

This Instrument Prepared by:
John W. Monroe, Jr., Esq.
Emmanuel, Sheppard & Condon
30 S. Spring Street
Pensacola, Florida 32502
(850) 433-6581
A0227-123838

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Shelby Cnty Judge of Probate, AL
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MORTGAGE MODIFICATION AGREEMENT
(Alabama)

THIS MORTGAGE MODIFICATION AGREEMENT ("Agreement"), dated this 5th day of December, 2010, effective as of September 30, 2010, ("Effective Date") by and between **ADAMS HOMES, L.L.C.**, an Alabama limited liability company ("**Mortgagor**"), whose mailing address for purposes of notice is 3000 Gulf Breeze Parkway, Gulf Breeze, Florida 32563, and **BRANCH BANKING AND TRUST COMPANY**, a North Carolina banking corporation, successor by merger to First South Bank, its successors and assigns, ("**Lender**"), whose mailing address for purposes of notice is 5061 N. 12th Avenue, Pensacola, FL 32504-8916. (Unless otherwise defined, the capitalized terms in this Agreement will have the same definitions as the capitalized terms on Exhibit "A" attached hereto and incorporated herein by this reference).

WITNESSETH:

WHEREAS, on or about March 27, 1998, Lender extended a builder's line of credit to Adams Homes of Northwest Florida, Inc., a Florida corporation ("**Borrower**"), in the principal amount of \$2,121,600.00 for the purpose of acquiring developed residential lots and the construction of single family homes on developed residential lots in the State of Alabama, which line of credit has been increased and decreased from time to time, with the most recent modification allowing a maximum principal amount of \$24,000,000.00, as amended and restated from time to time (the "**Loan**");

WHEREAS, the Loan, as amended and restated from time to time, is evidenced by all those certain Loan Documents as more particularly described on Exhibit "A" attached hereto and incorporated herein by this Agreement;

WHEREAS, the Loan is secured by a **Mortgage and Security Agreement** recorded in Instrument No. 1102928, Probate Records of **Baldwin County**, Alabama, as recorded in Book 2008, Page 15698, Probate Records of **Limestone County**, Alabama, as recorded in Document No. 20080222000114920, Probate Records of **Madison County**, Alabama, as recorded in Book 6341, Page 1459, Probate Records of **Mobile County**, Alabama, as recorded in Document No. 20080512000192370, Probate Records of **Shelby County**, Alabama, and as recorded in Book 2009, Page 13035, Probate Records of **St. Clair County**, Alabama, to and in favor of the Lender, securing payment of the Note and encumbering the Property described and defined therein as the "**Mortgaged Property**" (each of the above mortgages, as the same may have been or may further be modified, amended and spread from time to time, herein collectively referred to as "**Mortgage**");

WHEREAS, Mortgagor (i) is a party to the Loan Agreement, (ii) has executed and delivered to Mortgagor that certain Guaranty Agreement, dated November 12, 2007, whereby Mortgagor has guaranteed the obligations of the Borrower under the Note and Loan Agreement (the "**Guaranty Agreement**"), (iii) is a related and affiliate entity of Borrower, and (iv) derives a material benefit from the extension of credit from Mortgagor to Borrower pursuant to the Loan Documents;

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WHEREAS, Wayne L. Adams is President of Borrower, Manager of Mortgagor and Manager of Adams Homes AEC, LLC, a South Carolina limited liability company ("**Adams-AEC**") (Wayne L. Adams, Adams-Alabama and Adams-AEC each individually referred to herein as a "**Guarantor**" and collectively, as the "**Guarantors**");

WHEREAS, Mortgagor and Adams-AEC are wholly owned subsidiaries of Borrower;

WHEREAS, Borrower's primary business, operating directly and through Mortgagor and Adams-AEC is the acquisition of developed lots and the construction of residential single family residences on developed lots in the States of Florida, Georgia, Mississippi, South Carolina, North Carolina, and Alabama;

WHEREAS, Borrower and Lender have agreed to amend certain provisions of the Mortgage as set forth herein.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and conditions hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Recitals. The recitals set forth above are hereby acknowledged and affirmed as true, accurate and correct and are hereby incorporated herein.

2. Ratification of Loan Documents. Except as modified herein, all the terms, conditions, warranties, representations and provisions of the Loan Documents are ratified, confirmed, and reaffirmed and shall remain in full force and effect.

3. Modification of Mortgage.

3.1 The Mortgage (and each of them) is hereby modified to delete Paragraph 24, entitled "Lot Releases" in its entirety, and replace it with the following Paragraph 24:

"24. Lot Releases: Provided there then be no default under the terms of this Mortgage or the Note secured hereby, or the Loan Agreement, Lender agrees to release lots from the lien and effect of this Mortgage upon such terms and conditions as more particularly set forth in the Loan Agreement."

3.2 The Mortgage (and each of them) is hereby modified to amend Paragraph 25, entitled "Cross-Collateralization and Cross-Default", so as to insert and add the following additional subsections (a) and (b) to Paragraph 25:

"(a) Notwithstanding the other provisions of this Paragraph 25, and in furtherance thereof, any default by Borrower, Mortgagor or any Guarantor under the terms of this Mortgage or the other Loan Documents shall also constitute a default under any other loans or agreements Borrower, Mortgagor or any Guarantor presently has or may have in the future with Lender. Conversely, any default by Borrower, Mortgagor or any Guarantor under any other loan or agreement Borrower, Mortgagor or any Guarantor presently has or may have in the future with Lender shall also constitute a default under this Mortgage. In the event of any such default, Lender shall be entitled to exercise any and all rights granted in any of the Loan Documents evidencing this Loan, and, if applicable, Borrower's, Mortgagor's and or any Guarantor's future loans or agreements with Lender."

(b) Mortgagor agrees, by the execution of this Mortgage, that Mortgagor mortgages, pledges, assigns and grants to Lender a security interest in any and all property or collateral of any kind, except for your principal dwelling, which is presently, or which in the future may be, mortgaged, pledged or assigned, to Lender or which Lender presently has or in the future may acquire a security interest in as security for and to secure any and all of Mortgagor's obligations under this Mortgage. Mortgagor hereby further agrees that, in addition to the Loan, the Mortgage shall also secure (i) any and all letters of credit provided by Lender to Adams Homes AEC, LLC, a South Carolina limited liability company (a closely related company of Borrower), up to an aggregate amount of \$500,000.00 (the "Adams-AEC Letters of Credit"), and (ii) the payment and performance by Adams Homes AEC, LLC, of its liabilities and obligations under all Loan Documents relating to the Adams-AEC Letters of Credit, including, without limitation, that certain Loan Agreement (Account Number 9660833916-90002), dated August 10, 2009, by and among Lender, Adams Homes AEC, LLC, Borrower, Adams Homes, LLC, an Alabama limited liability company and Wayne L. Adams.

4. Note. As of November 30, 2010, the principal balance outstanding under the Note is the amount of \$18,827,202.00, free and clear of any and all defenses, rights of set off, and rights of counterclaim against Lender. The Note remains secured jointly and severally by the Mortgage, as modified hereby, and the Loan Documents, as modified hereby. Subject to the terms and conditions of the Loan Agreement, Borrower hereby agrees to pay the Note to the order of Lender as set forth in the Note. Any and all references in the Mortgage (and each of them) to the Note, the Loan Agreement and Loan Documents shall refer to the Note, Loan Agreement and Loan Documents as defined herein.

5. Acknowledgment of Liens. Mortgagor hereby agrees that the Note shall continue to be secured by the continuing and uninterrupted liens of the Mortgage as modified hereby (and each of the mortgages and any additional mortgages and/or deeds of trust entered into in conjunction with the execution of this Agreement), jointly and severally, and Mortgagor shall comply with any and all covenants, agreements and requirements of the Note, Mortgage, and Loan Documents, as modified hereby applicable to Mortgagor, including without limitation, Mortgagor's covenants and agreements to make all payments of taxes, insurance premiums, assessments, escrow items, impounds and all other payments that Mortgagor is obligated to make under the Note and Mortgage, as modified from time to time. Except as expressly modified herein, the Note, Mortgage, and any and all Loan Documents and collateral documents securing the Note, shall remain in full force and effect and unmodified. Mortgagor hereby reaffirms all of its representations, warranties, covenants and obligations under the Note, if any, and Mortgage, as modified, and Loan Documents, and agrees to perform each and all of Mortgagor's covenants, agreements and obligations in the Note, Mortgage, and other Loan Documents, as herein modified as are applicable to Mortgagor. Mortgagor hereby acknowledges that nothing contained herein invalidates or shall impair or release any covenant, condition, agreement or stipulation in the Note, Mortgage, or other Loan Documents, as expressly modified herein. Borrower hereby further acknowledges that this Agreement shall not operate as a "novation" in any respect whatsoever, and, except as herein expressly modified, the terms and conditions of the Note, Mortgage and Loan Documents are ratified, confirmed and reaffirmed and shall remain in full force and effect and unmodified. Nothing herein contained shall affect or be construed to adversely affect the lien, charge, or encumbrances effected by the Mortgage, or the priority thereof over other liens, charges, encumbrances, and conveyances, or to release or limit the liability of any party or parties who may now or hereafter be liable under or on account of the Mortgage, Note, and Loan Agreement.

7. No Liens. Mortgagor certifies that Mortgagor is the fee simple owner of the Property located in the State of Alabama, all as described in the Mortgage, as modified from time to time, and that there are no

liens or claims against the Property which would have priority over the Mortgage, as modified, and Mortgagor has the full right, power and authority to execute this Agreement without consent of any other party, that the Mortgage (and each of the mortgages), as modified, shall constitute a continuing and uninterrupted first perfected mortgage lien upon all the Property securing the Note, including any and all future and additional advances, alterations, consolidations, renewals, modifications, and/or amendments thereto in anyway whatsoever.

8. Understanding of Agreement. Mortgagor acknowledges that it has thoroughly read and reviewed the terms and provisions of this Agreement, and is familiar with same, and that its execution of this Agreement is done freely, voluntarily, with full knowledge, and without duress, and that in executing this Agreement, and any other documents in conjunction thereto, the parties are relying upon no other representations, either written or oral, expressed or implied, made to the parties by any other party hereto, and that the consideration received by the parties hereunder has been actual and adequate.

9. Documentary Stamps/Intangible Taxes. Mortgagor has concluded that no documentary stamp tax and no intangible tax is due hereunder under Florida law, and that all other taxes which are due (if any) in the States of Alabama, Mississippi, Georgia, South Carolina and North Carolina have been paid or are not due, but will be paid when due. Nevertheless, Mortgagor hereby agrees to indemnify Lender, and hold Lender harmless in the event that any governmental agency and/or Lender, in its discretion, determines and/or requires that documentary stamp and/or intangible taxes in Florida, Alabama mortgage tax, South Carolina mortgage tax, North Carolina mortgage tax, Georgia mortgage tax and/or Mississippi mortgage tax, be paid on the Note or this Agreement, or any other Loan Document, or arise based upon the transactions contemplated herein, or under Florida law, under Alabama law, under South Carolina law, under Georgia law, under Mississippi law, or under North Carolina law. Mortgagor shall pay any such documentary stamp taxes and/or intangible taxes and other taxes, including interest and penalties, to Lender promptly upon demand by Lender, and such unpaid amounts shall be secured by the continuing and uninterrupted lien of the Mortgage, as modified. In addition, Mortgagor shall reimburse Lender for any documentary stamp tax or intangible tax under Florida law, North Carolina taxes, South Carolina taxes, Mississippi taxes, Georgia taxes and/or Alabama taxes, including penalties and interest, paid by Lender and all costs and attorneys fees that Lender may incur in defending against an imposition of such taxes on this Agreement.

10. No Waiver of Default. No waiver of any default on the part of the parties shall be construed as a waiver of any other or subsequent default, and no delay or omission in exercising and enforcing the rights and powers of Lender shall be construed as a waiver of such rights and powers, and, likewise, no exercise or enforcement of any rights or powers hereunder by the Lender shall be held to exhaust such rights and powers, and every such right and power may be exercised from time to time. Lender shall not be considered to have waived its right to take remedial action hereunder without notice or demand where it is entitled to do so hereunder even if it has been given notice or demand in a similar case or circumstance in the past. If an event of default occurs and Lender thereupon temporarily waives or fails to exercise its rights, perfected or accrued to it because of such default, to declare the Note immediately due and payable, it is agreed that such waiver of said right with respect to such default shall cease and terminate without notice, at the election of the Lender, and shall never be construed, either as extending beyond such election or as extending any subsequent default.

11. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the heirs, legal representatives and successors and assigns of the Mortgagor, where expressly permitted in writing by Lender, and the successors and assigns of Lender.

12. Execution of Further Documents. Mortgagor agrees to cooperate with Lender so that the interests of Lender are protected and the intent of this Agreement can be effectuated. Mortgagor also agrees to execute whatever further documents Lender may reasonably request or deem necessary to effectuate the

terms of this Agreement (although none are contemplated), including without limitation, any documents necessary to enable Lender to obtain or perfect a security interest in or lien on the Property.

13. Time Is of the Essence. Time is of the essence with respect to all matters concerning this Agreement.

14. Captions and Headings. Captions and headings of this Agreement, or any other agreement to be entered into in connection hereto are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of such agreement, or the intent of any provision therein.

15. Rights are Cumulative. The Note and Mortgage, as modified, and this Agreement, and the Loan Documents and any other agreement to be entered into in connection herewith shall be construed to give Lender the greatest possible cumulative rights and remedies.

16. Arms Length Transaction; Costs. The parties to this Agreement acknowledge that all terms of this Agreement are negotiated at arms length, and that each party, being represented by counsel, if desired, is acting to protect its own interest. Mortgagor agrees that all costs and expenses associated with the execution, delivery, and recordation of this Agreement, including, but not limited to, attorneys' fees, loan fees, recordation costs, and documentary stamp and intangible tax, if applicable (together with all interest and penalties thereon, if any) and expenses of any title updates or endorsements, shall be paid by Mortgagor. Mortgagor agrees to defend, indemnify, and hold harmless Lender from and against any and all such costs and expenses, and agrees that Lender shall not in any way be held liable for such costs and expenses.

17. Ambiguities. The terms and conditions set forth in this Agreement are the product of mutual draftsmanship by both parties, each being represented by counsel, if desired, and any ambiguities in this Agreement or any documentation prepared pursuant to or in connection with this Agreement shall not be construed against any of the parties because of draftsmanship.

18. Notice. All notices provided for herein shall be sent by certified or registered-return receipt requested mail, addressed to the appropriate party at the address designated for such party in the preamble to this Agreement or at such other address as the party who is to receive such notice may designate in writing, provided, however, that a copy of each notice to Borrower, Mortgagor and to any Guarantor shall also be sent to Emmanuel, Sheppard & Condon, Attention: John Monroe, 30 S. Spring Street, Pensacola, Florida 32502. Notice shall be completed by depositing the same in a letterbox or other means provided for the posting of mail addressed to the party with the proper amount of postage affixed thereto. Actual receipt of notice shall not be required to effect notice hereunder.

19. Governing Law and Jurisdiction. Mortgagor hereby ratifies, confirms, and reaffirms the terms of Paragraph 29 of the Mortgage, titled "Governing Law".

20. Waivers of Jury Trial. Mortgagor acknowledges and agrees that all waivers of any right to a jury trial set forth in the Mortgage and/or accompanying Loan Documents shall continue in full force and effect.

21. Corrections to Mortgage.

(a) The second paragraph in the legal description of the Property, attached as Exhibit "A" to the Mortgage (and each of them), incorrectly referred to the "IBERVILLE SQUARE SUBDIVISION" as being located in "Baldwin County, Florida". Mortgagor hereby acknowledges

said drafting error and affirms that the "IBERVILLE SQUARE SUBDIVISION" is actually located in "Baldwin County, **Alabama**".

(b) Several of the Mortgage Spreading Agreements which have been placed of record in the State of Alabama in order to spread the lien of the Mortgage (and each of them) so as to encumber additional real property incorrectly refer to the date of the Mortgage (and each of them) as November 12, 2007. Mortgagor hereby acknowledges said drafting error and affirms that the date of the Mortgage (and each of them) is January 3, 2008.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have set their hands and seals on the day and year first above written.

Signed, sealed and delivered in the
Presence of:

Shauna L Kirby
Print Name: Shauna L. Kirby

Daphne J. Fincher
Print Name: Daphne J. Fincher
(As to Borrower)

MORTGAGOR:

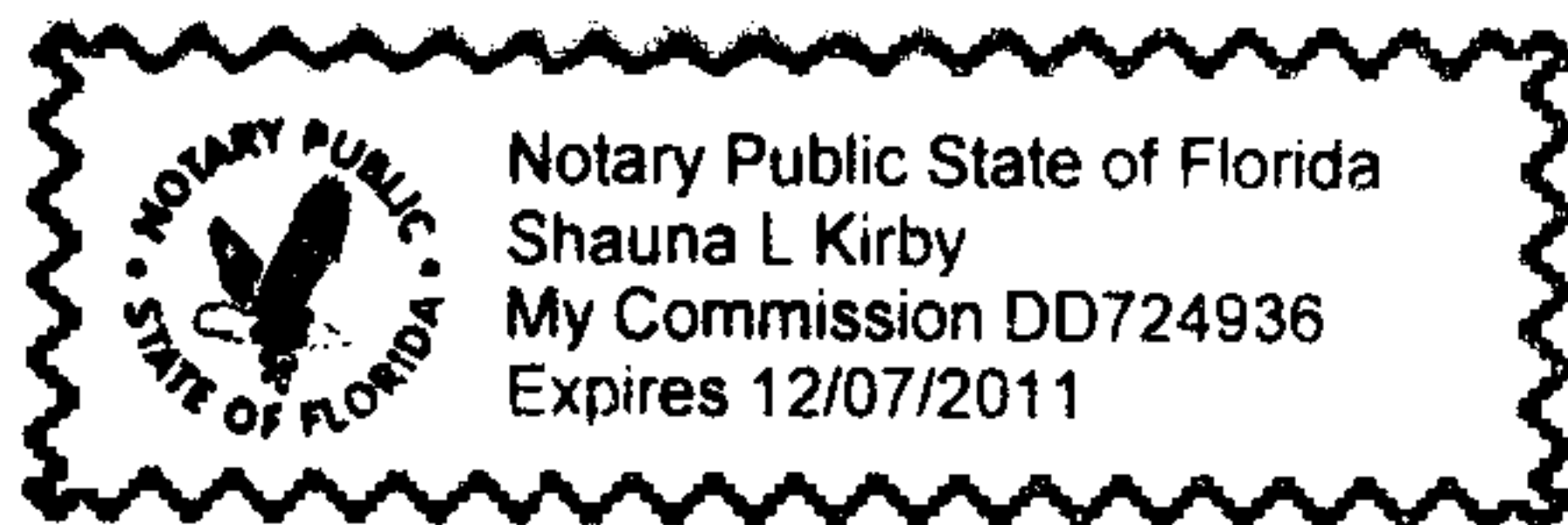
Adams Homes, L.L.C., an Alabama limited liability
company

By: Wayne L. Adams
Wayne L. Adams, Manager

STATE OF Florida
COUNTY OF Santa Rosa

I, the undersigned Notary Public in and for said County, in said State, hereby certify that Wayne L. Adams, whose names as Manager of Adams Homes, L.L.C., an Alabama limited liability company, on behalf of the 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, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and seal this the 19th day of November, 2010.



Shauna L Kirby
Notary Public
Print Name: Shauna L. Kirby
My Commission Expires: 12/7/2011

LENDER:

BRANCH BANKING AND TRUST COMPANY, a
North Carolina banking corporation

By: David A. White

Print Name: David. A. White

Its: Senior Vice President

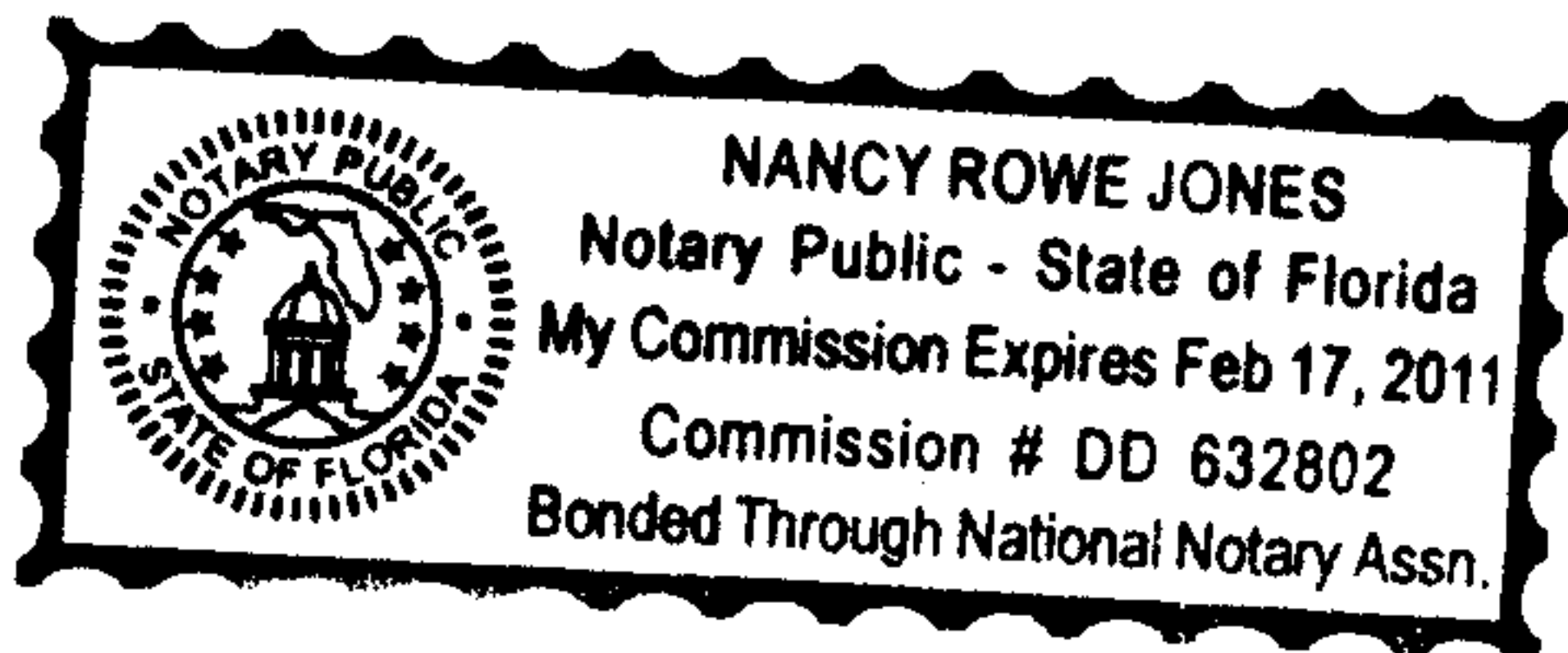
Nancy Rowe Jones
Print Name: NANCY ROWE JONES

Patty Basten
Name: PATTY BASTEN
(As to Lender)

STATE OF FLORIDA
COUNTY OF SARASOTA

I, the undersigned Notary Public in and for said County, in said State, hereby certify that David. A. White, as whose name as Senior Vice President of Branch Banking and Trust Company, a North Carolina banking 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, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and seal this the 1ST day of DECEMBER, 2010.



Nancy Rowe Jones
Notary Public
Print Name: NANCY ROWE JONES
My Commission Expires: _____

EXHIBIT "A"

- (1) That certain Consolidation Promissory Note executed by Adams Homes of Northwest Florida, Inc., a Florida corporation, dated November 12, 2007, in the principal amount of Thirty-Five Million Dollars (\$35,000,000.00) in favor of Branch Banking and Trust Company, successor by merger to First South Bank, (the "**Original Note**"), as modified by the First Amendment to Amended and Restated Master Construction Loan Agreement and First Amendment to Consolidation Promissory Note, reducing the principal amount of the Loan to Twenty-Four Million Dollars (\$24,000,000.00) (the Original Note, so amended shall be herein referred to as the "**Note**"), dated September 30, 2010.
- (2) That certain Amended and Restated Master Construction Loan Agreement dated November 12, 2007 providing for a credit facility in the amount of \$35,000,000.00 (the **Original Loan Agreement**"), as modified by the First Amendment to Amended and Restated Master Construction Loan Agreement and First Amendment to Consolidation Promissory Note (the Original Loan Agreement so amended shall be herein referred to as the "**Loan Agreement**") dated September 30, 2010.
- (3) Any and all loan documents referred to in this Exhibit "A" and together with any and all loan documents executed in conjunction therewith, now or at any time hereafter, referred to collectively at times as the "**Loan Documents**".

