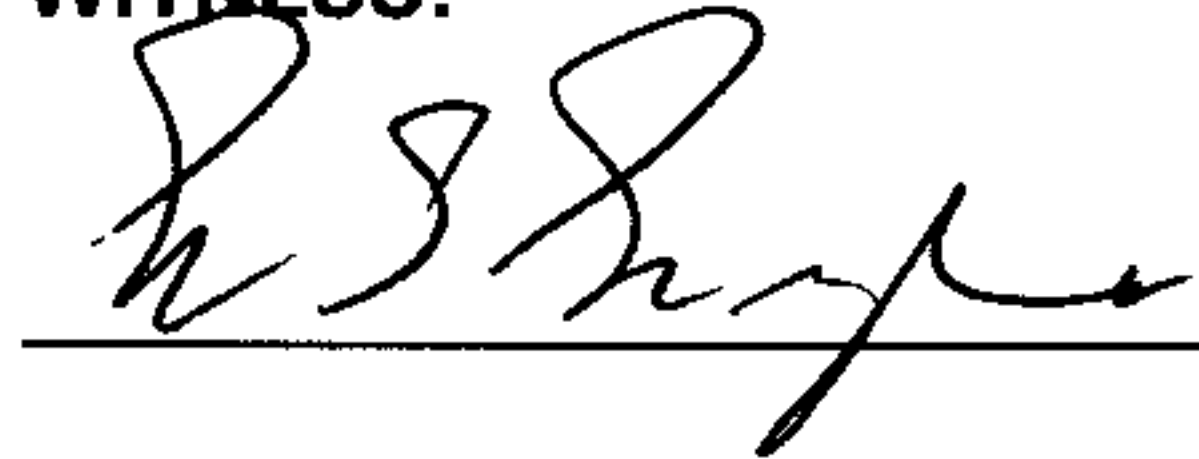
F. **Acknowledgment.** Each Borrower and Guarantor hereby consents to the modifications contained herein. Guarantor acknowledges the continuing effect of his guaranties of the Loans and each of the Loan Documents and the obligations contained therein.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be duly executed as of the date first set forth above.

WITNESS:



WITNESS:




WITNESS:




BORROWER:

**AMERICAN HOMES AND LAND
CORPORATION**

By: 
Its: Pres.

GUARANTOR:


GARY W. THOMAS

LENDER:

NEW SOUTH FEDERAL SAVINGS BANK

By: 
Its VICE PRESIDENT

STATE OF ALABAMA)
COUNTY OF Jefferson)

I, the undersigned, Notary Public in and for said County in said State, hereby certify that Gary W. Thomas, whose name as President of American Homes and Land Corporation, a 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 the 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 this the 30th day of May, 2001.

Christina Barton Capp

Notary Public

My commission expires: 7-29-02

[NOTARIAL SEAL]

STATE OF ALABAMA)
COUNTY OF Jefferson)

I, the undersigned, Notary Public in and for said County in said State, hereby certify that Gary W. Thomas, 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 this the 30th day of May, 2001.

Christina Barton Capp

Notary Public

My commission expires: 7-29-02

[NOTARIAL SEAL]

STATE OF ALABAMA)

COUNTY OF Jefferson)

I, the undersigned, Notary Public in and for said County in said State, hereby certify that Paul Allen, whose name as Paul Allen of NEW SOUTH FEDERAL SAVINGS BANK, a 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, he, as such officer and with full authority, executed the same voluntarily for and as the act of said bank.

Given under my hand this the 30th day of May, 2001.

Christina Barton Copp

Notary Public

My commission expires: 7-24-02

[NOTARIAL SEAL]

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