

STATE OF ALABAMA
COUNTY OF SHELBY

LOAN ASSUMPTION AND MODIFICATION AGREEMENT

On or about January 20, 1999, Montevallo Small Engines, Inc. executed a mortgage to H. G. McGaughy and wife, Doris McGaughy ("Mortgagees"), on the following described real estate in Shelby County, Alabama, to wit:

That certain lot or square of land lying South of and adjoining the depot grounds of the Southern Railway heretofore known as and called the S. H. McCauley Home lot; the same measuring 275 feet, more or less, along said Depot Grounds and running back 310 feet, more or less; the same being situated in the Town of Montevallo, and in the SW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 3, Township 24 North, Range 12 East, and being the same property conveyed to John T. McGaughey by Fannie C. McDonough and John W. McDonough by deed dated the 1st day of September, 1910; also being known as Block 7 according to map of S. D. Brown. LESS AND EXCEPT that portion contained in Alabama Highway 25 right-of-way.

The mortgage is recorded as Instrument # 1999-02683 and constitutes a first lien on the real estate described above to secure an indebtedness evidenced by a certain promissory note in the original principal sum of \$173,000.00. Montevallo Small Engines, Inc. has now been dissolved, and the undersigned ("Debtors"), as part of the winding up of the affairs of Montevallo Small Engines, Inc., agree to assume the remaining indebtedness secured by the mortgage as evidence by the promissory note, and the Debtors and Mortgagees agree to amend the terms of the promissory note and mortgage as set out herein.

For valuable considerations running to them, the Debtors do hereby assume and agree to pay the remaining balance of the indebtedness evidenced by the promissory note and secured by the mortgage according to the terms, covenants, and conditions contained therein, except as modified as follows:

1. The unpaid principal balance of the indebtedness as of September 15, 2011, was \$72,000.00.
2. Commencing on the 15th day of October, 2011, the Debtors promise to pay to the Mortgagees or their order the said remaining balance together with interest at the rate of 3.0% in equal monthly installments of Nine Hundred and no/100 Dollars (\$900.00) each until paid in full.
3. The indebtedness may not be prepaid, in whole or in part, except by the agreement of the Mortgagees on such terms as they may set.
4. All other terms, conditions, and covenants of the promissory note and the mortgage, except as herein modified, are hereby ratified, confirmed and approved.

IN WITNESS WHEREOF the parties hereunto set their hands and seals this 16 day of May, 2012.

Mortgagees:


Debtors:

H. G. McGaughy
H. G. McGaughy

Michael T. Adams
Michael T. Adams

Doris McGaughy
Doris McGaughy

Christy Adams
Christy Adams


20120516000174010 1/2 \$16.00
Shelby Cnty Judge of Probate, AL
05/16/2012 10:30:15 AM FILED/CERT

STATE OF ALABAMA
SHELBY COUNTY

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that H. G. McGaughy and Doris McGaughy, whose names are signed to the foregoing document and who are known to me, acknowledged before me on this day, that, being informed of the contents of the document, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 16 day of May, 2012.

Preston Stone
Notary Public
Commission expires: 10/27/2014

STATE OF ALABAMA
SHELBY COUNTY

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Michael T. Adams and Christy Adams, whose names are signed to the foregoing document and who are known to me, acknowledged before me on this day, that, being informed of the contents of the document, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 16 day of May, 2012.

Preston Stone
Notary Public
Commission expires: 10/27/2014

Prepared by Bill Justice

