

THIS DOCUMENT PREPARED BY:
Joel L. Rye
New South Federal Savings Bank
210 Automation Way
Birmingham, AL 35210
NSF # 269958

BALLOON LOT LOAN MODIFICATION AGREEMENT

THIS BALLOON LOT LOAN AGREEMENT, made this the 6th day of August, 2002, by and between Chad Thomas Hagwood, hereinafter referred to as "Borrower" and New South Federal Savings Bank, Federally Chartered Savings Bank as "Lender"; and

WHEREAS, Borrower executed a Note to New South Federal Savings Bank and Mortgage, dated February 15, 1999, securing the original principal sum of U.S. \$31,425.00, as recorded in Instrument No. 1999-09202, records of the Judge of Probate of Shelby County, Alabama, the real property being set forth as follows:

Lot 85, according to the Survey of Weatherly, King's Crest, Sector 3, Phase 3 as recorded in Map Book 18, Page 38 A & B, in the Probate Office of Shelby County, Alabama.

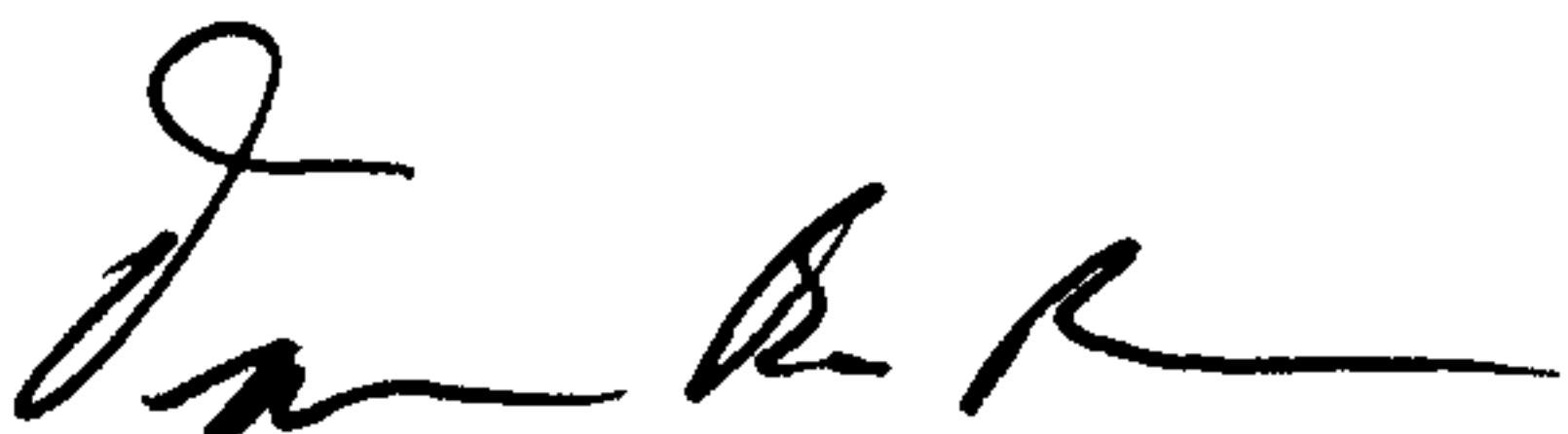
NOW THEREFORE, KNOW ALL MEN BY THESE PRESENT, that for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration hereby acknowledge to have been paid, Borrower and Lender do hereby MODIFY and AMEND said Note and Mortgage as follows:

1. The Borrower is the owner of the property.
2. As of September 31, 2002, the amount payable under the Note and Security Instrument (the "Unpaid Principal Balance") will be U.S. \$27,435.21.
3. 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 a yearly rate of 8.5%, beginning September 1, 2002. The Borrower promises to make monthly payments of principal and interest in the amount of \$270.96, beginning the 1st day of October, 2002, and continuing thereafter on the same day of each succeeding month until the principal and interest are paid in full. If on June 1, 2003, (The "Modification Maturity Date"), the Borrower still owes amounts under the Note and the Security Instrument, as amended by this Modification, the Borrower will pay these amounts in full on the Modification Maturity Date.
4. Borrower acknowledges that this is the final extension that will be granted.
5. If at any time during this extension, the Borrowers account becomes past due or deviate from the terms and conditions stated within this Modification Agreement, the Lender retains the right to accelerate the loan and call the entire balance due within 30-days from the date notification is sent to the Borrowers. In the event Lender exercises this option, Borrowers agree to pay the entire amount due without recourse. Failure to do so will result in the immediate forfeiture of any and all rights to the property the Borrowers have.
6. Except as herein specifically modified, all other terms and conditions of the said Note and Mortgage shall remain in full force and effect.

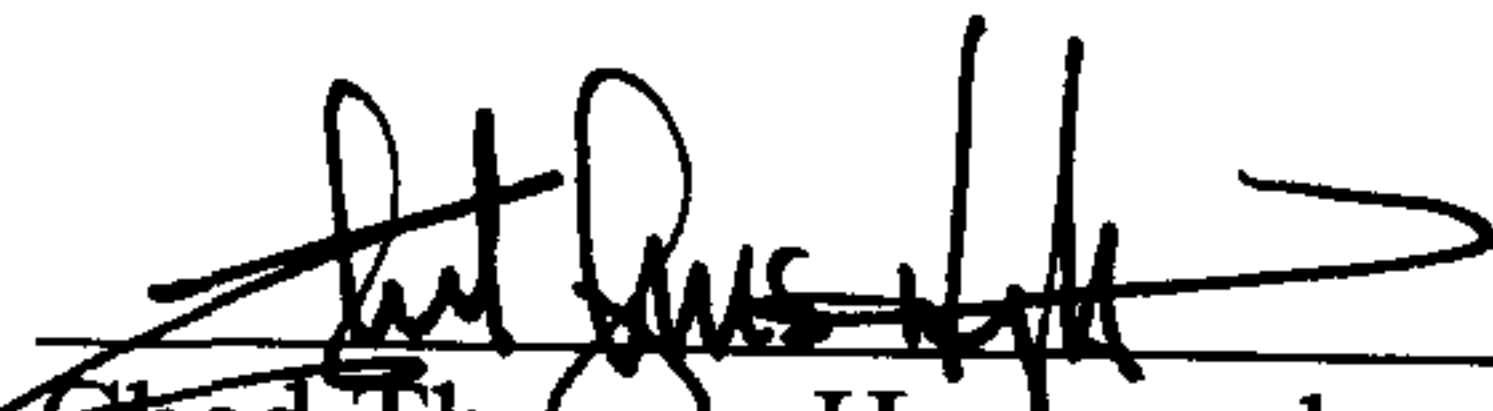
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Borrower's Initials

STATE OF ALABAMA
COUNTY OF SHELBY

IN WITNESS WHEREOF, the Borrower has hereunto set his hands and seals and the Lender has caused these presents to be executed.



Witness



Chad Thomas Hagwood

I, the undersigned authority and for said State and County, hereby certify that Chad Thomas Hagwood 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 by hand and notarial seal on this the 9th day of August, 2002.

(Notary Seal)



Notary Public

My Commission Expires 10-13-04

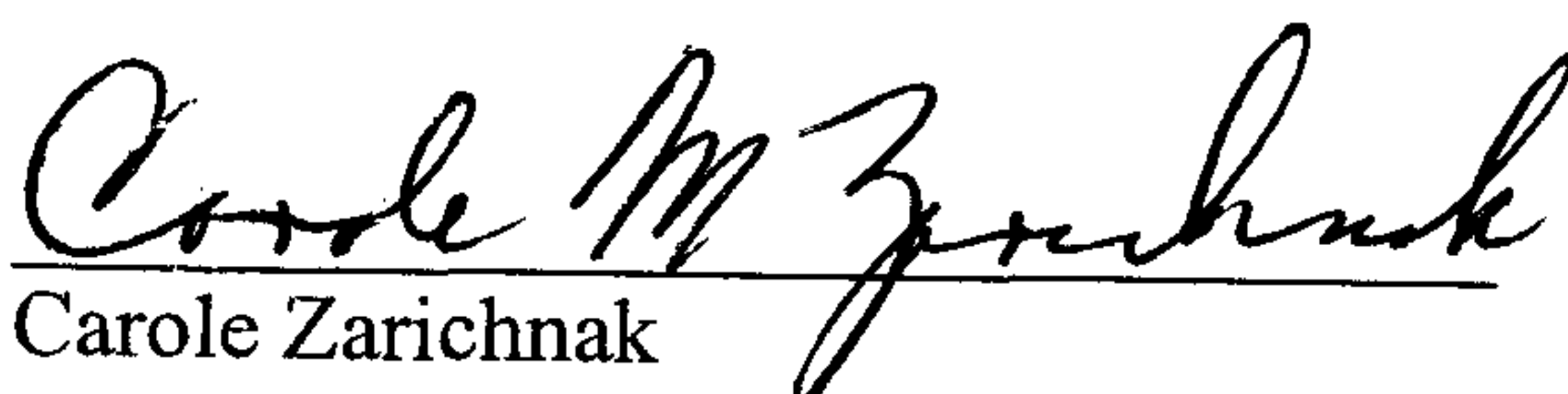
STATE OF ALABAMA
COUNTY OF JEFFERSON

I, the undersigned, a Notary Public within and for the State and County aforesaid, do hereby certify that on this date the foregoing Modification Agreement was presented to me in said County, and was delivered and acknowledged by Joyce Stevenson, as Assistant Vice President and Pamela Bishop, as Assistant Secretary of New South Federal Savings Bank, A Federally Chartered Savings Bank, to be its or her/his act and deed.

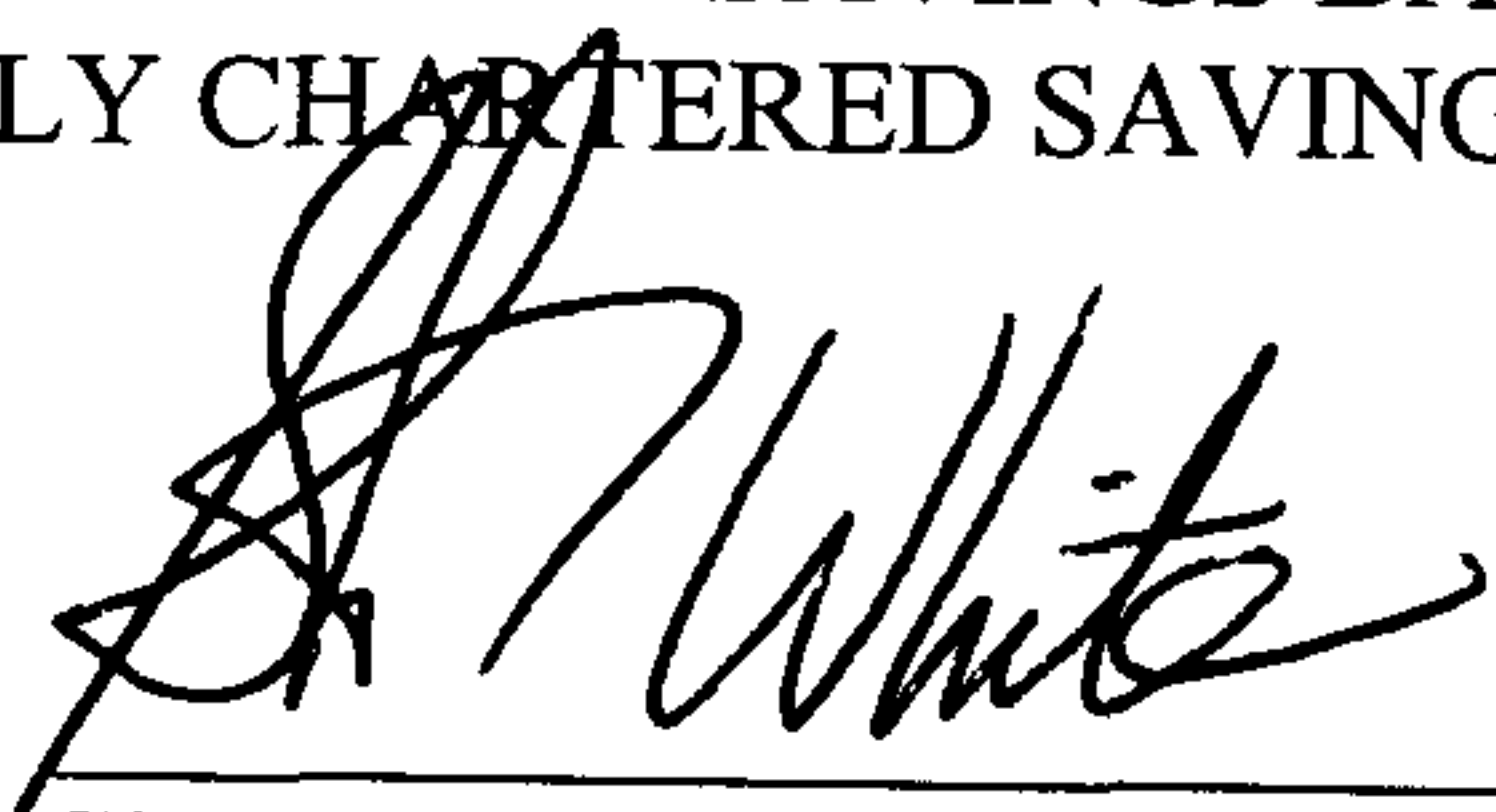
WITNESS by hand this 16th day of August, 2002.

NEW SOUTH FEDERAL SAVINGS BANK
A FEDERALLY CHARTERED SAVINGS BANK

(Notary Seal)

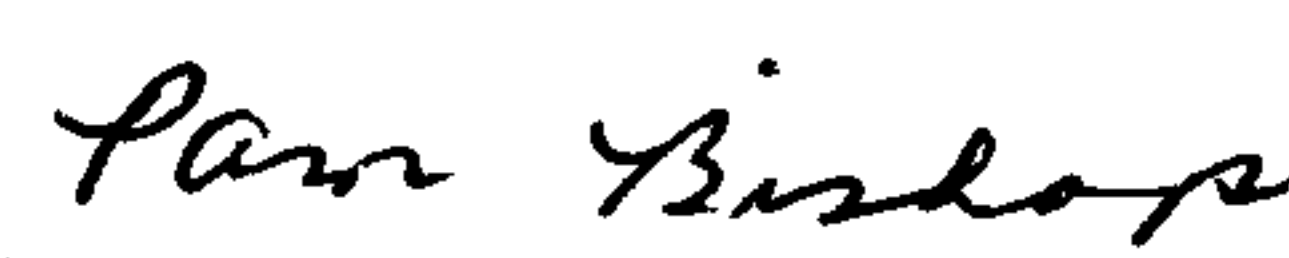


Carole Zarichnak
Notary Public
My Commission Expires 4/19/04



Shane T. White
Vice President

(Corporate Seal)



Pamela Bishop
Assistant Secretary