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BK 2,854 PG 648
DESOTO COUNTY, MS
W.E. DAVIS, CH CLERK

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(228) 872-3778
**File No. 01-08-18 OSW AHSH**

**MORTGAGE SPREADER AND MODIFICATION AGREEMENT**
(Under Revolving Line of Credit)

THIS AGREEMENT, is made this 31st day of January, 2008 by and Adams Homes, L.L.C., an Alabama limited liability company and Adams Homes of Northwest Florida, Inc., a Florida corporation ("Borrower"), and **Bank of America, N.A.** a national banking association ("Bank"), whose address is 100 West Garden Street, Pensacola, Florida 32502.

RECITALS

A. Borrower has previously executed and delivered its Amended and Restated Promissory Note dated MAY 18, 2007, in the original principal amount of One Hundred Million Dollars ($100,000,000.00), (the "Note").

B. Borrower has secured the Note with a certain Deed of Trust, Assignment, Security Agreement and Fixture Filing recorded in the Official Records **in Book 2769 at Page 665-694, recorded August 9, 2007 and modified in Book. 2811 at Page 55-74** recorded October 31, 2007 of the public records of **DESOTO, County, Mississippi**

C. At the time of the execution and delivery of the Note[s] and the Mortgage, Borrower and Bank entered into a certain Amended and Restated Master Loan Agreement dated MAY 18, 2007, (the "Master Loan Agreement") setting forth the terms upon which Bank has agreed to make advances under the Note[s] from time to time for development of the project and the construction of dwellings on the land and/or lots encumbered by the Mortgage and a Hazardous Substance Certificate and Indemnification Agreement. The Mortgage, Master Loan Agreement, Hazardous Substance Certificate and Indemnification Agreement, and financing statement, including any subsequent modifications thereto, are referred to herein as the "Loan Documents."

D. Borrower has requested Lender to make advances pursuant to the Note[s] for parcels of property that are not presently encumbered by the Loan Documents, and Lender has agreed to make such advances to Borrower provided that the Loan Documents are amended to include and encumber such property.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and in the Note, Mortgage and Loan Agreement, of the loan funds being advanced from time to time by Bank to Borrower, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. The foregoing recitals are acknowledged as true and correct and are incorporated herein.

2. In order to further secure the indebtedness evidenced by the Note and secured by the Loan Documents, the Mortgage and Loan Documents are hereby modified and amended to include within the Land as defined in the Mortgage all of that certain real property described in Exhibit "A" attached (the "Additional Mortgaged Land"). The Additional Mortgaged Land shall be encumbered by the Loan Documents and subject to all of the covenants, terms, and provisions thereof, Borrower hereby grants, bargains, sells and conveys the Real Property unto Joel L. Blackledge, ("Initial Trustee"), whose address is 1203 Broad Avenue, Ste A., Gulfport, MS, 39501 in trust for the benefit of Bank all of Borrower's estate, right, title and interest in, to and under the Additional Mortgaged Land all to the same end and with the same force and effect as if included at the time the Mortgage was executed and delivered. As to the Additional Mortgaged Land, Borrower makes all representations and warranties in the Loan Documents originally applicable to the mortgaged land, and agrees that the Additional Mortgaged Land shall be subject to all covenants and provisions of the Loan Documents as if originally subject thereto. The Land (as defined in the Mortgage) and the Additional Mortgaged Land shall be referred to hereinafter as the "Property."

3. DOCUMENTARY STAMP TAX AND INTANGIBLE TAX IN THE AMOUNT PRESCRIBED BY LAW HAS BEEN PAID AT THE TIME OF RECORDING OF THE MORTGAGE ON THE TOTAL AMOUNT OF THE NOTE[S] SECURED BY THE MORTGAGE DESCRIBED ABOVE. ACCORDINGLY, NO ADDITIONAL DOCUMENTARY TAX OR INTANGIBLE TAX IS DUE IN CONNECTION HEREWITH.

4. Borrower hereby affirms all of its obligations set forth in the Note, Mortgage, and the other Loan Documents and agrees to perform each and every covenant, agreement and obligation therein and herein, and further agrees to be bound by each and all of the terms and provisions thereof. The Property shall in all respects be subject to the lien, charge, and encumbrances of the Mortgage and nothing herein contained or done shall affect the lien, charge, or encumbrance of the Mortgage, as modified hereby, or its priority over any other liens, charges, encumbrances, or conveyances.

5. Borrower warrants that it has full power and authority to execute this Agreement, that there are no other liens or claims against the Property other than the first lien of the Mortgage, that the Mortgage is binding upon the Borrower, its successors and assigns, that Bank has heretofore fully performed its obligations under the Note, Mortgage and Loan Documents, and that the Borrower has no claims or offsets against the Bank or against the indebtedness under the Note, the obligations under the Mortgage, or the obligations under any of the Loan documents. Borrower does hereby release and hold harmless Bank, its officers, employees and agents, from and against any claim, action, suit, demand, cost, expense or liability of any kind whether known or unknown, relating in any way to the making of the Loan evidenced by the Note and Mortgage or the administration thereof, or the communications and business dealings between Bank and Borrower through the date hereof. Borrower represents and warrants (i) that it has no defenses, setoffs, counterclaims, actions or equities in favor of Borrower to or against enforcement of the Note, Mortgage or other Loan Documents; and (ii) no agreement, oral or otherwise, has been made by any of Bank's employees, agents, officers or directors to further extend or modify the Note, the Mortgage, or the Loan Documents.

6. It is the intent of the parties hereto that this instrument shall not constitute a novation and shall in no way adversely affect or impair the lien priority of the Mortgage, and that all sums advanced in connection herewith shall have the same priority as the sums originally under the Mortgage. In the event this instrument, or any part hereof, or any of the instruments executed in connection herewith shall be construed or shall operate to affect the lien priority of the Mortgage, then, to the extent such instrument creates a charge upon the real property encumbered by the Mortgage in excess of that contemplated and permitted by the Mortgage, and to the extent third persons acquiring an interest in such property between the time of the recording of the Mortgage and the recording hereof are prejudiced thereby, if any, this instrument shall be void and of no force or effect; provided, however, that notwithstanding the foregoing, the parties hereto, as between themselves, shall be bound by all the terms and conditions hereof until all indebtedness owing from Borrower to Bank shall have been paid.

7. The Hazardous Substance Certificate and Indemnification Agreement is extended to the Additional Mortgaged Land.

IN WITNESS WHEREOF, the parties have executed this agreement the date first written above.

ADAMS HOMES, LLC,
an Alabama limited liability company

By: _____
Name:
Title: Manager / Member

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

By: _____
Name:
Title: ~~President~~ Manager / Member

STATE OF **FLORIDA**
COUNTY OF **SANTA ROSA**

Personally appeared before me, the undersigned authority in and for the said county and state, on this the 31st day of January, 2008, within my jurisdiction, the within named _____, who acknowledged that he/she is _____ of **ADAMS HOMES, LLC** an **ALABAMA, LLC**, and that for and on behalf of the said Corporation, and as its act and deed he/she executed the above and foregoing instrument, after first having been duly authorized by said corporation so to do.

_____
NOTARY PUBLIC
My Commission Expires: 8/4/10

DAPHNE J. FINCHER
MY COMMISSION # DD 560449
EXPIRES: August 4, 2010
Bonded Thru Notary Public Underwriters

EXHIBIT "A"
TO
MORTGAGE SPREADER, FUNDING AGREEMENT, AND NOTICE OF ADVANCE

Borrower\Mortgagor\Debtor: **Adams Homes, LLC**

Bank\Mortgagee\Secured Party: **Bank of America, N.A.**

Additional Mortgaged Land

Lots 38, SOUTHBRANCH SUBDIVISION, SECTION B, situated in Section 25, Township 1 South, Range 7 West, DeSoto County, Mississippi, as per plat thereof recorded in Plat Book 89 Pages 38-42, in the office of the Chancery Clerk of DeSoto County, Mississippi.

Parcel Number: 1077-2510.0-00038.00

Return to:

Prestige Title, Inc.
2112 Bienville Blvd.
Suite K-1
Ocean Springs, MS 39564
228-872-3778 Office
228-872-3833 Fax

File No. 01-08-18 OSW AHSH