

THIS INSTRUMENT PREPARED BY:

Josephine R. Wright

Balch & Bingham LLP

P. O. Box 306

Birmingham, Alabama 35201

(20) 226-3488

Balance of Loan = \$3,376,962.40

FMV = \$1,435,700.00

LOAN ASSUMPTION AND MODIFICATION AGREEMENT

THIS LOAN ASSUMPTION AND MODIFICATION AGREEMENT ("Agreement") made as of this 23rd day of September, 1998, by and among Compass Bank, an Alabama state banking corporation ("Lender"), Greystone Realty Investors, L.L.C., an Alabama limited liability company ("Company"), and Greystone Realty Investors, Inc., an Alabama corporation ("Corporation").

WHEREAS, pursuant to that certain Loan Agreement for Construction and Term Financing dated July 22, 1994, between Corporation and Lender, as amended (as amended, the "Loan Agreement"), Lender agreed to extend financing to Corporation in the aggregate principal amount of \$3,900,000.00 (the "Loan") for the purpose of constructing an office building (the "Premises") located in Shelby County, Alabama, on the real property described in Exhibit A attached hereto and made a part hereof by this reference (the "Land", the Premises and Land being hereafter referred to collectively as the "Property"); and

WHEREAS, said Loan is evidenced by two Replacement Promissory Notes, one in the principal amount of \$2,922,550.00, dated as of February 17, 1997, given by Corporation in favor of Lender, and the other in the principal amount of \$656,450.00, dated as of February 17, 1997, given by Corporation in favor of Lender, which replaced that certain Amended and Restated Note dated July 22, 1994, in the principal amount of \$3,900,000.00 given by Corporation in favor of Lender, which amended and restated that certain Promissory Note dated July 22, 1994, in the principal amount of \$1,825,000.00, given by Corporation in favor of Lender, and that certain Promissory Note dated February 2, 1995, in the principal amount of \$600,000.00, given by Corporation in favor of Lender (collectively, the "Notes") and is secured by (i) that certain Future Advance Mortgage, Assignment of Rents and Leases and Security Agreement from Corporation in favor of Lender dated July 22, 1994, and recorded as Instrument No. 1994-23178 in the Office of the Judge of Probate of Shelby County, Alabama, as amended, (as amended, the "Mortgage"), (ii) Uniform Commercial Code Financing Statement recorded as Instrument No. 1994-23179, aforesaid records and (iii) Uniform Commercial Code Financing Statement No. 94-27456 filed with the Secretary of State of Alabama. The loan is guaranteed pursuant to those certain Guaranty Agreements of Hisham M. Hakim, M.D. and Thomas A. Staner, Jr., M.D. dated as of July 22, 1994, and July 21, 1994, respectively and is further secured by a certain Pledge Agreement from Ellen T. Staner dated July 15, 1996, covering \$273,000.00 in United States Treasury bills, and by that certain Real Estate Accommodation Mortgage from Thomas A. Staner and Ellen D. Staner

dated August 2, 1995, and recorded as Instrument 9508-7498 in the Office of the Judge of Probate of Jefferson County, Alabama. The foregoing documents, including the Loan Agreement, and all other documents and instruments evidencing, securing, relating to, guaranteeing or executed or delivered in connection with the Loan are hereafter collectively referred to as the "Loan Documents"; and

WHEREAS, as of the date hereof, the shareholders of Corporation have decided for certain business reasons to transfer all of Corporation's assets and liabilities, including the Property and the Loan to the Company in return for ownership in the Company, at which time the Corporation will distribute that ownership interest to its shareholders in complete liquidation and dissolve. Company has obtained title to the Property subject to the Loan; and

WHEREAS, Corporation and Company have requested Lender to consent to such conveyance subject to the Loan; and

WHEREAS, as a condition to its consent to the conveyance of the Property subject to the Loan to Company, Lender requires that Company assume and agree to perform all of Corporation's obligations and agreements under the Loan Documents.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. **Assumption**. Company hereby assumes and agrees to be bound by and to perform all of the terms, covenants, conditions and agreements of Corporation under the Loan Documents, and acknowledges and agrees that it shall be subject to all remedies reserved to the Lender in the Loan Documents in the event of any Event of Default thereunder. Company hereby acknowledges and agrees that the Property shall remain in all respects subject to the Mortgage and nothing herein contained, and nothing done pursuant hereto, shall affect or be construed to affect the encumbrance of, or warranty of title in, or conveyance effected by, the Mortgage, or the priority thereof over other liens, charges, encumbrances or conveyances; nor shall anything herein contained or done in pursuance hereof affect or be construed to affect any other instrument held by Lender as security of the Loan.

2. **Lender's Consent**. Lender hereby consents to the conveyance of the Property to Company subject to the Loan Documents, and to the assumption of the Loan Documents by Company. This consent shall not be deemed to alter or modify any of the terms and conditions of the Loan Documents, or the rights and obligations of the parties thereunder, except as expressly provided herein. Lender acknowledges and agrees that all references to the Corporation under the Loan Documents shall be deemed to refer to Company with respect to covenants and agreements to be performed or observed from and after the date hereof.

3. **Representations and Warranties of Corporation.** In connection with and as an inducement to Lender's consent to the conveyance of the Property to Company and assumption of the Loan by Company, Corporation hereby represents and certifies to Lender as follows:

- (a) **Condemnation.** To the best knowledge of Corporation, there are no pending or threatened actions or proceedings with respect to the condemnation of all or any portion of the Property.
- (b) **Violation of Law.** Corporation has not received any notice of inquiry from any governmental authority claiming any alleged violation of any law, rule, regulation or order of any government authority having jurisdiction over the Property, which violations in any way relate to or affect the Property.
- (c) **Hazardous Materials.** Neither Corporation, nor, to Corporation's knowledge, any previous owner of the Property nor any person has used, generated, stored, installed or disposed of any Hazardous Materials on, in or under the Property, and to Corporation's knowledge, no environmental investigation, litigation, or settlement by any governmental authority with jurisdiction over the Property is proposed, threatened, or anticipated with respect to the Property. To Corporation's knowledge, no underground storage tanks are located on the Property or were located on the Property and subsequently removed or filled.
- (d) **No Events of Default.** As of the date hereof, no "Event of Default" (as defined in the Loan Agreement) exists under the Loan Documents and Corporation has no setoff, counterclaim or defense to the Notes or the other Loan Documents.

4. **Representations and Warranties of Company.** In connection with and as an inducement to the Lender's consent to the acquisition of the Property and assumption of the Loan by Company, Company hereby represents and certifies to Lender as follows:

- (a) **Formation.** That Company is a limited liability company duly formed, in good standing, and validly existing under the laws of the State of Alabama, and has all requisite power and authority to enter into and perform this Agreement and the Loan Documents; that Company is authorized to conduct business and own and operate the Property under all applicable laws; that the execution, delivery and performance of this Agreement and the assumption of the Loan Documents have been duly authorized by all requisite limited liability company action of Company and will not violate any provisions of applicable law, the Operating Agreement of Company, or any agreement, indenture or instrument to which Company is a party or by which Company or any of the properties or assets of Company are

bound; and that this Agreement and the Loan Documents are the legal, valid and binding obligations of Company, enforceable against Company in accordance with their respective terms, except as enforceability may be limited or affected by (i) bankruptcy, insolvency, reorganization, moratorium or similar debtor relief laws from time to time in effect, (ii) customary principles, judicial decisions, and laws governing, limiting, or affecting the availability of equitable relief generally, and (iii) certain other laws and judicial decisions which may affect certain of the remedial or other provisions contained in the Loan Documents.

- (b) **Event of Default.** As of the date hereof, no "Event of Default" (as defined in the Loan Agreement) exists under the Loan Documents and Company has no setoff, counterclaim or defense to the Notes or the other Loan Documents.

5. Amendments to Loan Documents. In connection with the purchase and sale of the Property and the assumption of the Loan by Company, the Loan Documents are hereby amended in the following respects:

- (a) **Name.** All references to "Corporation" are hereby amended to refer to "Greystone Realty Investors, L.L.C., an Alabama limited liability company", and any permitted successor in interest to such party hereunder and under the Loan Documents.
- (b) **Notices.** All notice provisions in the Loan Documents are hereby modified to delete the address of Corporation, and to substitute the following address for Company in the place thereof:

Greystone Realty Investors, L.L.C.
3452 Oak Canyon Drive
Birmingham, AL 35243
- (c) **Release.** It is the intent of this instrument and Lender hereby agrees that Corporation is released from all liability under the Notes, Loan Agreement, Mortgage and other Loan Documents. Company hereby agrees to and does hereby assume all obligations of Corporation under the Notes, Loan Agreement, Mortgage and other Loan Documents.
- (d) **Judge of Probate UCC.** The debtor as set forth in that certain UCC-1 Financing Statement recorded at File No. 1994-23179 in the Office of the Judge of Probate of Shelby County, Alabama, is hereby changed to "Greystone Realty Investors, L.L.C."

- (e) **Secretary of State UCC.** The debtor as set forth in that certain UCC-1 Financing Statement No. 94-27456 filed the Office of the Secretary of State of Alabama is hereby changed to "Greystone Realty Investors, L.L.C."

7. Additional Agreements Regarding Loan. In connection with the conveyance of the Property to Company and the assumption of the Loan by Company, Company and Lender hereby agree as follows:

- (a) **Costs and Expenses.** Company agrees to pay all costs and expenses of Lender in connection with the execution and delivery of this Agreement and the conveyance of the Property to Company, including but not limited to the reasonable fees and expenses of Lender's attorneys and all recording fees, title examination fees, title insurance premiums, and similar charges.
- (b) **Recordation.** Company agrees that this Agreement shall be recorded at Company's expense in the Office of the Judge of Probate of Shelby County, Alabama. Additionally, Company agrees, at its expense, to provide an endorsement to Lender's Loan Title Policy from First American Title Insurance Company, Loan Policy No. 31-26788, reflecting this and the transfer of the Property to Company, and showing no additional encumbrances on the Property.

8. Release of Lender. By its execution hereinbelow, Corporation hereby acknowledges and agrees that neither Lender nor any of its agents, servants, representatives, employees, attorneys, successors, successors-in-interest, predecessors-in-interest and assigns (hereinafter referred to collectively as the "Released Parties") have interfered with or impaired the acquisition, development, construction, operation, ownership, management or leasing of the Property, and that the Corporation has no claim of any nature whatsoever, at law, in equity or otherwise, against the Released Parties, or any of them, as a result of any acts or omissions of the Released Parties, or any of them, under the Loan Documents or in connection to the Loan prior to the date hereof. The Corporation hereby unconditionally waives and releases the Released Parties from and against any and all manner of action, suits, claims, counterclaims, offsets, deductions, breach or breaches, default or defaults, debts, dues, sums of money, accounts, deposits, damages, expenses, losses, liabilities and any and all demands whatsoever that the Corporation or any of the Corporation's successors, successors-in-interest or assigns can or may have against the Released Parties, or any of them, by reason of any matter, cause, transaction or occurrence whatsoever, which happened or has happened on or before the date of this Agreement, and which is connected in any manner whatsoever with the Loan, the Property, any and all collateral which has served or is serving as security for the Loan or the Loan Documents. Any and all such claims are hereby declared to be satisfied and settled, and Corporation hereby discharges the Released Parties from any liability with respect to any and all such claims.

9. **Ratification.** Corporation, Company and Lender mutually covenant and agree that, except as expressly modified herein, the Loan Agreement and the other Loan Documents shall remain in full force and effect, and all of the remaining terms and provisions of the Loan Documents are hereby ratified and confirmed. Corporation, Company and Lender agree that (i) the outstanding and unpaid principal balance of the Loan as of the date hereof are \$3,363,411.40, and (ii) outstanding and unpaid interest and late charges of the Loan as of the date hereof are \$13,551.00.

10. **Miscellaneous.**

- (a) **Successors and Assigns.** This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.
- (b) **Governing Law.** This Agreement has been negotiated, and is being executed and delivered in Birmingham, in the State of Alabama, or if executed elsewhere, shall become effective upon the Lender's receipt and acceptance of the executed original of this Agreement in the State of Alabama; provided, however, that the Lender shall have no obligation to give, nor shall Corporation be entitled to receive, any notice of such acceptance for this Agreement to become a binding obligation of Corporation and Company. Corporation and Company hereby submit to jurisdiction in the State of Alabama for any cause of action or action arising out of or in connection with this Agreement. Corporation and Company acknowledge that the negotiation, execution and delivery of this Agreement constitutes the transaction of business within the State of Alabama and that any cause of action arising under this Agreement will be a cause of action arising from such transaction of business. Corporation and Company understand and agree that this Agreement has and will have a significant effect on an Alabama bank. This Agreement shall be governed by and construed in accordance with the laws of the State of Alabama.
- (c) **Headings.** This paragraph and subparagraph headings contained in this Agreement are for reference purposes only and shall not affect its meaning or interpretation in any way.
- (d) **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto under seal as of the day and year first above written.

WITNESS:

Larry S. Conner

LENDER:

COMPASS BANK

By: [Signature]
Its: Vice Pres.

CORPORATION:

WITNESS:

Mary S. Hughes

GREYSTONE REALTY INVESTORS, INC.

By: [Signature]
Its: President

COMPANY:

WITNESS:

Mary S. Hughes

**GREYSTONE REALTY INVESTORS,
L.L.C.**

By: [Signature]
Its: President

WITNESS:

Mary S. Hughes

WITNESS:

Mary S. Hughes

WITNESS:

Mary S. Hughes

ACCOMMODATION MORTGAGORS:

Thomas A. Staner

Thomas A. Staner

Ellen D. Staner

Ellen D. Staner

ACCOMMODATION PLEDGOR:

Ellen D. Staner

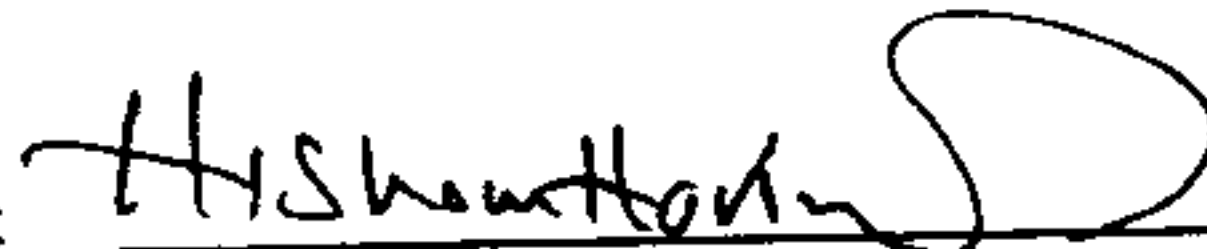
Ellen D. Staner

CONSENT OF GUARANTOR

The undersigned, **Hisham M. Hakim, M.D., M.P.H.** ("Guarantor"), as a guarantor of the obligations of Greystone Realty Investors, Inc. to Compass Bank, pursuant to that certain Unlimited Guaranty dated July 22, 1994, hereby consents to the foregoing Loan Assumption and Modification Agreement and agrees that the undersigned's obligations under his Unlimited Guaranty shall remain in full force and effect and shall not be impaired or released by virtue of the foregoing modifications. The undersigned hereby acknowledges and agrees he has no set-off, counterclaim or defense to the obligations evidenced by the Unlimited Guaranty, and that the Unlimited Guaranty is legal, valid, binding and enforceable in all respects. The undersigned ratifies and affirms the Unlimited Guaranty.

Guarantor hereby acknowledges and agrees that the Unlimited Guaranty is modified to substitute "Greystone Realty Investors, Inc." for "Greystone Realty Investors, L.L.C." wherever the same appears in the Unlimited Guaranty.

IN WITNESS WHEREOF, the undersigned has executed and sealed this Consent as of the 23rd day of September, 1998.

By: 
Hisham M. Hakim, M.D., M.P.H.

CONSENT OF GUARANTOR

The undersigned, Thomas A. Staner, Jr., M.D. ("Guarantor"), as a guarantor of the obligations of Greystone Realty Investors, Inc. to Compass Bank, pursuant to that certain Unlimited Guaranty dated July 21, 1994, hereby consents to the foregoing Loan Assumption and Modification Agreement and agrees that the undersigned's obligations under his Unlimited Guaranty shall remain in full force and effect and shall not be impaired or released by virtue of the foregoing modifications. The undersigned hereby acknowledges and agrees he has no set-off, counterclaim or defense to the obligations evidenced by the Unlimited Guaranty, and that the Unlimited Guaranty is legal, valid, binding and enforceable in all respects. The undersigned ratifies and affirms the Unlimited Guaranty.

Guarantor hereby acknowledges and agrees that the Unlimited Guaranty is modified to substitute "Greystone Realty Investors, Inc." for "Greystone Realty Investors, L.L.C." wherever the same appears in the Unlimited Guaranty.

IN WITNESS WHEREOF, the undersigned has executed and sealed this Consent as of the 23rd day of September, 1998.

By: 
Thomas A. Staner, Jr., M.D.

(Notary Block for Lender and Corporation)

STATE OF ALABAMA

COUNTY OF JEFFERSON

I, LA Tammy S. Coroner, notary public in and for said county in said state, hereby certify that Jack R. Armistead, whose name as Vice President 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 such 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 3 day of February, 1998.

LA Tammy S. Coroner
Notary Public

[Notarial Seal]

My Commission Expires: _____

MY COMMISSION EXPIRES JANUARY 20, 2002

STATE OF Alabama

COUNTY OF Jefferson

I, Diane D. Luna, a notary public in and for said county in said state, hereby certify that Ellen Stager, whose name as President of **Greystone Realty Investors, 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 such instrument, 5 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 28th day of October, 1998.

Diane D. Luna
Notary Public

[Notarial Seal]

My Commission Expires: _____

My Commission Expires Jan. 13, 2001

(Notary Block for Company)

STATE OF Alabama

COUNTY OF Jefferson

I, Diane D. Luna, a notary public in and for said county in said state, hereby certify that Ellen Stamer, whose name as President of Greystone Realty Investors, L.L.C., 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 such 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 28th day of October, 1998.

Diane D. Luna

Notary Public

[Notarial Seal]

My Commission Expires: _____

My Commission Expires Jan. 13, 2001

(Notary Block of Accommodation Mortgagors)

STATE OF Alabama

COUNTY OF Jefferson

I, Diane D. Luna, a notary public in and for said county in said state, hereby certify that **Thomas A. Staner, M.D.**, 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 such instrument, he executed the same voluntarily.

Given under my hand and official seal this 28th day of October, 1998.

Diane D. Luna
Notary Public

[Notarial Seal]

My Commission Expires: _____

My Commission Expires Jan. 13, 2001

STATE OF Alabama

COUNTY OF Jefferson

I, Diane D. Luna, a notary public in and for said county in said state, hereby certify that **Ellen D. Staner**, 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 such instrument, she executed the same voluntarily.

Given under my hand and official seal this 28th day of October, 1998.

Diane D. Luna
Notary Public

[Notarial Seal]

My Commission Expires: _____

My Commission Expires Jan. 13, 2001

(Notary Block for Accommodation Pledgor)

STATE OF Alabama

COUNTY OF Jefferson

I, Diane D. Lane, a notary public in and for said county in said state, hereby certify that **Ellen D. Staner**, 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 such instrument, she executed the same voluntarily.

Given under my hand and official seal this 28th day of October, 1998.

Diane D. Lane
Notary Public

[Notarial Seal]

My Commission Expires: _____

My Commission Expires Jan. 13, 2001

(Notary Block for Guarantors)

STATE OF ALABAMA

COUNTY OF Jefferson

I, Mary S. Hughes, a notary public in and for said county in said state, hereby certify that **Hisham M. Hakim, M.D., M. P. H.**, 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 such instrument, he executed the same voluntarily.

Given under my hand and official seal this 22nd day of JANUARY, 1998.

Mary S. Hughes
Notary Public

[Notarial Seal]

My Commission Expires: 2/18/2000

STATE OF ALABAMA

COUNTY OF Jefferson

I, Mary S. Hughes, a notary public in and for said county in said state, hereby certify that **Thomas A. Staner, Jr., M.D.**, 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 such instrument, he executed the same voluntarily.

Given under my hand and official seal this 22nd day of JANUARY, 1998.

Mary S. Hughes
Notary Public

[Notarial Seal]

My Commission Expires: 2/18/2000

EXHIBIT A

DESCRIPTION OF REAL PROPERTY

The following described real property situated in Shelby County, Alabama:

Lot A, according to a Resurvey of Medical Center Addition to Greystone, as recorded in Map Book 18, page 64, in the Probate Office of Shelby County, Alabama; being situated in Shelby County, Alabama.