

This instrument prepared by:
Mary Thornton Taylor, Esquire
421 Office Park Drive
Birmingham, Alabama 35223

ASSUMPTION AGREEMENT

STATE OF ALABAMA)
) KNOW ALL PERSONS BY THESE PRESENTS:
SHELBY COUNTY)

WHEREAS, COMPASS BANK ("Lender") is the present holder of a note executed by THORNTON CONSTRUCTION COMPANY, INC., an Alabama corporation ("Borrower") dated 5/1/92, as has been amended and modified from time to time (the "Original Note"), evidencing a loan from Lender to Borrower (the "Loan"); and

WHEREAS, the Original Note is secured by, among other collateral, a mortgage given by Greystone Ridge, Inc. to Compass Bank, recorded in Instrument # 1992-7102, as amended by Instrument #s 200231003000479830, 20020618000286480, 20021017000508240 and Instrument # 2000-2921; with assumption agreement by GREYSTONE LANDS, INC., an Alabama corporation ("Mortgagor"), recorded in Instrument # 1995-13319 in the Office of the Judge of Probate of Shelby County, Alabama, as the same may have been otherwise amended and modified from time to time (the "Original Mortgage").

WHEREAS, the Mortgagor proposes to sell to THE NARROWS II, INC., an Alabama corporation ("Purchaser"), certain real property covered by the Original Mortgage which is described in Exhibit A attached hereto (the "Property");

WHEREAS, Purchaser desires hereby to assume all of the obligations of the Mortgagor under the Original Mortgage with respect to the Property (the "Assumed Mortgage") as consideration for the conveyance of the Property to Purchaser. Compass Bank is willing to consent to said conveyance and assumption of the Original Mortgage by Purchaser, subject to the terms and conditions hereinafter set forth;

WHEREAS, Borrower agrees to execute a promissory note in favor of Lender to replace the Original Note with respect to that portion of the Loan pertaining to the Property (the "Replacement Note").

Alabama Title

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, IT IS HEREBY AGREED AMONG THE PARTIES as follows:

1. Compass Bank, to the extent of its interest, does hereby consent to the sale and conveyance of all of the Mortgagor's right, title and interest in the Property by the Mortgagor to said Purchaser, subject, however, to all of the provisions of this Agreement.

2. Purchaser hereby assumes all of the obligations of the Mortgagor under the Original Mortgage with respect to the Property and agrees to comply with all of the terms and provisions thereof. The Original Mortgage, as it pertains to the Property and as hereby assumed by Purchaser, shall be deemed hereinafter the "Assumed Mortgage". The Purchaser acknowledges that the Assumed Mortgage is a first, valid and prior lien or encumbrance against the Property, and the Purchaser further acknowledges that the Assumed Mortgage, Replacement Note and other documents evidencing, securing or otherwise relating to the Replacement Note or Assumed Mortgage (collectively, the "Loan Documents") are enforceable in accordance with their respective terms.

3. The Property shall remain in all respects subject to the lien, charge or encumbrance of said Assumed Mortgage and nothing herein contained and nothing done pursuant hereto shall affect or be construed to affect the lien, charge or encumbrance of, or conveyance effected by, the Assumed Mortgage, or the priority thereof over other liens, charges, encumbrances or conveyances or, except as expressly provided herein, to release or affect the liability of any party or parties whomsoever who may now or hereafter be liable hereunder or on account of the Replacement Note and/or Assumed Mortgage; nor shall anything herein contained or done pursuant hereto affect or be construed to affect any other security or instrument held by Compass Bank as additional security for or evidence of the aforesaid indebtedness.

4. The Purchaser does hereby assume, accept and agree to fully and timely perform all of the obligations provided in the Assumed Mortgage and to be subject to and comply with all terms and conditions thereof.

5. The Original Mortgage, as assumed hereby, is hereby restated, republished and affirmed by Purchaser in its entirety, including without limitation, each and every representation, warranty, covenant and agreement made by the Mortgagor therein. The Borrower, Mortgagor and Purchaser hereby represent, warrant and certify to Lender that no Event of Default (as defined in the Original Mortgage), nor any condition nor any event that with notice or lapse of time or both would constitute an Event of Default, has occurred and is continuing under the Original Note or Original Mortgage and that the Borrower, Mortgagor and Purchaser have no offsets or claims against Lender

arising under, related to, or connected with the Loan, the Original Mortgage, the Assumed Mortgage, the Original Note, the Replacement Note or any of the other Loan Documents.

6. Purchaser shall pay any recording and other expenses incurred by Lender, the Borrower, Mortgagor or Purchaser in connection with the Assumed Mortgage and other Loan Documents effected hereby, including without limitation, title or other insurance premiums, legal expenses and recording fees and taxes.

7. Each of the Loan Documents shall be deemed amended hereby to the extent necessary to carry out the intent of this Agreement and, except as expressly set forth herein, all of the Loan Documents shall remain in full force and effect in accordance with their respective terms and shall continue to evidence, secure, guarantee or relate to, as the case may be, the Loan.

8. The Mortgagor is hereby released from all liability and obligation under the Original Note, the Replacement Note, the Original Mortgage, the Assumed Mortgage and other Loan Documents.

9. The Guarantors executing this instrument below consent to the sale and conveyance of the Property and other transactions contemplated hereby and agrees that they shall remain fully liable and obligated under the Guaranty Agreements executed in connection with the Loan, Note, Mortgage and other Loan Documents.

10. This Agreement shall be binding upon the parties hereto, their heirs, personal representatives, successors and assigns.

11. Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

12. In case any one or more of the covenants, agreements, terms or provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect, the validity and enforceability of the remaining covenants, agreements, terms or provisions contained herein shall in no way be prejudiced, diminished or otherwise effected thereby.

IN WITNESS WHEREOF, the parties have hereunto caused this Agreement to be duly and properly executed as of the 24th day of July, 2003.

BORROWER:

THORNTON CONSTRUCTION COMPANY, INC.

By: Mary Thornton Taylor
Mary Thornton Taylor
Its Vice President

MORTGAGOR:

GREYSTONE LANDS, INC.

By: Mary Thornton Taylor
Mary Thornton Taylor
Its Vice President

PURCHASER:

THE NARROWS II, INC.

By: Mary Thornton Taylor
Mary Thornton Taylor
Its Vice President

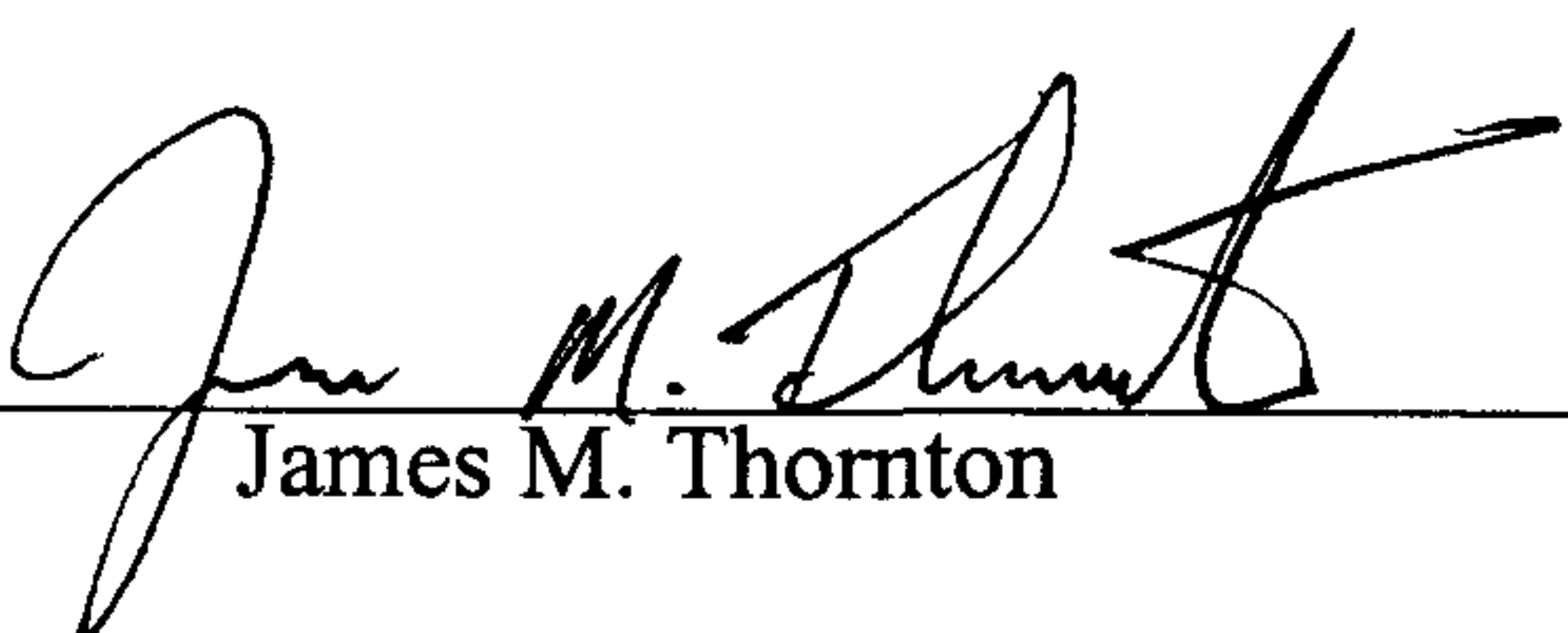
LENDER:

COMPASS BANK

By: J. Jeff Smith
Its VICE PRESIDENT

GUARANTORS:

William L. Thornton, III
William L. Thornton, III


James M. Thornton

STATE OF ALABAMA)

COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County and State, hereby certify that Mary Thornton Taylor, whose name as Vice President of THORNTON CONSTRUCTION COMPANY, INC., 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, she, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal this the 24 day of July, 2003.


Notary Public

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: July 24, 2004
~~BONDED THRU NOTARY PUBLIC UNDERWRITERS~~


My Commission Expires:
[SEAL]

STATE OF ALABAMA)

COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County and State, hereby certify that Mary Thornton Taylor, whose name as Vice President of GREYSTONE LANDS, INC., 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, she, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal this the 24 day of July, 2003.


Notary Public

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: July 24, 2004
~~BONDED THRU NOTARY PUBLIC UNDERWRITERS~~

My Commission Expires:
[SEAL]

STATE OF ALABAMA)

COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County and State, hereby certify that Mary Thornton Taylor, whose name as Vice President of THE NARROWS II, INC., 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, she, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal this the 24 day of July, 2003.

Rebecca D. Cannon
Notary Public

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: July 24, 2004
BONDED THRU NOTARY PUBLIC UNDERWRITERS

My Commission Expires: _____
[SEAL]

STATE OF ALABAMA)

COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County and State, hereby certify that _____, whose name as _____ of COMPASS BANK, an Alabama 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, he, as such officer and with full authority, executed the same voluntarily for and as the act of said bank.

Given under my hand and seal this the ____ day of July, 2003.

Notary Public

My Commission Expires: _____
[SEAL]

STATE OF ALABAMA)

COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County and State, hereby certify that William L. Thornton, III, 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 executed the same voluntarily on the day the same bears date.

Given under my hand and seal this the 24 day of July, 2003.

Rebekah D. Calhoun
Notary Public

My Commission Expires: **NOTARY PUBLIC STATE OF ALABAMA AT LARGE**
[SEAL] **MY COMMISSION EXPIRES: July 24, 2004**
BONDED THRU NOTARY PUBLIC UNDERWRITERS

STATE OF ALABAMA)

COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County and State, hereby certify that James M. Thornton, 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 executed the same voluntarily on the day the same bears date.

Given under my hand and seal this the 24 day of July, 2003.

Rebekah D. Calhoun
Notary Public

My Commission Expires: **NOTARY PUBLIC STATE OF ALABAMA AT LARGE**
[SEAL] **MY COMMISSION EXPIRES: July 24, 2004**
BONDED THRU NOTARY PUBLIC UNDERWRITERS

EXHIBIT A

PROPERTY MADE THE SUBJECT OF THE ASSUMED MORTGAGE

PARCEL I:

Lots 12, 27, and 42, according to the Survey of Amended Map of Narrows Creek, as recorded in Map Book 27, Page 81, in the Probate Office of Shelby County, Alabama; being situated in Shelby County, Alabama;

PARCEL II:

Lots 2, 3, 4, 5, 6 and 74, according to the Final Record Plat of Narrows Reach Sector, Phase 2, as recorded in Map Book 30, Page 58A & 58B in the Probate Office of Shelby County, Alabama; being situated in Shelby County, Alabama;

PARCEL III:

Lot 1, according to the survey of Narrows Point Sector, as recorded in Map Book 26, Page 81A & B in the Probate Office of Shelby County, Alabama; being situated in Shelby County, Alabama; and

PARCEL IV:

Lot 108, according to the Final Plat of Narrows Point - Phase 3, as recorded in Map Book 28, Page 120 A & B in the Probate Office of Shelby County, Alabama; being situated in Shelby County, Alabama..