After Recording, Return To:
FIRST FEDERAL OF THE SOUTH

126 NORTH NORTON AVENUE
SYLACAUGA, AL 35150

ATTN:BARBARA ANDREWS

20060710000329060 1/2 $223.55
Shelby Cnty Judge of Probate,AL
07/10/2006 01:34:39PM FILED/CERT

[Space Above This Line For Recording Data]

Loan No. 5050001056

LOAN MODIFICATION AGREEMENT

(Providing for Adjustable Interest Rate)

This Loan Modification Agreement ("Agreement"), made this 1ST day of FEBRUARY, 2005, between BRIAN DAKS KENNEDY AND DANA J KENNEDY, HUSBAND & WIFE

("Borrower") and FIRST FEDERAL OF THE SOUTH

("Lender"), amends and supplements (1) the Mortgage, Deed of Trust or Security Deed (as modified by an Adjustable Rate Rider of the same date) (the "Security Instrument),dated September 15, 2003 and recorded in Book or Liber * _____, at page(s) _____, of the COUNTY [Name of Records] Records of SHELBY AL [County and State, or other Jurisdiction]

*Instrument No. 20030917000624760

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

191 ASHTON WOODS DRIVE CHELSEA, AL 35043

[Property Address]

the real property described being set forth as follows:

Lot 5, according to the survey of Revised Final Plat, Ashton Woods, Phase Two, as recorded in Map Book 29, Page 92, 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 FEBRUARY 1, 2005, the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") is U.S. $ 139,639.50, consisting of the amount(s) loaned to Borrower by Lender and any interest capitalized to date.

2. Borrower promises to pay the Unpaid Principal Balance, plus interest, to the order of Lender. Interest will be charged on the Unpaid Principal Balance at the yearly rate of 5.750 %, from FEBRUARY 1, 2005. Borrower promises to make monthly payments of principal and interest of U.S. $ 814.90, beginning on the 1ST day of MARCH, 2005, and continuing thereafter on the same day of each succeeding month until principal and interest are paid in full. By executing this Agreement, Borrower waives any Timely Payment Rewards rate reduction to which Borrower may be entitled. If on FEBRUARY 1, 2035 (the "Maturity Date"), Borrower still owes amounts under the Note and the Security Instrument, as amended by this Agreement, Borrower will pay these amounts in full on the Maturity Date.

   The Borrower understands and agrees that the initial rate of interest may change on the first day of JULY 1, 2009 and on that day every TWELVE month thereafter on the "change date" as such term is defined in the Note and Security Instrument.

   Borrower will make such payments at 126 NORTH NORTON AVENUE, SYLACAUGA, AL 35150 or at such other place as Lender may require.

   The Borrower understands that (i) the interest rate they are required to pay at the first Change Date will not be greater than 7.750 % or less than 3.750 % and (ii) their interest rate will never be greater than 11.750 % as specified in the Note.

20060710000329060 2/2 $223.55
Shelby Cnty Judge of Probate,AL
07/10/2006 01:34:39PM FILED/CERT

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 a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this 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 the 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 also will comply with all other covenants, agreements, and requirements of the Security Instrument, including without limitation, 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, including, where applicable, the Timely Payment Rewards rate reduction, as described in paragraph 1 of the Timely Payment Rewards Addendum to Note and paragraph A.1. of the Timely Payment Rewards Rider. By executing this Agreement, Borrower waives any Timely Payment Rewards rate reduction to which Borrower may have otherwise been entitled; and
   (b) all terms and provisions of any adjustable rate rider, or Timely Payment Rewards Rider, where applicable, 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.

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 Borrower and Lender will be bound by, and comply with, all of the terms and provisions thereof, as amended by this Agreement.

FIRST FEDERAL OF THE SOUTH

By: _____

Brian Daks Kennedy (Seal)
BRIAN DAKS KENNEDY -Borrower

Dana J. Kennedy (Seal)
DANA J. KENNEDY -Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

[Space Below This Line For Acknowledgments]

STATE OF **ALABAMA** **County of** **TALLADEGA**

On the **1ST** day of **FEBRUARY** in the year **2005** before me, the undersigned, a notary public in and for said state, personally appeared **BRIAN DAKS KENNEDY AND DANA J KENNEDY, HUSBAND & WIFE**

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that **THEY** executed the same in **THEIR** capacity(ies), and that by **THEIR** signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

Anna Hobson
Notary Public MY COMMISSION EXPIRES SEPT. 18, 2007

STATE OF **County of**

On the day of in the year before me, the undersigned, a notary public in and for said state, personally appeared ,
personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public