

ALABAMA MORTGAGE

THIS MORTGAGE (hereinafter referred to as the "Mortgage"), Made and entered into on this the 21st day of April, 1983, by and between COLONIAL PROPERTIES, INC., an Alabama corporation, whose address is 1009 Montgomery Highway, P. O. Box 20279, Birmingham, Alabama, 35216, party of the first part, hereinafter called "Mortgagor," and FIRST TENNESSEE BANK N.A. MEMPHIS, a national banking association having its principal place of business at 165 Madison Avenue, Memphis, Tennessee, 38103, party of the second part, hereinafter called "Mortgagee";

W I T N E S S E T H :

WHEREAS, the Mortgagor is now, or may hereafter be, justly indebted to the Mortgagee in the principal sum of THREE MILLION TWO HUNDRED THOUSAND DOLLARS (\$3,200,000.00), as evidenced by a certain mortgage note of even date herewith, a true and correct copy of which is attached hereto as Exhibit "A" (hereinafter referred to as the "Note" or the "Mortgage Note"), which Mortgage Note is by reference made a part hereof; and

WHEREAS, this Mortgage is intended to and shall secure the performance of the covenants contained in the Mortgage Note (as the same may be renewed, extended or modified, from time to time), and the performance of the covenants of the Mortgagor in the Loan Agreement (as hereinafter defined), together with certain other covenants herein described and contained.

NOW, THEREFORE, the Mortgagor, in consideration of the indebtedness created under the Mortgage Note and for other good and valuable considerations, receipt whereof is hereby acknowledged, does hereby grant, bargain, sell, alien, remise, release, convey, and confirm unto the Mortgagee, its legal representatives, heirs, successors and assigns, the land of which the Mortgagor is now seized and possessed and in actual possession, situate in the County of Shelby, State of Alabama, described as follows, to-wit:

A parcel of land situated in the Southeast Quarter of the Northwest Quarter and the Southwest Quarter of the Northeast Quarter of Section 36, Township 18 South, Range 2 West, Huntsville Meridian, Shelby County, Alabama, and being more particularly described as follows:

Commencing at the Northeast Corner of said Southeast Quarter of the Northwest Quarter; thence continuing in a westerly direction, along and with the North line of said Southeast Quarter of the Northwest Quarter a measured distance of 259.66 feet (prior deed call 260.35 feet) to a point; thence with a measured deflection of 81°04'43" left (prior deed call 81°37'00" left) a measured distance of 680.32 feet (prior deed call 684.60 feet) to the TRUE POINT OF BEGINNING; thence with a measured deflection of 81°06'29" right (prior deed call 81°05'00" right) a measured distance

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of 138.64 feet (prior deed call 138.67 feet) to a point; thence with a measured deflection of $89^{\circ}53'07''$ left (prior deed call $89^{\circ}51'00''$ left) a measured distance of 52.33 feet (prior deed call 52.27 feet) to a point; thence with a measured deflection of $90^{\circ}00'53''$ right (prior deed call $90^{\circ}00'00''$ right) a measured distance of 37.39 feet (prior deed call 37.40 feet) to a point; thence with a measured deflection of $71^{\circ}28'05''$ left (prior deed call $71^{\circ}27'00''$ left) a measured distance of 71.50 feet (prior deed call 71.52 feet) to the northeasterly right-of-way margin of U. S. Highway 280, said right-of-way lying in a curve to the left and having a central angle of $4^{\circ}41'39''$, a radius of 5,639.58 feet, and an arc length of 462.05 feet; thence with a measured deflection of $72^{\circ}08'14''$ to chord (prior deed call $72^{\circ}10'00''$) left, along chord of said curve a measured distance of 461.92 feet (prior deed call 461.58 feet) to a point; thence with a measured deflection of $78^{\circ}07'47''$ from chord (prior deed call $78^{\circ}08'00''$) left, leaving said northeasterly right-of-way margin, a measured distance of 215.00 feet to a point; thence with a deflection of $75^{\circ}07'00''$ right, a measured distance of 215.00 feet to a point; thence with a deflection of $75^{\circ}07'00''$ left, a measured distance of 241.00 feet to a point; thence with a deflection of $101^{\circ}52'00''$ left, a measured distance of 662.50 feet to a point; thence with a deflection of $93^{\circ}38'00''$ left, a measured distance of 124.99 feet to a point; thence with a deflection of $16^{\circ}40'00''$ right, a measured distance of 121.15 feet to the point of beginning, forming a closing interior angle of $220^{\circ}26'00''$, and containing 6.0 acres, more or less.

ALSO, an ingress-egress easement, sixty (60) feet in width, situated in Section 36, Township 18 South, Range 2 West, Shelby County, Alabama, the centerline of said easement (30 feet being either side of the centerline described) being more particularly described as follows:

Commence at the northwest corner of the $SW\frac{1}{4}$ of the $NE\frac{1}{4}$ of Section 36, Township 18 South, Range 2 West and run west along the north line of said $\frac{1}{4}$ - $\frac{1}{4}$ section, a distance of 132.53 feet to the Mid-Point of a curve to the left having a radius of 80.00 feet and a Delta Angle of 34 degrees 22 minutes, (back tangent of said curve being 107 degrees 11 minutes left of said north line of $\frac{1}{4}$ - $\frac{1}{4}$ section), and the point of beginning; thence proceed along the Arc of said curve, a distance of 23.89 feet to a point; thence continue along the tangent of previous curve, a distance of 29.76 feet to a point; thence left 2 degrees 35 minutes, a distance of 75.62 feet to a point; thence along the arc of a curve to the right having a radius of 177.98 feet and a Delta Angle of 16 degrees 15 minutes, a distance of 50.48 feet; thence continue along the arc of a curve to the right having a radius of 100.97 feet and a Delta Angle of 28 degrees 15 minutes, a distance of 49.78 feet; thence continue along the tangent of previous curve a distance of 67.09 feet; thence along the arc of a curve to the left having a radius of 455.00 feet and

a Delta Angle of 8 degrees 47 minutes, a distance of 69.75 feet; thence continue along the tangent of the previous curve, a distance of 76.49 feet; thence along the Arc of a curve to the right having a Radius of 265.09 feet and a Delta Angle of 16 degrees 25 minutes, a distance of 75.96 feet; thence continue along the tangent of previous curve, a distance of 75.04 feet; thence along the arc of a curve to the right having a radius of 341.00 feet and a Delta Angle of 16 degrees 40 minutes, a distance of 99.19 feet; thence continue along the tangent of the previous curve, a distance of 36.20 feet; thence along the arc of a curve to the right having a radius of 171.30 feet and a Delta Angle of 23 degrees 05 minutes 44 seconds, a distance of 69.05 feet; thence continue along the tangent of previous curve a distance of 28.24 feet; thence along the arc of a curve to the right having a radius of 260.07 feet and a Delta Angle of 17 degrees 29 minutes 16 seconds, a distance of 79.38 feet to a point on the easterly right of way line of U. S. Highway 280 and the ending point of previously described easement.

TOGETHER with all buildings and improvements now or at any time hereafter located thereon, all rights-of-way, streets, alleys, passages, riparian and littoral rights, waters, water courses, sewer rights, rights, liberties, privileges, tenements, hereditaments, easements, and appurtenances thereunto belonging or in anywise appertaining, whether now owned or hereafter acquired by the Mortgagor, and including all rights of ingress and egress to and from said real property and all adjoining property (whether such rights now exist or subsequently arise), together with the reversion or reversions, remainder and remainders, rents, issues and profits thereof; and

TOGETHER with all machinery, apparatus, equipment, fittings, and fixtures, whether actually or constructively attached to said property, and all building materials of every kind and nature, and all trade, domestic, and ornamental fixtures, now or hereafter located in, upon, over, or under said real property or any part thereof and used or usable or intended to be used in connection with any present or future operation of said real property, including, but without limiting the generality of the foregoing: all heating, air conditioning, lighting, incinerating, and power equipment; all engines, compressors, pipes, pumps, tanks, motors, conduits and switchboards; all plumbing, lifting, cleaning, fire prevention, extinguishing, refrigerating, ventilating, and communications apparatus; all boilers, furnaces, oil burners, vacuum cleaning systems, elevators, and escalators; all built-in stoves, ovens, ranges, disposal units, dishwashers, water heaters, exhaust systems, refrigerators, cabinets and partitions; all rugs and carpets; all laundry equipment; together with all contract rights to acquire any of the foregoing and all deposits and payments made under contracts for the acquisition of same; together with all additions and accessions thereto and replacements thereof and proceeds therefrom (the Mortgagor hereby agreeing with respect to all additions, accessions, replacements and proceeds to execute and deliver from time to time such further instruments as

may be requested by the Mortgagee to confirm and perfect the conveyance, transfer and assignment of any and all of the foregoing); all of the foregoing shall be deemed to be fixtures and all be part of the security for the indebtedness herein mentioned and are transferred and conveyed by this Mortgage; and

TOGETHER with all rents, issues and profits arising from the above described real property and the Mortgagor's interest as lessor in and to all leases of the said real property, or any part thereof, heretofore made and entered into, and in and to all such leases hereafter made and entered into during the life of this Mortgage or any extension or renewal hereof, reserving to the Mortgagor a revocable license to collect and retain all rents, issues and profits to the extent herein permitted so long as the Mortgagor is not in default hereunder; and

TOGETHER with any and all awards or payments, including interest thereon, and the right to receive the same, as a result of (a) the exercise of the right of eminent domain, (b) the alteration of grade of any street, or (c) any other injury to, taking of, or decrease in the value of any of the above described property.

ALL the foregoing property, interests and rights encumbered by this Mortgage being collectively referred to herein as the "Premises."

TO HAVE AND TO HOLD the same, together with all the estate right, title, interest, homestead, dower, right of dower, separate estate property, possession, claim, and demand whatsoever in law and in equity of the Mortgagor in and to the same and every part thereof, unto the Mortgagee, and the Mortgagee's successors and assigns, in fee simple forever.

And the Mortgagor hereby covenants with the Mortgagee and with any purchaser at foreclosure sale hereunder that the Mortgagor is indefeasibly seized of the Premises in fee simple; that the Mortgagor has full power, lawful right, and authority to convey the Premises in fee simple as aforesaid; that it shall be lawful for the Mortgagee at all times after default as provided hereunder to peaceably and quietly enter upon, hold, occupy, and enjoy the Premises and every part thereof; and that the Premises are free and clear of all liens and encumbrances except for (a) the lien of ad valorem real property taxes not yet due and payable, and (b) the encumbrances ("Permitted Encumbrances") listed in Exhibit "B", hereto attached.

And the Mortgagor further covenants and agrees to make such other and further assurances to perfect the fee simple title to the Premises in the Mortgagee, or in any purchaser at foreclosure sale hereunder, as may hereafter be required by the Mortgage.

This Mortgage shall secure payment of all sums of principal and interest and all other sums which become due and payable upon the Mortgage Note, whether the entire amount has been advanced to, or on behalf of, the Mortgagor

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at the date hereof or is to be advanced at a later date, and shall secure any and all other sums, indebtednesses, obligations, and liabilities of any and every kind now or hereafter owing and to become due from the Mortgagor to the Mortgagee, or to the holder of the Mortgage Note or the assignees thereof howsoever created, incurred, evidenced, acquired, or arising whether under the Mortgage Note, under this Mortgage, or under any other instrument, obligation, contract, or agreement or dealing of any and every kind now or hereafter existing or entered into between the Mortgagor and the Mortgagee, or otherwise, or whether direct, indirect, primary, secondary, fixed or contingent, and any and all renewals, modifications or extensions of any of the foregoing.

It is agreed that any additional sum or sums advanced by the then holder of the Mortgage Note to the then owner of the Premises at any time within twenty (20) years from the date of this Mortgage, with interest thereon at the rate agreed upon at the time of each additional loan or advance, shall be equally secured with and have the same priority as the original indebtedness secured hereby and be subject to all of the terms and provisions of this Mortgage, whether or not such additional loan or advance is evidenced by a promissory note of the Mortgagor and whether or not identified by a recital that it is secured by this Mortgage. Provided, however, that the aggregate amount of principal indebtedness outstanding at any one time shall not exceed an amount equal to twice the aggregate original principal sum of the Mortgage Note secured hereby, and provided further that it is understood and agreed that this future advance provision shall not be construed to obligate the Mortgagee to make any such additional loans or advances.

PROVIDED ALWAYS and these presents are upon the express condition that if the Mortgagor shall pay to the Mortgagee the entire indebtedness evidenced by the Mortgage Note and all renewals, modifications, and extensions thereof, with interest thereon, and such other note or notes as may be given upon the security of this Mortgage and all renewals, modifications, or extensions therefor, as and when therein respectively provided, and shall promptly and fully perform, execute and complete each and every covenant, agreement, obligation, condition and stipulation contained in (a) this Mortgage, (b) any other instrument now or at any time hereafter given to secure the indebtedness and undertakings secured hereby, and (c) the Construction Loan Agreement ("Loan Agreement"), of even date herewith, among the Mortgagor, the Mortgagee and certain guarantors therein mentioned and described, then this Mortgage and the estate hereby created shall cease and be null and void; otherwise the same shall remain in full force and effect.

AND the Mortgagor does hereby covenant and agree to and with the Mortgagee:

1. PERFORMANCE AND PAYMENT. To perform, observe and comply with all provisions of the Mortgage Note, this Mortgage, and the Loan Agreement, and to pay all and singular the principal, interest, and other sums of money payable by virtue of the Mortgage Note and to pay all other

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sums secured hereby promptly on the days respectively the same severally become due, whether in due course or upon acceleration.

2. TAXES. To pay within thirty (30) days after the same become payable, and without requiring any notice from the Mortgagee, all and singular the taxes, assessments (general and special), levies, liabilities, obligations, judgments, rents, charges, statutory and common law liens, decrees, and encumbrances of every nature and kind now on the Premises or that hereafter may be imposed, suffered, placed, levied or assessed thereupon, or that hereafter may be levied or assessed upon this Mortgage or upon the indebtedness secured hereby, and insofar as any of same is of record the same shall be promptly satisfied and discharged of record and the original official document (such as the tax receipt or the satisfaction paper officially endorsed or certified) evidencing discharge shall be placed in the hands of the Mortgagee within ten (10) days next after payment.

3. INSURANCE. To keep the Premises, including all buildings, improvements and building materials encumbered hereby, and the contents thereof constantly insured as may be required from time to time by the Mortgagee against loss by fire and such other hazards, casualties, and contingencies as may be required by the Mortgagee, including without limitation, business interruption insurance covering loss of rents, revenues, income, profits or proceeds from the Premises or from leases, franchises, licenses, or concessions of all or any part of the Premises; and to obtain and maintain in force such other insurance coverage as Mortgagor is required to maintain by law or under any loan commitment or other separate written agreement between the Mortgagor and the Mortgagee. The Mortgagor shall pay, promptly when due, all premiums upon all such insurance. All such insurance policies and renewals thereof shall be assigned and held by the Mortgagee as collateral and further security for the indebtedness secured hereby and shall have attached thereto loss payable clauses in favor of and in form acceptable to the Mortgagee, without contribution by the Mortgagee, pursuant to the New York standard or other mortgagee clauses acceptable to the Mortgagee. The amount of coverage under such hazard insurance policies shall be such as to prevent Mortgagor from becoming co-insurer under the policy terms or shall be in the aggregate principal amount of the Mortgage Note and the other notes, if any, secured hereby, whichever is greater, and, in the event that the terms of any policies or renewals of insurance hereunder require the Mortgagor to file periodic statements of values or to take any other action to assure that it will not become a co-insurer, then the Mortgagor shall promptly make such filings or take such other action as may be required to make such assurances and shall furnish the Mortgagee with copies of all agreed amount of endorsements or similar documents issued with respect to the policies evidencing that the Mortgagor will not become a co-insurer. The periods of coverage afforded under such insurance policies shall be in accordance with the Mortgagee's directions. Not less than fifteen (15) days prior to the expiration date of each such policy of insurance the Mortgagor shall deliver to

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the Mortgagee a renewal policy or policies marked "premium paid" or accompanied by other evidence of premium payment satisfactory to the Mortgagee. Such policies of insurance shall provide that the same may not be cancelled or materially amended except after thirty (30) days' advance written notice of cancellation or material amendment by the insurer to the Mortgagee. In the event of the foreclosure of this Mortgage, the purchaser of the Premises shall succeed to all the rights of the Mortgagor, including any right to unearned premiums, in and to all policies of insurance assigned and delivered to the Mortgagee pursuant to the provisions of this numbered paragraph. In the event of loss affecting all or any part of the Premises, the Mortgagor will give immediate notice thereof by mail to the Mortgagee. The Mortgagee may adjust or compromise any loss under any such hazard insurance policy and collect the proceeds therefrom. Each insurance company which issues any hazard insurance policy insuring the Premises or any part thereof is hereby authorized and directed to make payment for such loss directly to the Mortgagee instead of to the Mortgagor and the Mortgagee jointly, and the insurance proceeds, or any part thereof, after deducting expenses reasonably incurred in collecting same, may, except as otherwise provided in Paragraph 17 of the Loan Agreement, be applied by the Mortgagee, at its option, either to the reduction of the indebtedness hereby secured, whether or not then matured, or to the restoration or repair of the property damaged.

In addition, Mortgagor shall maintain liability insurance with such minimum limits as Mortgagee may reasonably require, and shall name Mortgagee as additional insured in such liability insurance policy.

All such insurance policies shall be written through an insurance company or companies reasonably acceptable to Mortgagee, and having a Best's rating of A:XI, or better.

4. TAX AND INSURANCE DEPOSITS. (a) That, if required by the Mortgagee, the Mortgagor shall pay to the Mortgagee on the first day of each month until the Mortgage Note is fully paid, a sum equal to the premiums that will next become due and payable on policies of insurance required under this Mortgage, plus the taxes, assessments and other charges next due upon the Premises, all as estimated by the Mortgagee, less all sums already paid therefor, divided by the number of months to elapse before one (1) month prior to the date when each of such items will become payable. Such sums shall be held by the Mortgagee in escrow (but without liability of Mortgagee to pay interest thereon) to pay such insurance premiums, taxes, assessments, and other charges. The failure by the Mortgagor to make any such monthly payments as and when required under this numbered paragraph shall constitute a default under this Mortgage.

(b) The Mortgagor shall furnish to the Mortgagee, not later than fifteen (15) days after receipt by Mortgagor, an official statement of the amount of all insurance premiums, taxes, assessments, and other charges next payable. The Mortgagee shall pay such items to the extent of the then unused escrowed funds on hand therefor, as and when they

become severally due and payable. An official receipt therefor shall be conclusive evidence of such payment and of the validity of such expenses.

(c) If the total of the payments made by the Mortgagor under this numbered paragraph shall exceed the amount of expenses actually paid by the Mortgagee for the purposes set forth herein, the Mortgagee shall credit such excess on subsequent payments to be made under this numbered paragraph by the Mortgagor or shall refund such excess to the Mortgagor at the option of the Mortgagee. If, however, the monthly payments to be made under this numbered paragraph by the Mortgagor shall not be sufficient to pay such items when the same shall become payable, then the Mortgagor shall pay to the Mortgagee any amount necessary to make up the deficiency on or before the date when payment of such insurance premiums, taxes, assessments and other charges shall become payable. If at any time the Mortgagor shall tender to the Mortgagee, in accordance with the provisions of the Mortgage Note secured hereby, full payment of the entire indebtedness represented thereby, the Mortgagee shall, in computing the amount of such indebtedness, credit to the account of the Mortgagor any balance remaining in the funds so accumulated in escrow. The amount of the existing credit under this numbered paragraph at the time of any transfer of the Premises shall, without the necessity for a separate assignment thereof, inure to the benefit of the successor-owner of the Premises and shall be applied under and be subject to all of the provisions of this numbered paragraph. If there shall be a default under any of the provisions of this Mortgage resulting in a public sale of the Premises, or if the Mortgagee acquires the Premises otherwise after default, the Mortgagee may apply, at the time of the commencement of such a proceeding or at the time the Premises are otherwise acquired, the balance then remaining in escrow accumulated hereunder as a credit against the indebtedness remaining unpaid under the Mortgage Note.

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5. FORECLOSURE AND OTHER EXPENSES. To pay all and singular the costs, fees, and expenses of every kind and nature, including the Mortgagee's reasonable attorney's fees and Court costs (including attorneys' fees and court costs on appeal) and the cost of abstracts of title incurred or expended at any time by the Mortgagee in the foreclosure of this Mortgage, or otherwise incurred in enforcing Mortgagee's rights under this Mortgage or under any other instrument evidencing and/or securing the indebtedness secured hereby, or in enforcing, sustaining, protecting, or defending the lien or priority of this Mortgage against any and all persons in but not limited to, lien claimants or the exercise of the power of eminent domain or other governmental power of any kind. Every such payment made on the part of the Mortgagee shall be immediately due and payable by the Mortgagor to the Mortgagee and shall bear interest from the date of disbursement thereof by the Mortgagee at the maximum contract rate which Mortgagee may lawfully charge or at the rate of twenty percent (20%) per annum, whichever is less, and the same, together with such interest, shall be secured by the lien hereof. Nothing contained in this numbered paragraph shall be construed as

requiring the Mortgagee to advance or spend money for any of the purposes mentioned in this numbered paragraph.

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6. CARE OF PROPERTY. That the Mortgagor shall: (a) permit, commit, or suffer no waste, impairment or deterioration of the Premises or any part thereof and shall take all necessary steps to prevent the same; (b) permit, commit or suffer no mining, drilling removal of sand, gravel, loam, of other materials, or excavations in, on or under the Premises, except excavations incident to construction of improvements on the Premises; (c) keep the buildings and other improvements now or hereafter constituting a part of the Premises in as nearly as possible the same order and condition of repair as they are now or as they may be when placed upon the Premises, normal wear and tear excepted; (d) do or to permit to be done to the Premises nothing that will in any respect impair or weaken the security of this Mortgage in the opinion of the Mortgagee; and (e) comply with, or cause to be complied with, all statutes, ordinances, regulations, and requirements of any governmental authority affecting the Premises or any part thereof or affecting the operation thereof. The Mortgagor shall promptly repair, restore, replace, or rebuild any part of the Premises, now or hereafter existing, which may be damaged or destroyed by fire or other casualty or which may be affected by any eminent domain proceedings or other governmental taking. If any work required under this numbered paragraph shall involve any estimated expenditure exceeding Fifteen Thousand Dollars (\$15,000.00), no such work shall be carried out except pursuant to plans and specifications approved by the Mortgagee. No part of the Premises shall be removed, demolished, or materially altered without the written consent of the Mortgagee. No timber or other forest products shall be harvested or removed from the Premises without the Mortgagee's written consent. The Mortgagor shall not grant, join in, seek or consent to any right-of-way, easement, license, restrictive covenant, zoning ordinance, or other public or private restriction which affects or limits or defines the use which may be made of the Premises or any part thereof, and shall not grant, join in, seek or consent to any modification of any of the foregoing without the written consent of the Mortgagee, except that, without such consent, the Mortgagor may dedicate as a public right of way the area included in the ingress - egress easement, the description of which is set forth beginning on Page 2 of this Mortgage.

The Mortgagee may determine, in its discretion, whether the foregoing portions of this numbered paragraph are being complied with and, for this purpose, the Mortgagee shall have the right to inspect the Premises at any reasonable hour of the day..

7. PERFORMANCE OF LEASES. To perform the covenants of the Mortgagor as lessor under any present and future leases affecting all or any part of the Premises, and neither do nor neglect to do, or permit to be done, anything which may cause the termination of said leases, or any of them, or which may diminish or impair their value, or the rents provided for therein, or the interest of the Mortgagor or

the Mortgagee therein or thereunder. The Mortgagor without first obtaining the written consent of the Mortgagee thereto, shall not: (a) assign the rents from the Premises or any part thereof; (b) consent to the modification, cancellation or surrender of any lease or sublease of the Premises, or any part thereof, now existing or hereafter to be made, having an unexpired term of one (1) year or more; (c) collect rents from the Premises or any part thereof, for more than one (1) month in advance; or (d) enter into a lease which provides for rent based in whole or in part on the net income, net profits or net sales of any such lessee or sublessee. The Mortgagor shall procure and deliver to the Mortgagee, at any time within thirty (30) days after notice and demand from Mortgagee, estoppel letters or certificates from each lessee, tenant, or occupant in possession of the Premises, as required by, and in form and substance satisfactory to the Mortgagee. The Mortgagor shall, upon request by the Mortgagee, furnish to the Mortgagee accurate copies of all leases affecting the Premises or any part thereof.

8. ASSIGNMENT OF RENTS. That, as additional security, the Mortgagor does hereby transfer, assign, and set over to the Mortgagee all of the Mortgagor's interest as lessor in any and all present and future leases, and any and all rents thereunder, now due or to become due from the Premises or any separate rental premises therein contained. In the event of a default hereunder by the Mortgagor, such rents shall be collected by or at the direction and under the control of the Mortgagee, its successors or assigns, and the net proceeds thereof (net after payment of collection costs) shall be applied to the indebtedness secured hereby in such manner as the Mortgagee elects, as and when the same shall become due and payable. For the purpose of carrying out the provisions of this numbered paragraph, the Mortgagor does by these presents constitute and appoint the Mortgagee, its successors or assigns, as the Mortgagor's true and lawful attorney-in-fact, to collect any and all rents from the Premises, expressly authorizing the Mortgagee, its successors or assigns, to receipt tenants therefor, and does by these presents ratify and confirm any and all acts of such attorney-in-fact in relation to the foregoing.

9. ASSIGNMENT OF CONDEMNATION AWARDS. That the Mortgagor hereby assigns, transfers, and conveys to the Mortgagee, up to the amount of the total indebtedness secured hereby, all awards of damages arising and all other sums paid or which become payable in connection with the condemnation of all or any part of the Premises for public use or for injury to any part thereof by any government body, quasi-public authority, or public utility, and the proceeds of all such awards, after payment of all reasonable expenses incurred in recovering same, including fees for attorneys representing the Mortgagee in any proceeding in which any such award is made, shall be paid to the Mortgagee. Such awards shall include, without limitation, damages caused by noise, temporary takings, or any other adverse condition. Notwithstanding any taking of all or any part of the Premises by eminent domain, or other injury to, or decrease in value of, the Premises by any governmental body, quasi-public authority, or public utility, the

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Mortgagor shall continue to pay principal and interest on the Mortgage Note secured hereby in the manner therein provided. Such awards or payments may, at the option of Mortgagee, be retained and applied by the Mortgagee toward payment of the indebtedness secured hereby in the manner designated by the Mortgagee, or be paid over, wholly or in part, to the Mortgagor for the purpose of altering, restoring, or rebuilding any part of the Premises which may have been altered, damaged, or destroyed as a result of any such taking, or other injury to the Premises. If, prior to the receipt by the Mortgagee of any such award or payment, the Premises shall have been sold on foreclosure of this Mortgage, the Mortgagee shall have the right to receive and retain such award or payment to the extent of any deficiency which exists upon such sale, together with interest thereon, and to the extent of the reasonable counsel fees, costs and disbursements incurred by the Mortgagee in connection with the collection of such award or payment, and such right shall exist whether or not a deficiency judgment shall have been sought or recovered or denied upon the Mortgage Note, and the balance of such award or payment shall inure to the benefit of the party entitled thereto by applicable law.

10. FURTHER DOCUMENTS AND ESTOPPEL CERTIFICATES. To execute and deliver to the Mortgagee, from time to time, upon demand, and pay the costs of preparation and recording thereof, any further instrument or instruments, including, but not limited to, mortgages, security agreements, financing statements, assignments, and renewals and substitution notes, so as to reaffirm, to correct, and to perfect the evidence of the obligations secured hereby and the security title of the Mortgagee to all or any part of the Premises intended to be hereby mortgaged, whether now mortgaged, later substituted for, or acquired subsequent to the date of this Mortgage and any extensions or modifications hereof. The Mortgagor, from time to time, upon request, shall certify by a writing, duly executed under oath, to the Mortgagee or to any actual or proposed assignee of this Mortgage, or to any other person, firm, or corporation specified by the Mortgagee, within ten (10) days after the mailing of such request to the Mortgagor, the following:

(a) That the Mortgage Note secured hereby, this Mortgage and all other instruments given to secure the indebtedness secured hereby are unmodified and in full force and effect, or if there has been some modification, that the same is in full force and effect as modified and stating the modification;

(b) The dates, if applicable, to which interest on the Mortgage Note and the taxes, insurance premiums, and other charges payable hereunder have been paid;

(c) Whether the Mortgagor, to the best of the Mortgagor's knowledge and belief, is in default in the performance of any covenant, condition, or agreement on the Mortgagor's part to be performed under the terms of the Mortgage Note, this Mortgage, any other instrument given to secure the indebtedness secured hereby, or the Loan Agreement, and, if so, stating specifically and in

what manner or manners such default exists, and what action has been or is being taken to cure such default;

(d) Whether or not any offsets or defenses exist against this Mortgage or the indebtedness secured hereby, and, if so, the specific nature and amounts thereof;

(e) The amount of principal and interest then due and owing on the indebtedness evidenced by the Mortgage Note and the amounts of principal and interest yet to be paid thereon from the date of the certificate until maturity of such indebtedness.

11. DEFAULT. That the occurrence of any one or more of the following events shall constitute a default hereunder:

(a) Should the Mortgagor fail to pay, promptly when due, any amount payable by virtue of the Mortgage Note secured hereby, or fail to make any other payment secured hereby or required hereunder, or fail to fulfill any other undertaking secured hereby;

(b) Should any representation or warranty of the Mortgagor herein contained, or contained in the Loan Agreement or in any instrument, transfer, conveyance or assignment, given to secure the indebtedness under the Mortgage Note, prove to be untrue or misleading in any material respect;

(c) Should the Premises be subject to actual or threatened waste, or any part thereof be removed, demolished, or materially altered so that the value of the Premises be diminished, except as a result of eminent domain proceedings;

(d) Should any federal, state or local tax lien, or any claim of lien for labor or materials, or any other lien or encumbrance be filed of record against the Mortgagor or the Premises and not be removed by payment or transferred to bond in the manner provided by law within thirty (30) days from the date of recording;

(e) Should any claim of priority to this Mortgage by title, lien, or otherwise be asserted in any legal, administrative, or equitable proceeding;

(f) Should the Mortgagor make any assignment for the benefit of creditors; or should a receiver, liquidator, or trustee of the Mortgagor or of any of the Mortgagor's property be appointed; or should any voluntary petition seeking relief under any bankruptcy or insolvency laws, state or federal, be filed by the Mortgagor; or should any involuntary petition for the adjudication of bankruptcy, reorganization, composition, arrangement or similar relief as to the Mortgagor, pursuant to the Federal Bankruptcy Act or any other law relating to insolvency or relief for debtors, be approved by a court of competent jurisdiction and not stayed within sixty (60) days

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after such approval; or should the Mortgagor be adjudicated a bankrupt or insolvent; or should the Mortgagor be liquidated or dissolved; or should the Mortgagor's good standing in the state of its incorporation expire or be revoked; or

(g) Should the Mortgagor fail to keep, observe, perform, carry out, and execute in every particular the covenants, agreements, obligations, and conditions set out in this Mortgage, in the Mortgage Note secured hereby, or in any other trust deed, mortgage, security agreement or other instrument which now or hereafter evidences and/or secures the indebtedness secured hereby, or should an Event of Default occur in the terms and conditions of the Loan Agreement;

THEN AND THEREUPON, the Mortgagee may do any one or more of the following at Mortgagee's election:

(1) Enter upon and take possession of the Premises without the appointment of a receiver, or application therefor, employ a managing agent of the Premises and let the same, either in the Mortgagee's own name, or in the name of the Mortgagor, and receive the rents, incomes, issues, and profits of the Premises and apply the same, after payment of all necessary charges and expenses, on account of the indebtedness (and interest thereon) secured hereby in the manner designated by the Mortgagee;

(2) Take any action deemed expedient by the Mortgagee to protect the security of this Mortgage or to cure any default hereunder;

(3) Accelerate the maturity date for payment of all sums of principal and interest outstanding under the Mortgage Note, so that such sums shall become due and collectible at once. Upon such acceleration all other indebtedness secured by this Mortgage shall be, without notice to the Mortgagor (such notice being hereby expressly waived), due and collectible at once;

(4) Foreclose this Mortgage in the manner provided by applicable law;

(5) Sell and dispose of the Premises at public auction at the usual place for conducting sales at the Courthouse in the County where the Premises or any part thereof may be located to the highest bidder for cash after first advertising the time, terms and place of such sale, as provided by applicable law and if not so otherwise provided, by publishing a notice thereof once a week for four consecutive weeks in a newspaper in which Sheriff's advertisements are published in said county (all other notices being hereby waived by Mortgagor), and Mortgagee may thereupon execute and deliver to the purchaser at said sale a sufficient conveyance of the Premises in fee simple, which conveyance may contain recitals as to the happening of the default upon which the execution of the power of sale, herein granted, depends, and said recitals shall be presumptive evidence that all preliminary acts prerequisite to said sale and deed were in all things duly complied with;

and Mortgagee, its agents, representatives, successors or assigns, may bid and purchase at such sale; and Mortgagor hereby constitutes and appoints Mortgagee or its assigns, agent and attorney-in-fact to make such recitals, sale and conveyance, and all of the acts of such attorney-in-fact are hereby ratified, and Mortgagor agrees that such recitals shall be binding and conclusive upon Mortgagor and that the conveyance to be made to Mortgagee, or its assigns (and in the event of a deed in lieu of foreclosure, then as to such conveyance) shall be effectual to bar all right, title, interest and equity of redemption, including all statutory and common law redemption, homestead, dower, curtesy and all other exemptions of Mortgagor, or its successors in interest, in and to said premises; and Mortgagee, or its assigns, shall collect the proceeds of such sale, reserving therefrom all unpaid amounts due hereunder or under the Mortgage Note with interest then due thereon, and all amounts advanced by Mortgagee for taxes, assessments, insurance premiums and other charges with interest thereon at the maximum rate which Mortgagee may lawfully charge, or at the rate of twenty percent (20%) per annum, whichever is less, from date of payment, together with all costs and charges for advertising, and commissions for selling the Premises, and reasonable attorneys' fees and court costs, including attorney's fees on appeal, and pay over any surplus to Mortgagor; and Mortgagor agrees that possession of the Premises during the existence of any indebtedness by Mortgagor to Mortgagee under the terms of the Mortgage Note or this Mortgage by Mortgagor or any person claiming under Mortgagor, shall be that of tenant under Mortgagee, or its assigns, and in case of a sale, as herein provided, Mortgagor, or any person in possession under Mortgagor shall then become and be tenants holding over, and shall forthwith deliver possession to the purchaser at such sale, or be summarily dispossessed in accordance with the provisions of law applicable to tenants holding over; the power and agency hereby granted are coupled with an interest and are irrevocable by death or otherwise, and are in addition to any and all remedies which Mortgagor may have at law or in equity;

(6) Mortgagor hereby waives all rights of marshalling in the event of foreclosure of any lien or security interest created by this Mortgage. Mortgagor expressly waives or does not waive appraisal of the Premises upon foreclosure of the Mortgage at Mortgagee's option.

12. TAXES UPON MORTGAGE, ETC. That, in the event of the passage or adoption of any laws, or in the event of any decision by a court of competent jurisdiction, creating or providing for any tax, assessment, or charge against the Premises, against this Mortgage, or against the indebtedness or undertakings secured hereby, or against any interest of the Mortgagee in the Premises, then, unless such tax be promptly paid by the Mortgagor and, in any event, if payment of such tax by the Mortgagor is prohibited by law, the entire indebtedness secured hereby shall, at the option of the Mortgagee, become immediately due and payable, and, in the event payment of such indebtedness is not made by the Mortgagor forthwith, the Mortgagee may take, or cause to be taken, such action or proceeding as may be taken hereunder

in the case of any other default in the payment of the indebtedness secured hereby; provided, that in respect to any taxes on the Mortgagee's interest in the Premises, or in this Mortgage, or in the indebtedness secured hereby, the Mortgagor shall not be required or bound to pay any amount which together with interest on the indebtedness secured, shall exceed the maximum interest rate allowed by applicable and enforceable law or which would cause the Mortgagee to be subject to penalty.

13. That TIME IS OF THE ESSENCE of this Mortgage. No waiver of any obligation hereunder or of any obligation secured hereby shall at any time thereafter be held to be a waiver of the terms hereof or of the terms of the Mortgage Note secured hereby.

14. RIGHTS CUMULATIVE. That the rights of the Mortgagee granted and arising under this Mortgage, the Mortgage Note, or any other instrument or agreement existing between the Mortgagor and the Mortgagee shall be separate, distinct, and cumulative of other powers and rights herein granted and of all other rights which the Mortgagee may have in law or equity, and none of them shall be in exclusion of any other. No act of the Mortgagee shall be construed as an election to proceed under any one provision herein, or under the Mortgage Note, or under any such other instrument or agreement, to the exclusion of any other provisions, or an election of remedies to the bar of any other remedy allowed in law or equity.

15. NOTICE. That every provision for notice and demand or request hereunder by the Mortgagee shall be deemed fulfilled by written notice and demand or request if the same is: (i) personally served on one or more of the persons who shall at the time hold the record title to the Premises; or (ii) mailed by registered or certified mail, return receipt requested, three (3) days in advance of the effective date of the notice by depositing it in any United States Post Office Station or letter box, enclosed in a postpaid envelope addressed to any of such persons at the address of any such persons last known to the Mortgagee, or addressed to the street address of the Premises.

16. RELEASES BY MORTGAGEE. That the Mortgagee may, from time to time, without notice to any person and without affecting the liability of the Mortgagor or of any other person (other than any person expressly released by the Mortgagee in writing) for the payment of any indebtedness secured hereby or for the performance of any obligation contained herein, and without affecting the priority or extent of the lien of this Mortgagee (except as to property specifically released by the Mortgagee in writing) do any of the following:

- (a) Release any person liable for payment of any indebtedness secured hereby or for performance of any obligation provided for herein;
- (b) Extend the time or agree to alter the terms of payment of any of the indebtedness secured hereby;

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- (c) Accept additional security of any kind;
- (d) Consent to the creation of any easement in, on, or over the Premises or any covenant restricting the use or occupancy of the Premises;
- (e) Release or otherwise deal with any property, real or personal, which secures the indebtedness secured hereby, including, without limitation, all or any part of the property encumbered by this Mortgage;
- (f) Elect to have the lien of this Mortgage prior, paramount and superior, or, alternatively, junior and inferior to (i) any lease of all or any part of the Premises; or (ii) the option of Mortgagor to "put" the Premises to Eastern Professional Properties Inc. ("Eastern"), pursuant to Development Agreement and Option to Repurchase dated December 22, 1982, among Mortgagor, Eastern, and American Medical International, Inc., as amended by amendment dated April _____, 1983.

17. SECURITY AGREEMENT. That this Mortgage shall be construed as a mortgage of both real and personal property and it shall also constitute and serve as a "Security Agreement" within the meaning of and shall create a security interest under the Uniform Commercial Code of the State in which the Premises are located. The Mortgagor agrees to and shall execute and deliver to the Mortgagee, in form satisfactory to the Mortgagee, such "Financing Statements" and such further assurances as the Mortgagee may, from time to time, consider necessary to create, perfect, and preserve the Mortgagee's liens and security interests upon all fixtures, equipment, furniture, furnishings, supplies, inventories, carpets, rents, insurance proceeds, condemnation awards, contract rights, accounts receivable and other personal property herein described and as may be presently situated or hereinafter placed on the Premises. The Mortgagee at the expense of the Mortgagor, may cause such statements and assurances to be recorded and re-recorded, filed and re-filed, at such times and places, as may be required or permitted by law to create, perfect and preserve such liens and security interests. The Mortgagee shall have all the rights with respect to all property encumbered hereby afforded to the Mortgagee under the Uniform Commercial Code of the State in which the Premises are located, in addition to, but not in limitation of, the other rights afforded the Mortgagee by this Mortgage. The Mortgagor shall not transfer ownership of or remove from the lands herein described any of the tangible personal property which is encumbered by this Mortgage. In the event ownership of any such tangible personal property is transferred or any of the same is removed by the Mortgagor, the same shall be replaced by other property which is free and clear of any lien or encumbrance held by any other person and such replacement property shall be of equal or better value than the property so transferred or removed. Such replacement property shall be encumbered by the lien of this Mortgage, and appropriate financing statements covering same shall be executed by the Mortgagor.

18. CHANGE OF OWNERSHIP. That, except as otherwise provided in the Loan Agreement, in the event the Premises, or any part thereof or interest therein shall be further mortgaged or sold or transferred, voluntarily or involuntarily, to any other person or entity without the consent of the Mortgagee, the Mortgagee may at its election, declare the entire indebtedness secured hereby due and payable and, upon ten (10) days written notice of such election, the entire indebtedness secured hereby shall be and become due and payable immediately. Without the prior written consent of Mortgagee, Mortgagor will not make any offer to sell, assign, transfer or otherwise dispose of the Premises, or any part thereof, which would entitle American Medical International, Inc. (or its successors or assigns) to exercise the right of first refusal granted to it in its lease from Mortgagor, unless such offer includes a provision for payment and satisfaction in full, on the date of closing, the entire indebtedness secured hereby, and all interest accrued thereon; and any such offer without such provision for payment so made by the Mortgagor, without the written consent of Mortgagee, shall be void and of no force or effect.

19. SUCCESSORS AND ASSIGNS. That all covenants and stipulations in these presents contained shall bind the heirs, executors, administrators, legal representatives, successors, and assigns, as the case may be, of the Mortgagor and shall inure to the benefit of and be available to the successors and assigns of the Mortgagee.

20. GOVERNING LAW. That the terms and provisions of this Mortgage are to be governed by the laws of the State in which the Premises are located.

21. SEVERABILITY. That if any provision of this Mortgage, or of the Mortgage Note secured hereby, or of any other instrument or agreement existing between the Mortgagor and the Mortgagee, shall to any extent be finally found by a Court of competent jurisdiction to be invalid or unenforceable, neither the remainder of the instrument in which such provision is contained, nor the application of the provision to other persons, entities, or circumstances, nor any other instrument referred to herein, shall be affected thereby, but instead shall be enforced to the maximum extent permitted in law or equity.

22. DEFENSE OF ACTIONS BY MORTGAGOR. That Mortgagor shall, at its own costs and expenses, defend, indemnify and hold Mortgagee and the lien of this Mortgage harmless from any action, proceeding or claim affecting the Premises or affecting the indebtedness secured hereby. If Mortgagor neglects or refuses to carry out the covenants contained in this numbered paragraph, the Mortgagee at its option may afford such defense and pay reasonable attorneys' fees, costs and expenses incurred in any such defense. All such payments, plus interest thereon from the time of payment at the rate applicable under the Mortgage Note upon sums outstanding thereunder after maturity shall be deemed a part of the indebtedness secured hereby and shall be immediately due and payable by the Mortgagor to the Mortgagee.

23. SINGULAR, PLURAL, ETC.. That as used herein the terms "Mortgagor" and "Mortgagee" shall include the singular and the plural and shall include the masculine, feminine and neuter genders. The plural shall include the singular, and the singular shall include the plural in all applicable instances.

24. CURING OF DEFAULTS BY MORTGAGEE. That the Mortgagee shall have the right to pay any sums required to be paid and to take any other action deemed by the Mortgagee to be necessary or convenient to cure any default of the Mortgagor under this Mortgage. Any and all sums expended or

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expenses incurred by the Mortgagee in so curing defaults shall become immediately due and payable by the Mortgagor to the Mortgagee and, together with interest thereon from date of disbursement at the maximum contract rate which Mortgagee may lawfully charge, or twenty percent (20%) per annum, whichever is less, shall be secured by the lien of this Mortgage. The Mortgagee shall be subrogated to the interest of any lien holder paid out of sums secured by this Mortgage.

25. NO WAIVER BY DELAY. No delay or omission by the Mortgagee to exercise any right, power or remedy accruing upon any default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such default or acquiescence therein. Every right, power and remedy given by this Mortgage to the Mortgagee may be exercised from time to time and as often as may be deemed expedient by the Mortgagee.

26. NO WAIVER OF ONE DEFAULT TO AFFECT ANOTHER. No waiver of any default hereunder shall extend to or shall affect any subsequent or any other then existing default or shall impair any right, power or remedy consequent thereon.

27. DISCONTINUANCE OF PROCEEDING - POSITION OF PARTIES RESTORED. In case the Mortgagee shall have proceeded to enforce any right, power or remedy under this Mortgage and such proceeding shall have been discontinued or abandoned, or for any reason shall have been determined adversely to the Mortgagee, then and in every such case this Mortgage shall continue in effect as if no such proceeding had been commenced.

28. MODIFICATIONS ETC. ONLY IN WRITING. This Mortgage may not be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. Any agreement hereafter made by the Mortgagee and Mortgagor relating to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance affecting the Premises.

29. BOOKS AND RECORDS. That the Mortgagor shall maintain full and correct books and records showing in detail the income, expenses and earnings relating to the Premises, and to permit Mortgagee's representative to examine such books and records and all supporting vouchers and data upon the Premises at any time and from time to time as the Mortgagee may reasonably request, or at such other place within the United States of America as such books and records are customarily kept. In addition to the foregoing provisions of this Section, Mortgagee may, at its option, from time to time request any or all of the below described documents, to be provided at the expense of Mortgagor, in respect of Mortgagor's overall operations and those carried out on the Premises. Upon such request:

(a) Mortgagor shall deliver to Mortgagee, within fifteen (15) days after the end of each calendar month a monthly operating statement with respect to the Premises, prepared in conformity with generally accepted accounting

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principles, applied on a basis consistent with that of the preceding period or containing disclosure of the effect on the financial position or results of operations of any change in the application of generally accepted accounting principles during the period. Such documents shall be accompanied by the report of an authorized financial officer of Mortgagor, in form and content reasonably satisfactory to Mortgagee, in explanation of the same.

(b) Mortgagor shall deliver to Mortgagee, within ninety (90) days after the close of each of its fiscal years, profit and loss statements and balance sheets for the Premises prepared by a certified public account.

(c) Mortgagor shall deliver to Mortgagee, promptly upon Mortgagee's written request, such other information about the financial condition and operations of Mortgagor in a format as Mortgagee, from time to time, may require.

(d) Mortgagor shall promptly provide to Mortgagee copies of any and all tax returns, reports, statements, and other filings filed with any state, federal, or local governmental agency with regard to the business of Mortgagor or otherwise relating to the Premises and operations of Mortgagor thereon.

(e) Mortgagor shall deliver to Mortgagee, promptly upon Mortgagee's written request, an accurate and complete listing, as of the date specified by Mortgagee, of all tenants of the Premises, showing space occupied, rental rate, lease inception and maturity date, and, if required by Mortgagee, Mortgagor shall supply Mortgagee with true and correct copies of all such leases and/or rental agreements pertaining to the premises.

(f) Mortgagee shall notify Mortgagor of any change in its fiscal year, indicating such new fiscal year, within five (5) days of the date such change is made.

30. NO ILLEGAL INTEREST TO BE CHARGED. That all agreements between the Mortgagor and the Mortgagee under this Mortgage and under the Mortgage Note secured hereby are expressly limited so that in no contingency or event whatsoever shall the amount paid or agreed to be paid to the holder of the Mortgage Note for the use, forbearance or detention of the money to be advanced thereunder exceed the highest lawful contract rate permitted to be charged by Mortgagee under applicable law from time to time in effect. If, from any circumstances whatsoever, fulfillment of any provisions of this Mortgage or of the Mortgage Note secured hereby or of any other agreement existing between the Mortgagor and the Mortgagee, at the time performance of such provision shall be due, shall involve payment of interest at a rate which exceeds the highest lawful rate as so determined, then ipso facto the obligation to be fulfilled shall be reduced to such highest lawful rate. If from any circumstances whatsoever, the holder of the Mortgage Note secured hereby shall ever receive interest, the amount of which would exceed such highest lawful rate, the portion thereof which would be excessive interest shall be applied to the reduction of the unpaid principal balance due under

such Mortgage Note and not to the payment of interest. Provided, however, that nothing contained herein or in the Mortgage Note shall be deemed to create a defense, contractual or otherwise, to any sums due or coming due under this Mortgage, under the Mortgage Note secured hereby or under any other agreement existing between the Mortgagor and the Mortgagee where no such defense exists at law, as for example, where corporations are barred from asserting the defense of usury or in case wherein no limit exists upon the rate of interest charged.

IN WITNESS WHEREOF, the Mortgagor has caused this Mortgage to be executed, on this the day and year first above written.

SIGNED, SEALED AND
DELIVERED IN THE
PRESENCE OF:

[Signature]
W. H. H. H.

COLONIAL PROPERTIES, INC.

By: Thomas H. Lowder
Title: President

STATE OF ALABAMA

COUNTY OF JEFFERSON

I, BONNELL W. MCNAIR, a Notary Public in and for said County in said State, do hereby certify that THOMAS H. LOWDER ~~and~~ whose names as PRESIDENT ~~and~~ respectively, of COLONIAL PROPERTIES, INC., an Alabama corporation, ~~are~~ is signed to the foregoing instrument, and who ~~are~~ is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, ~~they~~ he, as such officers and with full authority, executed the same voluntarily for and as the act and deed of said corporation.

GIVEN under my hand and seal of office on this the 21st day of April, 1983.

Bonnell W. McNair
Notary Public

My Commission Expires:
8-1-85

THIS INSTRUMENT PREPARED BY:
David G. Williams, Attorney
2000 First Tennessee Building
Memphis, Tennessee 38103

PROMISSORY NOTE

\$3,200,000.00

Birmingham, Alabama
April 21, 1983

ON OR BEFORE OCTOBER 21, 1984, the undersigned, COLONIAL PROPERTIES, INC., an Alabama corporation (the "Maker"), promises to pay to the order of FIRST TENNESSEE BANK N.A. MEMPHIS, a national banking association having its principal place of business in Memphis, Tennessee (the "Bank"), the principal sum of THREE MILLION TWO HUNDRED THOUSAND DOLLARS (\$3,200,000.00), value received, together with interest from date until maturity at the rate hereinafter specified, said interest being payable monthly on the first day of each month, commencing on the 1st day of June, 1983, with the final installment of interest being due on the same date that the principal balance is due hereunder; provided, further, that the unpaid principal balance hereof, and any unpaid interest, shall bear interest after maturity (whether by acceleration or otherwise) at the maximum contract rate of interest which the Bank may, from time to time, lawfully charge under applicable statutes and laws from time to time in effect, or at the rate of twenty percent (20%) per annum, whichever is less.

Subject to the limitations hereinafter set forth, the disbursed and unpaid principal balances of the indebtedness hereby evidenced shall bear interest prior to maturity at a variable rate per annum which shall, from day to day, be equal to the lesser of:

(a) The maximum variable rate of interest ("Maximum Rate") which Bank may from time to time lawfully change;

OR

(b) A rate equal to the base commercial rate of interest ("Base Rate") established from time to time by the Bank, plus

(i) One and one-half per cent (1-1/2%) per annum;
or

(ii) From and after the date the Maker shall deliver to the Bank a satisfactory permanent loan commitment from a responsible commercial lending institution in an amount and upon terms sufficient, in the reasonable judgment of Bank, to provide adequate funds to pay and satisfy in full, on or before October 21, 1984, the full amount of the indebtedness evidenced hereby and all accrued interest thereon, three-quarters of one percent (.75%) per annum;

each change in the rate to be charged hereon to become effective, without notice to the undersigned, on the effective date of each change in the Maximum Rate or the Base Rate as the case may be; provided that, if at any time

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the rate of interest specified in clause (b) preceding shall exceed the Maximum Rate, thereby causing the interest hereon to be limited to the Maximum Rate, as provided in clause (b) preceding, then and in such event, notwithstanding the foregoing provisions, any subsequent reductions in the Base Rate shall not reduce the rate of interest hereon below the Maximum Rate until the total amount of interest accrued hereon equals that amount of interest which would have accrued hereon if the rate specified in clause (b) preceding had at all times been in effect. The Bank's Base Rate is, as of the date hereof, ten and one-half percent (10.5%) per annum.

In the event that the foregoing provisions should be construed by a court of competent jurisdiction not to constitute a valid, enforceable designation of a rate of interest or method of determining same, the indebtedness hereby evidenced shall bear interest at the maximum effective contract rate which may be charged by the Bank under applicable law from time to time in effect.

This Note is secured by a mortgage ("Mortgage") of even date herewith, upon certain real property ("Real Property") located in Shelby County, Alabama; and is also secured by an assignment of rents and leases (the "Rent Assignment"), covering the rents, issues, and profits derived and to be derived from the Real Property.

All installments of interest, and the principal hereof, are payable at the office of First Tennessee Bank N.A. Memphis, 165 Madison Avenue, Memphis, Tennessee, or at such other place as the holder may designate in writing, in lawful money of the United States of America, which shall be legal tender in payment of all debts and dues, public and private, at the time of payment.

If the Maker shall fail to make payment of any installment of interest, as above provided, or upon any default in the terms and provisions of the Mortgage, or the Rent Assignment, or upon any default in any other mortgage, trust deed, security agreement, or other instrument of pledge or hypothecation which now or hereafter secures the payment of the indebtedness evidenced hereby, or upon the occurrence of (a) any default by Maker in the terms and provisions of Bank's loan commitment with respect to the loan indebtedness evidenced hereby, or (b) an Event of Default, as defined in the Construction Loan Agreement, among the Bank, the Maker, and certain guarantors therein mentioned, relating to the indebtedness evidenced hereby, the entire unpaid principal balance of the indebtedness evidenced hereby, together with all interest then accrued, shall, at the absolute option of the Bank, at once become due and payable, without demand or notice, the same being expressly waived.

If this Note is placed in the hands of an attorney for collection, by suit or otherwise, or to protect the security for its payment, or to enforce its collection, the Maker will pay all costs of collection and litigation, together with a reasonable attorney's fee.

The Maker and any endorsers or guarantors hereof waive protest, demand, presentment, and notice of dishonor, and

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agree that this Note may be extended, in whole or in part, without limit as to the number of such extensions or the period or periods thereof, without notice to them and without affecting their liability thereon.

It is the intention of the Bank and the Maker to comply strictly with applicable usury laws; and, accordingly, in no event and upon no contingency shall the Bank ever be entitled to receive, collect, or apply as interest any interest, fees, charges or other payments equivalent to interest, in excess of the maximum rate which the Bank may lawfully charge under applicable statutes and laws from time to time in effect; and, in the event that the holder hereof ever receives, collects, or applies as interest any such excess, such amount which, but for this provision, would be excessive interest, shall be applied to the reduction of the principal amount of the indebtedness hereby evidenced; and, if the principal amount of the indebtedness evidenced hereby, and all lawful interest thereon, is paid in full, any remaining excess shall forthwith be paid to the Maker, or other party lawfully entitled thereto. In determining whether or not the interest paid or payable, under any specific contingency, exceeds the highest contract rate permitted by applicable law from time to time in effect, the Maker and the Bank shall, to the maximum extent permitted under applicable law, characterize any non-principal payment as a reasonable loan charge, rather than as interest. Any provision hereof, or of any other agreement between the Bank and the Maker, that operates to bind, obligate, or compel the Maker to pay interest in excess of such maximum rate shall be construed to require the payment of the maximum rate only. The provisions of this paragraph shall be given precedence over any other provision contained herein or in any other agreement between the Bank and the Maker that is in conflict with the provisions of this paragraph.

This Note shall be governed and construed according to the statutes and laws of the State of Alabama from time to time in effect, except to the extent that Sections 85 or 86 of Title 12 of the United States Code (or other applicable federal statute) may permit the charging of a higher rate of interest than applicable state law, in which event such applicable federal statute, as amended and supplemented from time to time shall govern and control the maximum rate of interest permitted to be charged hereunder; it being intended that, as to the maximum rate of interest which may be charged, received, and collected hereunder, those applicable statutes and laws, whether state or federal, from time to time in effect, which permit the charging of a higher rate of interest, shall govern and control; provided, always, however, that in no event and under no circumstances shall the Maker be liable for the payment of interest in excess of the maximum rate permitted by such applicable law, from time to time in effect.

ATTEST:

COLONIAL PROPERTIES, INC.

Title: _____

By: _____

Title: _____

EXHIBIT "B"

PERMITTED ENCUMBRANCES

1. Transmission line permits to Alabama Power Company recorded in Deed Book 97, page 566, Deed Book 109, page 289; Deed Book 182, page 51; Deed Book 270, page 819 and Deed Book 285, page 93 in the Probate Office of Shelby County, Alabama.
2. Easement granted to Colonial Properties, Inc. and rights of others in connection therewith as recorded in Book 342, page 479, in said Probate Office, which is contained completely within the boundary of the ingress and egress easement recorded in Map Book 8, page 105.
3. Development Agreement and Option to Repurchase dated December 22, 1982, among Colonial Properties, Inc., Eastern Professional Properties, Inc. and American Medical International, Inc. as recorded in Misc. Book 48, page 60, in said Probate Office. The option to purchase under said agreement by Eastern Professional Properties, Inc. and American Medical International, Inc. has been subordinated to the mortgage by document dated April 21, 1983.

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STATE OF ALA. SHELBY CO.
I CERTIFY THIS
INSTRUMENT WAS FILED
1983 APR 22 AM 9:07
Thomas A. Shumaker
JUDGE OF PROBATE

Mtg TAX 4,800.00
Rec 36.00
Jud 1.00

4,837.00