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LOAN MODIFICATION AGREEMENT

(Providing for Fixed Interest Rate)

This Loan Modification Agreement ("Agreement"), made this 1st day of May, 2003, between Timothy A. Letson and Victoria L. Letson, Husband and Wife ("Borrower") and First Federal of the South ("Lender"), amends and supplements (1) the Mortgage, Deed of Trust or Security Deed (the "Security Instrument"), dated September 12, 2002 and recorded as Instrument Number 20021001000473500 in the Judge of Probate Records 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 and defined therein as the "Property" located at 231 King's Crest Lane, Pelham, AL 35124 (Property Address), the real property described being set forth as follows:

Lot 99, according to the survey of Weatherly, King's Crest, Section 3, Phase 3, as recorded in Map Book 18, Pages 38 A and B, in the Probate Office of 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 May 1, 2003, the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") is U.S. \$287,520.00, 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 5.875% , from May 1, 2003. The Borrower promises to make monthly payments of principal and interest of U.S. \$1,700.79, beginning on the first day of June 1, 2003, and continuing thereafter on the same day of each succeeding month until principal and interest are paid in full. If on May 1, 2033 (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.

The Borrower will make such payments at 126 N. Norton Avenue, Sylacauga, Alabama, 35150 or at such other place as the Lender may require.

3. If all or any part of the Property or any interest in the Property is sold or transferred (or if borrower is not a natural person, and beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require payment in full of all sums secured by the Security Instrument.

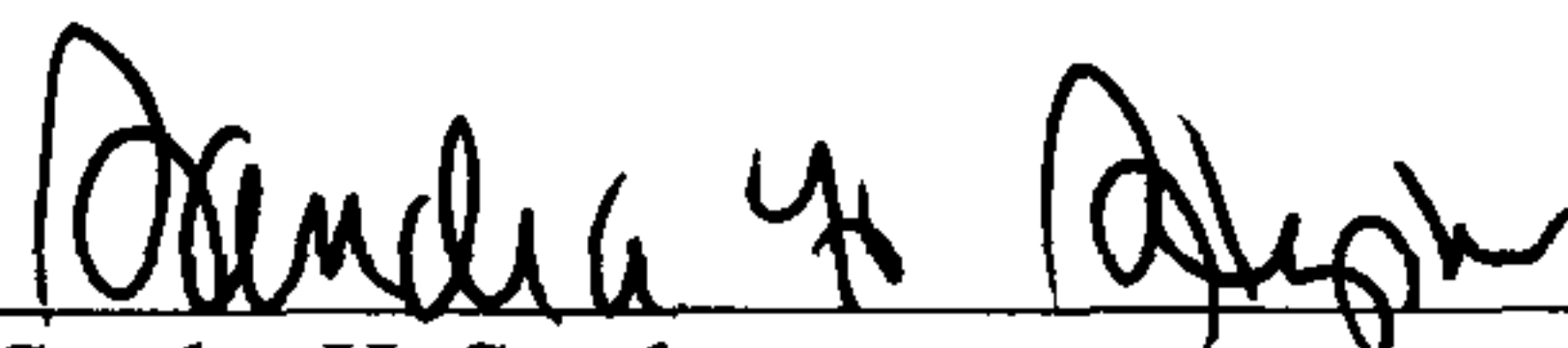
If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

4. Borrower will also 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 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.

4. 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 forms and provisions thereof, as amended by this Agreement.

FIRST FEDERAL OF THE SOUTH

By: 
Sandra H. Stephens,
Executive Vice President/COO


Timothy A. Letson, BORROWER


Victoria L. Letson, BORROWER

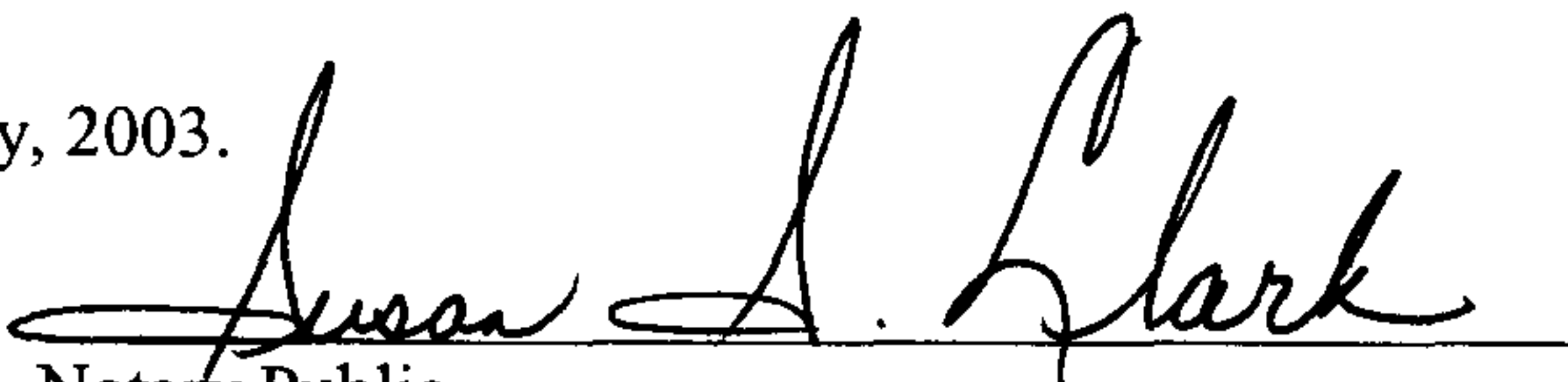
STATE OF ALABAMA

COUNTY OF SHELBY

On this 1st day of May, 2003, I, the undersigned authority, a Notary Public in and for said county and in and for said state, hereby certify that Timothy A. Letson and Victoria L. Letson, 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 on the day the same bears date.

Given under my hand and seal of office this 1st day of May, 2003.

My Commission Expires: MY COMMISSION EXPIRES NOV. 18, 2003


Notary Public

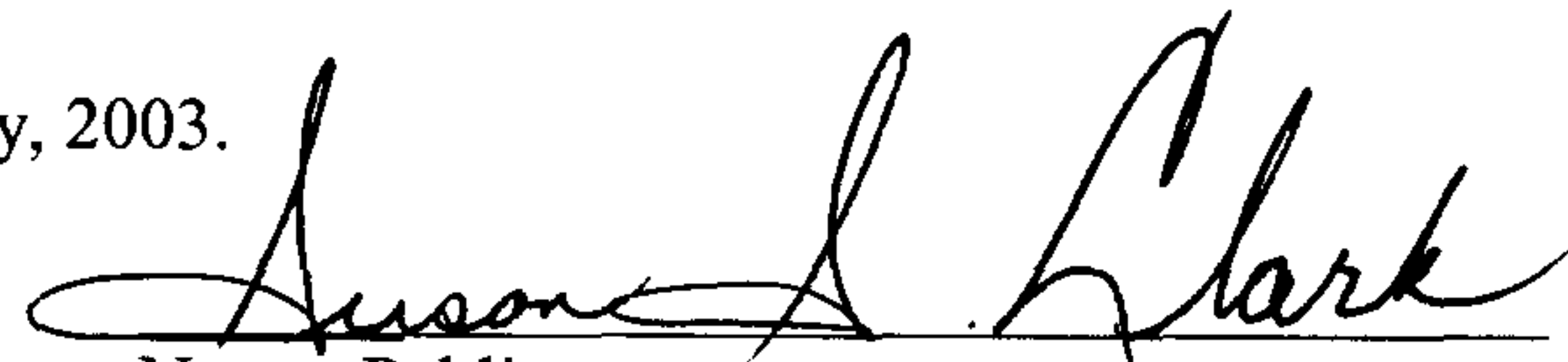
STATE OF ALABAMA

COUNTY OF JEFFERSON

I, the undersigned authority, a Notary Public in and for said County, said State, hereby certify that Sandra H. Stephens, whose name as Executive Vice President/COO, of First Federal of the South, 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, she, as such officer and with full power and authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal of office this 1st day of May, 2003.

My Commission Expires: MY COMMISSION EXPIRES NOV. 18, 2003


Notary Public