

**LOAN MODIFICATION  
And ASSUMPTION AGREEMENT  
WITHOUT RELEASE OF LIABILITY**

This Loan Modification Agreement ("Agreement") made this 29<sup>th</sup> day of April, 2009, between **MAYHALL PROPERTIES, Inc.**, an Alabama Corporation ("the Original Borrower/Mortgagor") and **FRONTIER BANK**, a Georgia state bank ("Lender"), and **SOUTHWINDS TRADING, LLC**, an Alabama Limited Liability Company ("Assumptor"), amends and supplements (1) the Mortgage and Security Agreement (the "Security Instrument"), dated April 22, 2004 and recorded in Instrument #20040423000211790 in the Office of the Judge of Probate of Shelby County, Alabama, and (2) the Note bearing the same date as, together with that certain Amendment to Mortgage and Security Agreement dated July 19, 2004 and recorded in Instrument #2004727000416960, in the Probate Office of Shelby County, Alabama, and secured by, an Assignment of Rents and Leases recorded in Instrument #20050908000463520, (hereinafter the "Security Instrument"), which covers the real and personal property described in the Security Instrument located at Units 100, 200 and 300, at 6919 Highway 119 South, Alabaster, Alabama 35007, the real property described being set forth as follows:

Units 100, 200 and 300, in Park Forest Village Condominium, a condominium as established by that certain Declaration of Condominium of Park Forest Village Condominium, a condominium which is recorded in Instrument#20070726000348200, in the Probate Office of Shelby County, Alabama (to which Declaration of Condominium a plan is attached as Exhibit "C" thereto), said plan being filed for record in Map Book 38, Page 113, in the Probate Office of Shelby County, Alabama and to which said Declaration of Condominium, the By-Laws are attached as Exhibit "C" thereto, as recorded in Instrument#20070726000348200, together with an undivided interest in the Common Elements assigned to said Units of said Declaration of Condominium of Park Forest Village Condominium, a condominium.

Whereas, Mayhall Properties, Inc. is the owner of the above described Units 100, 200 and 300 Park Forest Village Condominium.

Whereas, Mayhall Properties, Inc. has signed a mortgage on the above described property to Frontier Bank, which mortgage is dated April 22, 2004 and recorded in Instrument #20040423000211790 in the Office of the Judge of Probate of Shelby County, Alabama, and (2) the Note bearing the same date as, together with that certain Amendment to Mortgage and Security Agreement dated July 19, 2004 and recorded in Instrument #2004727000416960, in the Probate Office of Shelby County, Alabama and secured by an Assignment of Rents and Leases recorded in Instrument #20050908000463520 (collectively referred to as "Security Instrument").

Whereas, Mayhall Properties, Inc. desires to convey to Southwinds Trading, LLC, its interest in the above described property and Southwinds Trading, LLC desires to assume the indebtedness to Frontier Bank; and

Whereas, the terms and conditions of said Mortgage and Security Instrument do not allow the assumption of the mortgage and Security Instrument; and

Whereas, Frontier Bank has been apprised of the parties desire in this regard and has consented to the transfer of the property and the assumption of the mortgage and Security Instrument as set out herein.



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. Mayhall Properties, Inc. ("Original Borrower/Mortgagor") shall convey to Southwinds Trading, LLC ("Assumptor") its interest in the above described property simultaneously with the execution of this Loan Modification and Assumption Agreement.

2. As of April 29, 2009, the amount due and payable under the Note and Security Instrument (the "Unpaid Principal Balance") is U.S. \$549,567.00 consisting of the amount(s) loaned to the Original Borrower/Mortgagor by the Lender and any interest capitalized to date.

3. The Original Borrower/Mortgagor desires to sell the property secured by the Security Instrument and the Assumptor desires to purchase the property secured by the Security Instrument. However, the Assumptor has agreed to purchase the property for the sum of \$425,000.00. Assumptor desires to assume the Security Instrument but only at a reduced principal balance of \$425,000.00. The Lender has agreed to allow the assumption of the Security Instrument and reducing the balance due and payable to the Note to \$425,000.00 ("Reduced Principal Balance"). Assumptor agrees to assume the Reduced Principal Balance of the Frontier Bank indebtedness.

4. The Assumptor promises to pay the Reduced Principal Balance, plus interest, to the order of the Lender. Interest will be charged on the Reduced Principal Balance at the yearly rate of 6.5%, fixed for sixty (60) months being amortized over twenty (20) years. The Assumptor promises to make monthly payments of principal and interest of U.S. \$3,196.29 beginning on the 5th day of June, 2009 and continuing thereafter on the same day of each succeeding month until the sixtieth (60<sup>th</sup>) payment at which time the interest rate may change. At the end of sixty (60) months and every sixty (60) months thereafter until the loan is paid in full, the rate may change (each a "Change Date"). The future rate will be equal to Frontier Base Rate (the "Index") plus one-half (0.50%) percent. A change in the future interest rate on the Note will take effect on the change date. An increase in the future interest rate will cause an increase in the payment amount. The foregoing terms of the loan will be evidenced by a note to be signed simultaneously with the execution this loan modification and assumption agreement. In the event of an inconsistency or discrepancy between the terms of the note to be signed simultaneously herewith, the Lender and Assumptor hereby acknowledge and agree that the terms of this loan modification and assumption agreement shall prevail.

5. Frontier Bank agrees to allow Mayhall Properties, Inc. to convey said interest in the above described property, and to allow Southwinds Trading, LLC to assume the reduced principal balance of \$425,000.00

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

If the Lender exercises this option, the Lender shall give the Assumptor notice of acceleration. The notice shall provide a period of not less than 30 day from the date the notice is delivered or mailed within which the Assumptor must pay all sums secured by the Security Instrument. If the Assumptor fails to pay these sums prior to the expiration of this period, the Lender may invoke any remedies permitted by the Security Instrument without further notice or demand to the Assumptor.

7. The Assumptor also will comply with all other covenants, agreements, and requirements of the Security Instrument, including without limitation, the Assumptor's covenants and agreements to make all payments of taxes, insurance premiums, assessments, escrow items, impounds, and all other payments that the Assumptor is obligated to make under Security Instrument.



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8. The Property shall remain subject to all provisions of the Mortgage and Security Instrument as amended by this Loan Modification and Assumption Agreement. This Loan Modification and Assumption Agreement shall not affect the priority of the Mortgage and Security Instrument, any other provisions of the Mortgage and Security Instrument or any provision of any Other Loan Documents, other than as modified herein. Except as expressly provided to the contrary in this Agreement, this Agreement shall not release or affect the liability of any party who may now or hereafter be liable under this Agreement, the Note, the Mortgage and Security Instrument, and/or the Other Loan Documents.

9. The Original Borrower/Mortgagor are NOT released from liability and obligations under the Note, Mortgage and Security Agreement or Other Loan Documents.

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

Assumptor:  
SOUTHWINDS TRADING , LLC

Witness: \_\_\_\_\_

 (Seal)

Laurie Boston Sharp, Member

Witness: \_\_\_\_\_

 (Seal)

William J. Wilkens, Jr., Member

STATE OF ALABAMA )  
COUNTY OF JEFFERSON )

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Laurie Boston Sharp and William J. Wilkens, Jr., whose names as members, of the Southwinds Trading, LLC, an Alabama limited liability company, 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, they, as such members and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and official seal this 29<sup>th</sup> day of April, 2009.

My Commission expires: 6-5-2011

  
Notary Public

ORIGINAL BORROWER/MORTGAGOR  
Mayhall Properties, Inc.

By:   
John Mayhall, President



STATE OF ALABAMA )  
COUNTY OF JEFFERSON )

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that John Mayhall, President of Mayhall Properties, Inc., an Alabama corporation, 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, 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 29th day of April, 2009.

My Commission expires: 6-5-2011

[Signature]  
Notary Public

Lender:  
Frontier Bank

By: [Signature]  
Russell Scruggs, Vice President

STATE OF ALABAMA)  
COUNTY OF JEFFERSON)


I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Russell Scruggs, whose name as Vice-President, of Frontier Bank, an 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 the 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 29th day of April, 2009.

My Commission expires: 6-5-2011

[Signature]  
Notary Public

This Instrument prepared by:  
Clayton T. Sweeney  
Attorney At Law  
2700 Highway 280 East  
Suite 160  
Birmingham, AL 35223

  
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