

PREPARED BY:
ROBERT L. MELLEN, III, ESQ.
AKERMAN SENTERFITT
P.O. BOX 231
ORLANDO, FL 32802-0231

RETURN TO:
EMMANUEL, SHEPPARD & CONDON
30 S. SPRING ST.
PENSACOLA, FL 32502
A0458-105973A

NOTE TO PROBATE CLERK: NO NEW ADVANCE IS BEING MADE AT THE TIME OF RECORDING OF THIS AGREEMENT. THIS AGREEMENT IS RECORDED ONLY TO MODIFY THE EXISTING MORTGAGE (AS DEFINED HEREIN) AND DOCUMENT THAT THE EXISTING BORROWING BASE FACILITY (AS DEFINED HEREIN) SECURED THEREBY HAS BEEN INCREASED FROM \$30,000,000.00 to \$50,000,000.00 BY A FUTURE ADVANCE UNDER SAID EXISTING MORTGAGE AND, AS SO INCREASED, IS NOW EVIDENCED BY THE RENEWAL NOTE (AS DEFINED HEREIN) AND CONTINUES TO BE SECURED BY THE SAME COLLATERAL (LESS ANY SUCH COLLATERAL PREVIOUSLY RELEASED OF RECORD) SECURING SAID EXISTING MORTGAGE, AS FURTHER MODIFIED AND/OR SPREAD FROM TIME TO TIME.

**FIRST MASTER MORTGAGE MODIFICATION AGREEMENT
AND NOTICE OF FUTURE ADVANCE (ALABAMA)**

THIS FIRST MASTER MORTGAGE MODIFICATION AGREEMENT AND NOTICE OF FUTURE ADVANCE (ALABAMA) (this "Agreement") is made and entered into as of the ____ day of January, 2007 by and between **ADAMS HOMES OF NORTHWEST FLORIDA, INC.**, a Florida corporation, and **ADAMS HOMES, L.L.C.**, an Alabama limited liability company (collectively and individually, the "Mortgagor"), having an address 3000 Gulf Breeze Parkway, Gulf Breeze, Florida 32563, and **SUNTRUST BANK**, a Georgia corporation, having an address at 3522 Thomasville Road, Tallahassee, Florida 32309; Attention: Real Estate Finance Group (the "Mortgagee"). Capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Loan Agreement referred to below.

WITNESSETH:

WHEREAS, Mortgagor, **ADAMS HOMES AEC, LLC**, a South Carolina limited liability company ("Company Guarantor"), and Mortgagee are parties to that certain Amended and Restated Master Revolving Borrowing Base Loan Agreement, dated as of November 29, 2006 (the "Existing Loan Agreement"), pursuant to which Mortgagee has made available to Mortgagor a revolving borrowing base

Facility") for the purposes and on the terms and conditions expressly set forth in the Existing Loan Agreement; and

WHEREAS, as evidence of the Existing Borrowing Base Facility, Mortgagor executed and delivered to Mortgagee that certain Modification and Renewal Master Revolving Mortgage Note, dated November 29, 2006, in the original principal amount of \$30,000,000.00 (the "Existing Note"), which modified, renewed and extended that certain Master Revolving Mortgage Note, dated February 10, 2005, from Mortgagor to Mortgagee in the original principal amount of \$30,000,000.00 referred to therein (the "Original Note"); and

WHEREAS, as security for payment of the Existing Note and all of the other Obligations (as defined in the Existing Loan Agreement), including, by way of illustration and not limitation, the payment and performance duties, obligations and liabilities of Mortgagor to Mortgagee under the Existing Borrowing Base Facility, Mortgagor, among other Security Documents, executed and delivered to Mortgagee the following described Security Documents (each, an "Original Mortgage," and collectively, the "Original Mortgages," and as they heretofore may have been modified, amended, supplemented or restated from time to time, including without limitation, modifications pursuant to one or more Master Mortgage Modification and Spreader Agreements between Mortgagor and Mortgagee, each, an "Existing Mortgage," and collectively, the "Existing Mortgages"):

1. That certain Master Mortgage Deed and Security Agreement, dated as of February 28, 2005, and recorded March 14, 2005, in Instrument No 876359, of the Records in the Office of the Judge of Probate, Baldwin County, Alabama;

2. That certain Master Mortgage Deed and Security Agreement, dated as of February 28, 2005, and recorded May 5, 2006, in Book 2006, at Page 27980, of the Records in the Office of the Judge of Probate, Limestone County, Alabama;

3. That certain Master Mortgage Deed and Security Agreement, dated as of February 28, 2005, and recorded March 21, 2005, in Book 5746, at Page 187, of the Records in the Office of the Judge of Probate, Mobile County, Alabama;

4. That certain Master Mortgage Deed and Security Agreement, dated as of February 28, 2005, and recorded April 27, 2005, in Document No. 20050427000265310, of the Records in the Office of the Judge of Probate, Madison County, Alabama;

5. That certain Master Mortgage Deed and Security Agreement, dated as of February 28, 2005, and recorded June 3, 2005, in Document No. 20050603000269890, of the Records in the Office of the Judge of Probate, Shelby County, Alabama; and

6. That certain Master Mortgage Deed and Security Agreement, dated as of February 28, 2005, and recorded May 4, 2006, in Mortgage Book 2006, at Page 25780, of the Records in the Office of the Judge of Probate, St. Clair County, Alabama; and

WHEREAS, Mortgagor now has requested, among other things, that Mortgagee modify, increase (from the maximum principal amount of \$30,000,000.00 to the maximum principal amount of \$50,000,000.00) and renew the Existing Borrowing Base Facility; and

WHEREAS, Mortgagee has agreed to modify, increase and renew the Existing Borrowing Base Facility as requested by Mortgagor without extending the term of the Existing Note and, in order to provide for the terms and conditions upon which Mortgagee will do so, Mortgagee, Company Guarantor and Mortgagor will enter into that certain First Amendment to Amended and Restated Master Revolving Borrowing Base Loan Agreement, dated as of the date hereof (the "First Amendment," and together with the Existing Loan Agreement, and as the same hereafter may be further modified, amended, supplemented or restated from time to time, collectively, the "Loan Agreement"), pursuant to which Mortgagee will (a) modify and renew the Existing Note and (b) make a future advance to Mortgagor on a revolving basis in

the principal amount of \$20,000,000.00 (the "Future Advance") under paragraph 18 of each Original Mortgage, thereby increasing the Existing Borrowing Base Facility up to the maximum principal amount of \$50,000,000,000, being the sum of (i) the maximum principal amount of the Existing Borrowing Base Facility and (ii) the principal amount of the Future Advance; and

WHEREAS, among other things, as a condition of agreeing to modify, increase and renew the Existing Borrowing Base Facility and, in connection therewith and as a part thereof, to make the Future Advance to Mortgagor, Mortgagee requires Mortgagor to modify the Existing Mortgages so that they secure, in addition to the Liabilities referred to therein, the Future Advance; and

WHEREAS, the parties wish to confirm and document the Future Advance as being a future advance under and in accordance with the terms and conditions of paragraph 18 of each Original Mortgage and secured by the Existing Mortgages; and

WHEREAS, as evidence of the modification, increase and renewal of the Existing Borrowing Base Facility, Mortgagor, concurrently herewith, will execute and deliver to Mortgagee a Modification, Increase and Renewal Master Revolving Mortgage Note (together with any modifications, amendments, renewals, extensions or replacements thereof, the "Renewal Note"), dated the date hereof, in the face amount of \$50,000,000.00; and

WHEREAS, as security for the Renewal Note and all other Obligations, Mortgagee requires, among other things, Mortgagor to further modify and amend the Original Mortgages by executing and delivering this Agreement to Mortgagee, which shall be recorded in the Records in the Office of the Judge of Probate of Baldwin, Limestone, Mobile, Madison, Shelby and St. Clair Counties, Alabama, all as more fully set forth herein; and

WHEREAS, as set forth above, Mortgagee is unwilling to modify, increase and renew the Existing Borrowing Base Facility and, in connection therewith and as a part thereof, to make the Future Advance, unless and until the Mortgagor agrees, *inter alia*, to execute and deliver this Agreement to the Mortgagee.

NOW, THEREFORE, in consideration of the mutual premises herein contained, the parties do hereby agree as follows:

1. **AMOUNT DUE ON EXISTING BORROWING BASE FACILITY.** Mortgagor acknowledges, states and agrees with respect to the Existing Borrowing Base Facility as follows:

Acknowledgment of Existing Borrowing Base Facility; Amount Due. That Mortgagee heretofore made the Existing Borrowing Base Facility available to Mortgagor which is evidenced by the Existing Note and has made Advances thereunder to Mortgagor which are outstanding and unpaid as of the date hereof in the aggregate principal amount set forth in the First Amendment.

Amounts Absolutely Due and Owing. That the amount referred to in paragraph 1(a) above and as set forth in the First Amendment is absolutely and unconditionally due and owing to Mortgagee upon the Existing Note as of the date hereof, is not subject to any claims, counterclaims, defenses or other rights of offset or recoupment whatsoever and is secured, *inter alia*, by the Existing Mortgages. To the extent Mortgagor should have any claims, counterclaims, defenses or other rights of offset or recoupment of any nature whatsoever, Mortgagor, in consideration of the Future Advance, does hereby expressly waive any such claims, counterclaims, defenses or other rights of offset or recoupment whatsoever.

2. **MODIFICATION, INCREASE AND RENEWAL OF EXISTING BORROWING BASE FACILITY.** Effective as of the date hereof, and subject to the term and conditions set forth in the First Amendment, Mortgagee agrees to modify and renew the Existing Borrowing Base Facility and increase the maximum principal amount thereof by making the Future Advance to Mortgagor in the principal amount of \$20,000,000.00, thereby increasing the Existing Borrowing Base Facility up to the

maximum principal amount of \$50,000,000.00, being the sum of (a) the maximum principal amount or the Existing Borrowing Base Facility and (b) the principal amount of the Future Advance (as so modified, increased and renewed, the "Borrowing Base Facility"), subject to the terms and conditions hereof.

3. **FUTURE ADVANCE UNDER ORIGINAL MORTGAGES.** In connection with the modification, increase and renewal of the Existing Borrowing Base Facility and, as a part thereof, Mortgagee has made the Future Advance on the express understanding and agreement with Mortgagor that the Future Advance shall constitute a future advance under and in accordance with the terms and conditions of paragraph 18 of each Original Mortgage, with the same force and effect as if said transaction was entered into and made as of the date of each Original Mortgage, all in accordance with the provisions of said paragraph 18 and [INSERT REFERENCE TO ALABAMA FUTURE ADVANCE STATUTE]. As such, the Future Advance shall constitute a future advance under the Original Mortgages, with the same force and effect as if said transaction was entered into and made as of the date of the Original Mortgages, and accordingly, shall be secured not only by the Existing Mortgages, as further modified hereby, but also by any and all of the other Security Documents and any other loan or security documents at any time further securing said indebtedness.

4. **EXISTING MORTGAGES TO SECURE RENEWAL NOTE AND OTHER OBLIGATIONS.** The Existing Mortgages are hereby modified (as so modified, and together with any further modifications, amendments, supplements or restatements thereof from time to time, collectively, the "Mortgages") to provide that they shall secure not only the full and prompt payment of the Existing Note, but also shall secure the full and prompt payment from Mortgagor to Mortgagee of the Renewal Note, in the same manner and upon the same conditions as if the Existing Mortgages originally secured the full and prompt payment of the Renewal Note. The term "Note" as defined and described in the Existing Mortgages shall hereafter mean and refer to the Existing Note, as modified, increased, renewed and replaced by the Renewal Note, as said Renewal Note may be further modified, amended, renewed, extended or replaced from time to time. Additionally, the Existing Mortgages shall secure all other "Liabilities" as defined and described therein. The total amount secured by the Mortgages will not exceed at any time the maximum principal amount of Fifty Million Dollars (\$50,000,000.00).

5. **FUTURE AMENDMENTS TO EXISTING NOTE.** As defined in each of the Existing Mortgages, the term "Note" means and refers to the Existing Note and all future modifications, amendments, renewals, extensions or replacements thereof, including without limitation, the Renewal Note and, as set forth in paragraph 4 above, the Existing Mortgages shall further secure the Existing Note as modified, increased, renewed and replaced by the Renewal Note, as said Renewal Note may be further modified, amended, renewed, extended or replaced from time to time. As such, should the Renewal Note at any time in the future be modified, amended, renewed, extended or replaced, the Mortgages shall continue to secure the Loan evidenced thereby and it shall not be necessary to execute any further modification or amendment of any of the Mortgages; provided, however, nothing contained herein shall obligate Mortgagee to agree to any further modification, amendment, renewal, extension or replacement in the future.

6. **RATIFICATION.** Mortgagor does hereby ratify and affirm the Existing Note, the Existing Mortgages and each and every other document relating to the indebtedness evidenced thereby and, except as specifically modified and amended by the terms of this Agreement, Mortgagor does hereby agree with and confirm to Mortgagee that (a) all of the terms, provisions, covenants, warranties and agreements contained, and all liens and security interests granted, in the Existing Mortgages, as modified by this Agreement, and each and every other document and instrument governing, evidencing, securing or otherwise relating to the Loan evidenced by the Renewal Note, remain in full force and effect; (b) that there is no claim, counterclaim, defense or other right of offset or recoupment whatsoever against the Existing Mortgages, as modified hereby, or any of the other Security Documents; and (c) the liens and security interests granted therein are acknowledged to be valid and subsisting liens and security interests against the Mortgaged Property (as defined in the Existing Mortgages) and other real and personal property described therein. Mortgagor does hereby further agree with and confirm to Mortgagee that (a) all representations and warranties contained in the Existing Mortgages are true and correct on and as of the date hereof, (b) Mortgagor is in full compliance with all covenants and agreements established thereunder, (c) no Default or

Event of Default exists thereunder and (d) the Existing Mortgages are legal, valid and binding obligations of Mortgagor and are enforceable by Mortgagee against Mortgagor in accordance with their respective terms.

7. **NO IMPAIRMENT OF SECURITY.** Nothing contained in this Agreement shall be construed to impair the security of Mortgagee, or its successors or assigns, under the Existing Mortgages, or to waive or release any of the liens and security interests granted therein, nor to impair the indebtedness described in and secured by such Existing Mortgages, nor to impair any rights or powers which Mortgagee may have under or by virtue of the Renewal Note, the Mortgages or the other Security Documents for the recovery of monies due, with interest at the rate or rates set forth therein.

8. **RELEASE OF CLAIMS.** In consideration of the matters set forth in this Agreement, Mortgagor, for itself and its legal representatives and, if applicable, successors and assigns, hereby fully, finally and irrevocably releases Mortgagee, and its officers, representatives, agents, attorneys, employees, predecessors, successors and assigns (collectively, the "Released Parties") from any and all defenses, affirmative defenses, claims counterclaims, offsets, cross-claims, damages, demands, actions and causes of action of any kind or nature existing as of the date of this Agreement or based on facts or circumstances arising at anytime up through and including the date of this Agreement, whether known or unknown and whenever and howsoever arising, relating to the Existing Note and/or the Existing Mortgages or the liabilities and obligations of Mortgagor thereunder, or any of the other Obligations or Loan Documents, or any past or present relationship between Mortgagor and Mortgagee. In addition, Mortgagor hereby agrees not to commence, join in, prosecute, or participate in any suit or other proceeding in a position adverse to that of any of the Released Parties arising directly or indirectly from any of the foregoing matters.

9. **NO OTHER MODIFICATION.** Except as provided herein, no other term, condition or provision of the Existing Mortgages shall be in any way altered or changed, and this Agreement shall not be considered a novation.

10. **COMPLETE AGREEMENT.** This Agreement constitutes the complete agreement between the parties hereto and incorporates all prior discussions, agreements and representations made in regard to the matters set forth herein. This Agreement may not be amended, modified or changed except by a writing signed by the party to be charged by said amendment, change or modification.

11. **GOVERNING LAW.** It is the parties' express intent that this Agreement, and its validity, enforcement and interpretation, shall be governed by the laws of the State of Alabama without regard to conflicts of laws principles.

12. **COUNTERPARTS.** This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, but such counterparts shall together constitute one and the same instrument.

[Signatures follow on next page]

IN WITNESS WHEREOF the parties have hereunto executed this Agreement as of the day and year first set forth above.

Signed, sealed and delivered
in the presence of:


Name: REBECCA F. KATES


Name: MARY C. HART


Name: REBECCA F. KATES


Name: MARY C. HART

As to "Mortgagor"

MORTGAGOR:


**ADAMS HOMES OF NORTHWEST FLORIDA,
INC.,** a Florida corporation

By: 
Name: Wayne L. Adams
Title: President

and

ADAMS HOMES L.L.C.,
an Alabama limited liability company

By Adams Homes of Northwest Florida, Inc.,
a Florida corporation, as a Member

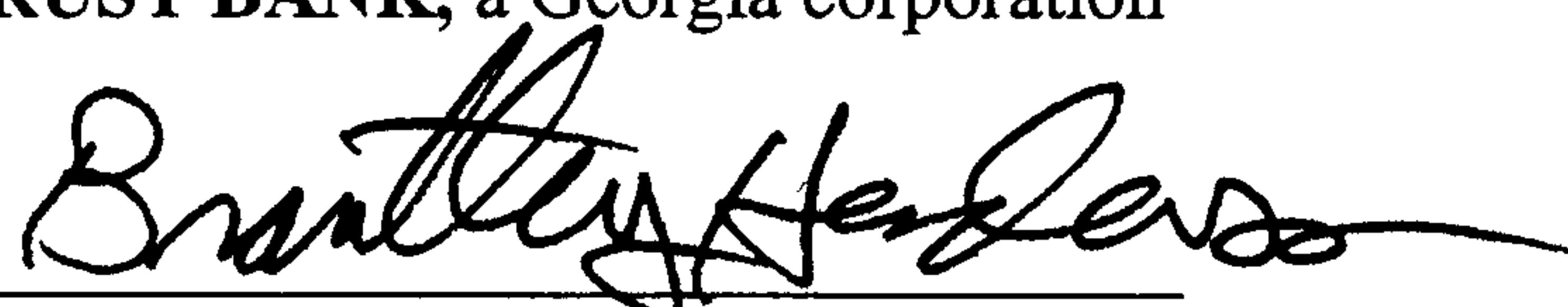
By: 
Name: Wayne L. Adams
Title: President

and


Wayne L. Adams, individually, as a Member

MORTGAGEE:

SUNTRUST BANK, a Georgia corporation

By: 
Name: Brantley Henderson
Title: First Vice President


Name: Carol C. Bates


Name: Cynthia Horner

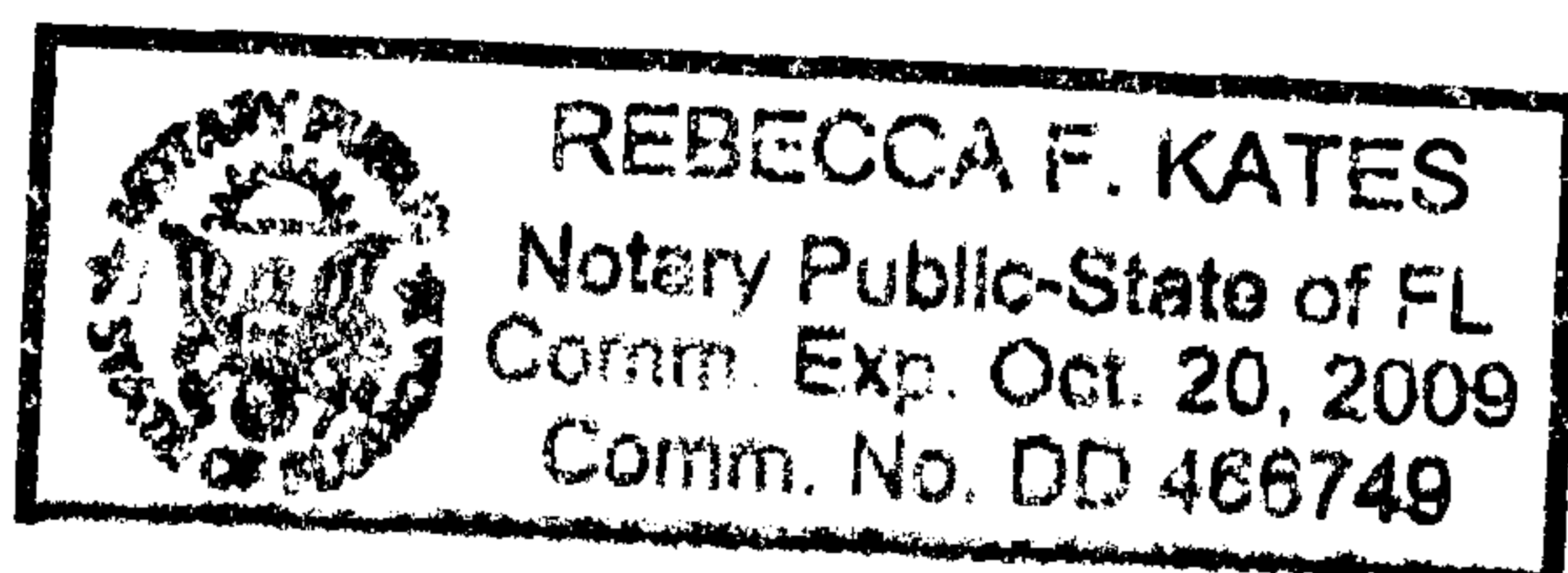
As to "Mortgagee"

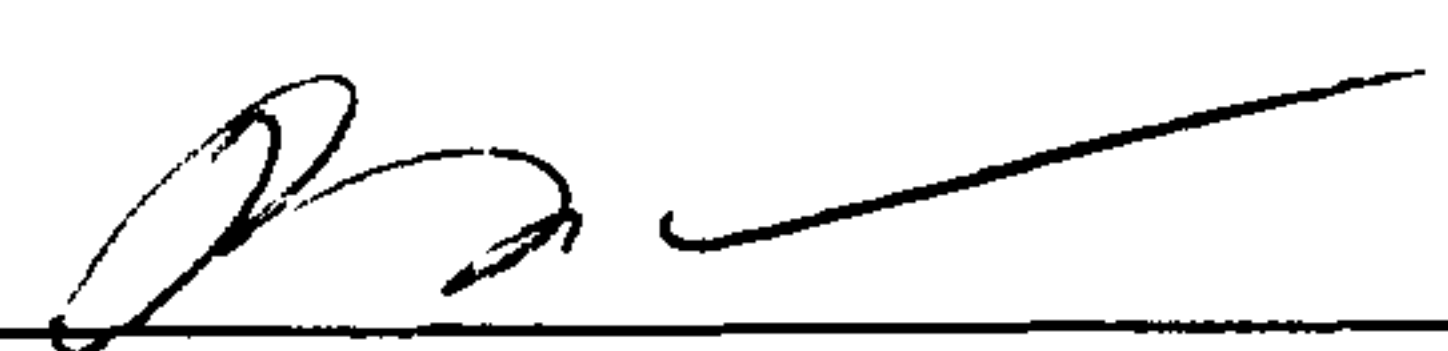
The State of Florida)

Santa Rosa County)

I, **REBECCA F. KATES**, a notary public in and for said County in said State, hereby certify that Wayne L. Adams whose name (i) as President of **ADAMS HOMES OF NORTHWEST FLORIDA, INC.**, a Florida corporation ("Adams Homes/Northwest"), and (ii) individually as a Member of **ADAMS HOMES L.L.C.**, an Alabama limited liability company ("Adams Homes"), and as President of Adams Homes/Northwest, a Member of said limited liability company, is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he, as such officer of Adams Homes/Northwest and as such member of Adams Homes and with full authority, executed the same voluntarily for and as the act of said corporation and said limited liability company.

Given under my hand this the 25th day of January, 2007.





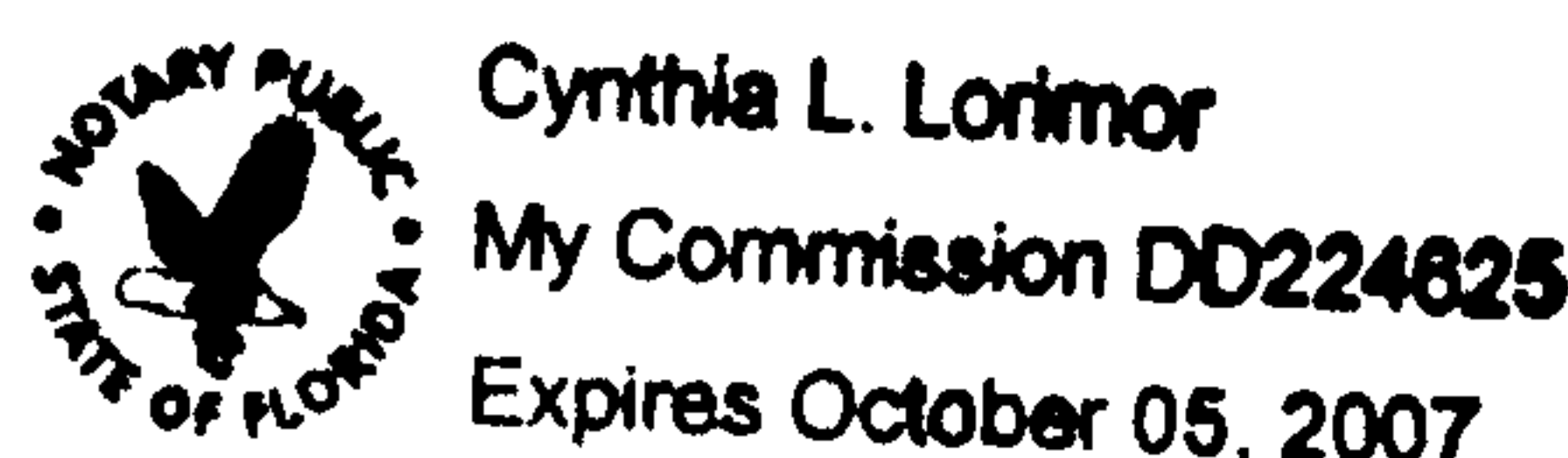
NOTARY PUBLIC
My Commission expires: _____

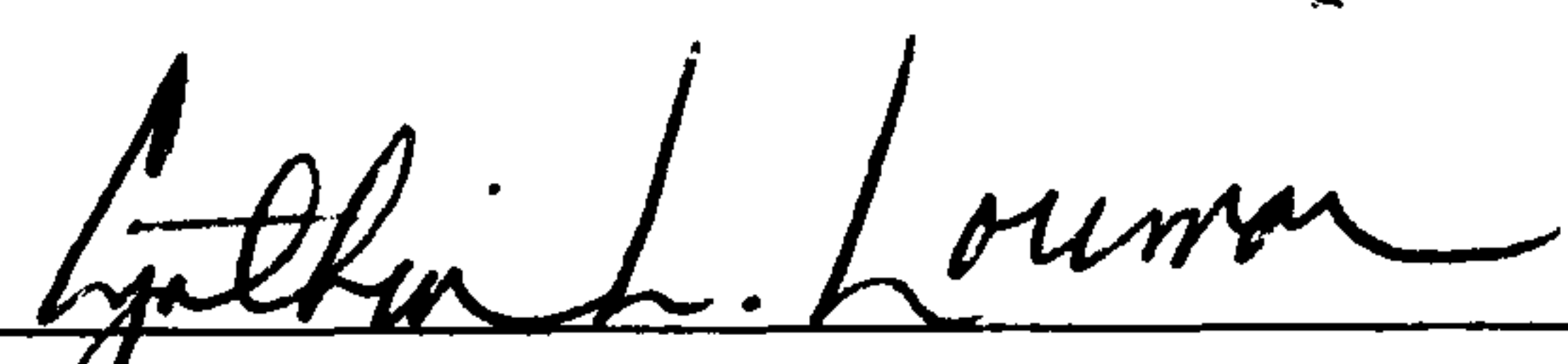
The State of Florida)

Escambia County)

I, Cynthia L. Lorimor, a notary public in and for said County in said State, hereby certify that Brantley Henderson whose name as First Vice President of SunTrust Bank, a Georgia corporation, is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he, as such officer of SunTrust Bank and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this the 11th day of January, 2007.





NOTARY PUBLIC
My Commission expires: 10/5/07

Exhibit "A"

Lots 73, 88, 89, 99, 105, 106, 107, 109, 110, 111 and 113, Bay Branch Villas Phase 6B, according to the plat thereof, as recorded in Slide Book 2216-F, in the Office of the Judge of Probate of Baldwin County, Alabama.

Lots 58, 63 through 70, 73 through 93, inclusive and 117, Magnolia Place Phase One, according to the plat thereof, as recorded in Slide Book 1971-B, in the Office of the Judge of Probate of Baldwin County, Alabama.

Lots 2, 3, 4, 5, 7 and 8, Mifflin Manor Phase Two, according to the plat thereof, as recorded in Slide Book 2233-D, in the Office of the Judge of Probate of Baldwin County, Alabama.

Lots 10, 11, 18, 27 through 40, 58 and 59, Riverwoods Subdivision, according to the plat thereof, recorded in Instrument No. 20060526000343570, as recorded in the Office of the Judge of Probate of Madison County, Alabama.

Lots 15, 16 and 19, Block 3, Stonecrest, Phase I, according to the plat thereof, as recorded in Plat Book 47, Page 50, in the Office of the Judge of Probate of Madison County, Alabama.

Lots 3, 4, 5, 6, 9, 10, 12 through 17, inclusive, 19, 20 and 22 through 31, inclusive, 33, 34, 35, 36, 37, 39, 40, 43, 44, 45 and 46, Block 1, Lots 1, 2, 3 and 4, Block 2, Lots 2 through 10, inclusive, 12 through 20, inclusive, Block 3, Stone Crest Phase 2, according to the plat thereof, recorded in Slide Book 2005071500046480, as recorded in the Office of the Judge of Probate of Madison County, Alabama.

Lots 12 and 13, Blackwell Oaks Subdivision, according to the plat thereof, as recorded in Map Book 101, Page 53, in the Office of the Judge of Probate of Mobile County, Alabama.

Lot 13, Hunter's Cove Unit Two, Phase One, according to the plat thereof recorded in Map Book 107, Page 35, in the Office of the Judge of Probate of Mobile County, Alabama.

Lot 4, Kings Branch Unit 4, according to the plat thereof, as recorded in Map Book 107, Page 3, in the Office of the Judge of Probate of Mobile County, Alabama.

Lot 26 Spyglass Pointe, according to the map or plat thereof, recorded in Map Book 102, Page 9, in the Office of the Judge of Probate, Mobile County, Alabama.

Lots 1, 2, 3, 4, 5, 6, 11 through 28, inclusive, 32, 33, 34, 35, 36, 37, 39, 84, 85, 87, 88 and 112, Hidden Forest, according to the plat thereof, as recorded in Map Book 35, Page 117, in the Office of the Judge of Probate of Shelby County, Alabama.

Lots 1, 6, 7, 8, 24, 27, 32, 33, 34, 35, 36, 37, 38, 45, 47, 48, 49, 50, 66 through 73, inclusive, 76, 77, 78, 79, 80, 81, 97 through 103, inclusive, 107, 108, 109, 110, 111, 113 and 114, Springview Subdivision, according to the plat thereof, as recorded in Plat Book 2006, Page 38, in the Office of the Judge of Probate of St. Clair County, Alabama.