Name **M.A. Frazier Construction, Inc.**
Loan # **74002529** **Increase loan amount $ 100,000.00**

20050916000481580 1/5 $173.00
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MODIFICATION AGREEMENT

THIS MODIFICATION AGREEMENT (hereinafter referred to as "Modification Agreement") is made and entered into **August 30, 2005**, by and between **M.A. Frazier Construction, Inc.** (whether one or more, jointly and severally hereinafter referred to as "Borrower"), and **ALIANT BANK**, an Alabama banking corporation (sometimes formerly known as First National Bank of Alexander City, Elmore County National Bank, Elmore County Bank or First Montgomery Bank) (hereinafter referred to as "Lender").

A. Borrower previously executed and delivered unto Lender that certain **Universal Note and Security Agreement** Note (the "Note") dated **March 2, 2005**, in the original principal sum of **$780,000.00**.

B. The Note is secured by that certain Mortgage dated **March 2, 2005**, Borrower to Lender, which Mortgage is recorded in the Office of the Judge of Probate of **Shelby** County, **Alabama**, in RLPY/Roll **20050310000109860**, at Page/Frame/Card (the "Mortgage").

C. Borrower desires certain modifications to the Note and/or Mortgage and Lender is willing to make such modifications on the terms and conditions as set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender , intending to be legally bound, do hereby agree as follows (mark box(es) of applicable provision(s)):

1. ☐ Consumer Construction Note. The Note is hereby amended as follows (mark box(es) of applicable provision(s)):

(a) ☐ Principal Sum. The principal sum of the Note (i.e., its face amount) is . It remains subject to the terms and conditions set forth in the Note and related documents regarding advances and interest.

(b) ☐ Interest Rate. The first full paragraph of the Note is hereby amended to reflect the following applicable rate of interest, with all other terms of such paragraph remaining unaffected hereby (mark box of applicable provision):

☐ A fixed rate of % per annum.

☐ At a variable per annum rate which is percentage points (the "Margin") in excess of the Prime Rate / Index, as the case may be (as defined below).

[use with Sections 1(e) or 1(f) of this Modification Agreement unless already provided in Note]

(c) Section 1 of the Note is hereby amended and restated in its entirety to read as follows:

☐ Payment and Maturity. Accrued interest on the unpaid balance of the principal sum of this Note shall be paid and at scheduled maturity of the principal sum of this Note. The unpaid balance of the principal sum of this Note, together with all accrued but unpaid interest thereon and all other sums owing under this Note which remain unpaid, shall be due and payable on ("Scheduled Maturity"). Interest, payable on demand, at the rate of interest payable under this Note (including adjustments, if any, provided under the Note), shall be due and payable on any part of the principal sum which remains unpaid after scheduled maturity of the principal sum of this Note, whether as originally scheduled or upon acceleration following default hereunder.

(d) ☐ Amortization. Not in derogation of any other payments provided for in this Note, Borrower will pay principal and interest by making payments every month beginning on (the "Conversion Date"). Borrower will make Borrower's monthly payments on the day of each month and every month thereafter until Borrower has paid all of the principal and interest and any other charges that Borrower may owe under this Note. Borrower's monthly payments will be applied to interest before principal. If, on Scheduled Maturity, Borrower still owes amounts under this Note, Borrower will pay those amounts in full on that date. Borrower's monthly payment will be in the amount of U.S. . This amount may change. If this Note has a variable rate of interest, changes in Borrower's monthly payment will reflect changes in the unpaid principal under this Note and in the interest rate that Borrower must pay. The Lender will determine the new interest rate and the changed amount of Borrower's monthly payment in accordance with other provisions of the Note.

Borrower's Initials

(e) ☐ Variable Rate. The rate of interest payable under this Note shall be increased or decreased to reflect changes in the Prime Rate

☐ effective on the first date of the month after Prime Rate increases or decreases.

☐ effective on each date the Prime Rate increases or decreases.

☐ effective on , and on that day every twelfth month thereafter.

As used herein, the term "Prime Rate" means the rate of interest designated by the Holder from time to time as its "Prime Rate", whether or not such rate is advertised or published. The Prime Rate is not necessarily the Holder's lowest rate for any type of loan. The Prime Rate on the date of the Note (as amended by this Modification Agreement) is %.

☐ The rate of interest payable under this note shall not exceed %, regardless of any future increase in the Prime Rate.

☐ The rate of interest payable under this Note shall not be less than %, regardless of any future decrease in the Prime Rate.

(f) ☐ Adjustable Rate Mortgage. The interest rate Borrower will pay may change effective on and on that day every twelfth month thereafter. Each date on which Borrower's interest rate could change is called a "Change Date". Beginning on the first Change Date, Borrower's interest rate will be based on an Index. The "Index" is the weekly average yield on the United States Treasury Securities adjusted to a constant maturity of one year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index". Before each Change Date the Lender will calculate Borrower's new interest rate by adding the Margin to the Current Index. The Lender will then round the result of this addition to the nearest one-eighth of one percent point (0.125%). Subject to the limits, if any stated herein on interest rate, this rounded amount will be Borrower's new interest rate until the next Change Date. The Lender may then, at Lender's election, determine the amount of the monthly payment that is estimated to be sufficient to repay the unpaid principal that Borrower is expected to owe at the Change Date in full on the maturity date at the new interest rate in substantially equal payments. The result of this calculation, if made, will be the new amount of Borrower's monthly payment.

2. ☐ Adjustable Rate Note (FNMA Single Family ARM 5-2). The Note is hereby amended as follows (mark box(es) of applicable provision(s)):

(a) ☐ Principal Sum. The principal sum of the Note (i.e., its face amount) is U.S. . It remains subject to the terms and conditions set forth in the Note and related documents regarding advances and interest.

(b) ☐ Interest. Section 2 of the Note is hereby amended to provide for interest at a yearly rate of %.

(c) ☐ Construction Interest. The Note is amended to provide for interest accrued on the principal balance during the construction period to be due and payable on .

(d) ☐ Variable to Fixed Modification. Section 4 of the Note is hereby deleted in its entirety and Section 2 of the Note is hereby amended and restated in its entirety to read as follows:

Interest will be charged on the unpaid principal until the full amount of principal has been paid. I will pay interest at a yearly rate of %. The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 7(B) of this Note.

(e) ☐ Section 3(A) of the Note is hereby amended to reflect monthly payments beginning on .

(f) ☐ Section 3(A) of the Note is hereby amended to provide for a "Maturity Date" of .

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(g) ☐ Section 3(B) of the Note is hereby amended to reflect that the initial monthly payments will be in the amount of U.S. $, subject to the changes that may be provided for in the Note, as may be modified by this Modification Agreement.

(h) ☐ Section 4(A) of the Note is hereby amended to reflect that the "Change Date" shall be the first day of , and on that day every twelfth month thereafter.

(i) ☐ The first sentence of Section 4(C) of the Note is hereby amended and restated in its entirety to read as follows:

Before each Change Date, the Note Holder will calculate my new interest rate by adding percentage points (%) to the Current Index.

(j) ☐ Section 4(D) of the Note is hereby amended and restated in its entirety to read as follows:

The interest rate I am required to pay the first Change Date will not be greater than % or less than %. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.0%) from the rate of interest I have been paying for the preceding 12 months. My interest rate will never be greater than % nor less %.

3. ☒ Note and Security Agreement (Commercial ANCA 5977). The Note is hereby amended as follows (mark box(es) of applicable provision(s)):

(a) ☒ Section 2 of the Note is hereby amended to reflect a principal sum of U.S. **$880,000.00**. It remains subject to the terms and conditions set forth in the Note and the related documents regarding advances and interest.

(b) ☐ Section 3(b) of the Note is hereby amended to reflect a fixed per annum rate of interest of %.

(a) ☐ Section 3(c) of the Note is hereby amended to reflect the initial rate under this note will be %. The interest rate is subject to change (increase or decrease) on then annually thereafter with the index.

(d) ☐ Section 3(c) of the Note is hereby amended to reflect a "Index" of and the Index Rate on the date of this Note, as amended by this Modification Agreement, is %.

(e) ☐ Section 3(c) of the Note is hereby amended to provide that percentage points will be added to the "Current Index" in order to calculate the new interest rate, subject to the other terms and conditions provided for in the Note.

(f) ☐ Section 3(c) of the Note is hereby amended to provide that the interest rate under the Note will never be greater than % or the maximum lawful rate, whichever is less, and will never be less than %.

(g) ☐ The maturity date of the Note provided in the Note (or derived from the payment schedule in Section 4 of the Note) is hereby amended to be (the "Maturity Date") and the installment payments of interest and/or principal shall continue to be paid consecutively until the Maturity Date, at which time all unpaid principal and accrued but unpaid interest, together with all other amounts owing under this Note, shall be paid in full.

(h) ☐ Section 3(f) of the Note is hereby amended to change interest under this note will be calculated on the basis of ☐ a 365-day year and the actual number of days elapsed ☐ a 360-day year and the actual number of days elapsed by multiplying the unpaid balance of the principal sum by the interest rate, and multiplying the product so obtained by a fraction, the numerator of which is the actual number of days elapsed and the denominator of which is 360. ☐ a year consisting of 12 months of 30 days each.

(i) ☐ Section 4(a) of the Note is hereby amended to pay accrued interest on the principal sum as follows: .

(j) ☐ Section 4(b) of the Note is hereby amended to pay the principal sum of this Note: .

(k) ☐ Section 4(c) of the Note is hereby amended to provide for payment of the principal balance of the Note and interest thereon in each beginning on and one (1) final payment in the amount of the unpaid principal sum, all accrued but unpaid interest thereon, and all other sums, if any, then due and owing under this Note.

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4. ☐ Other Notes: The note is hereby amended as follows:

5. Mortgage. The Mortgage is hereby amended as follows (mark box(es) of applicable provision(s), if any):

☒ The principal sum secured is hereby amended to be U.S. **$ 880,000.00**.

☐ If a maturity date specified in the Mortgage is sooner than the maturity date under the Note (as amended hereby), the Maturity Date under the Mortgage is hereby amended to delete reference to any maturity date or, if the Maturity Date of the Note is greater than Maturity Date of the Note (as amended hereby).

6. ☐ Borrower agrees to pay the following fees:

7. The Borrower hereby confirms and agrees that the Mortgage (as such may be amended hereby) continues to secure all amounts which may now or hereafter be outstanding under the Note, as amended hereby, and Borrower hereby represents and warrants to the Lender that no other mortgage or security interest has been granted with respect to the property secured by the Mortgage since the original date of the Mortgage.

8. The Borrower hereby represents and warrants to the Lender that there is no default or event of default outstanding under the Note, Mortgage or any related loan agreement, or any event or circumstance which, with the giving of notice or the passage of time or both, would likely constitute such a default or event of default under the Note, Mortgage or related loan agreements.

9. If the Mortgage is modified by this Modification Agreement, the Borrower shall cause this Modification Agreement to be recorded in the Office of the Judge of Probate of **Shelby** County, **Alabama**, shall pay or reimburse Lender for all recording fees in connection therewith and shall cause and endorsement to be issued to the existing title insurance commitment or policy, updating such commitment or policy through the date of recordation of this Modification Agreement and reflecting any amendments made hereby, without any intervening liens or encumbrances, all at the expense of the Borrower.

10. This Modification Agreement shall be deemed effective as of the date hereof unless another date is specified here: **September 2, 2005**

11. Except as expressly amended hereby, the Borrower agrees that the Note, Mortgage and any related loan agreement shall remain unmodified and not effected by this Modification Agreement and each such documents remains in full force and effect. This is the entire agreement of the parties with respect to the subject matter hereof and, together with the Note, Mortgage and any related written loan agreement, contain the entire agreement of the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, Borrower and Lender have caused this Modification Agreement to be executed in one or more counterparts, each of which shall be deemed to be an original, as of the date first set forth above. Borrower hereby acknowledges receipt of a copy of this Modification Agreement.

"BORROWER"
M.A. Frazier Construction, Inc.

_____ **(L.S.)**
Michael A. Frazier, President

_____ **(L.S.)**

"LENDER"
ALIANT BANK

By: _____
Its Vice President

(EXECUTE ACKNOWLEDGMENT ON NEXT PAGE IF MORTGAGE AMENDED)

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STATE OF ALABAMA)
:
Shelby COUNTY)

I, the undersigned, a notary public in and for said county in said state, hereby certify that **Jim Sanders**, whose name as **Vice President** of **Aliant Bank**, a **Alabama** 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 said 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 and official seal this **2nd** day of **September**, **2005**.

Notary Public

[NOTARIAL SEAL] My commission expires:_____

STATE OF ALABAMA)
:
Shelby COUNTY)

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Nov 23, 2008
BONDED THRU NOTARY PUBLIC UNDERWRITERS

I, the undersigned, a notary public in and for said county in said state, hereby certify that **Michael A Frazier, President of M.A. Frazier Construction, Inc.**, 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 said instrument, (s)he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this **2nd** day of **September**, **2005**.

Notary Public

[NOTARIAL SEAL] My commission expires: March 31, 2007

This instrument prepared by : Deanna Easterwood
Aliant Bank
200 Aliant Parkway
P.O. Box 1237 [35011]
Alexander City, Alabama 35010

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