

TERMINATION OF REGULATORY AGREEMENT
(Heatherbrooke)

We, the undersigned, hereby certify, acknowledge, attest and provide notice that as a result of (i) the redemption of all of the outstanding Multi-Family Residential Development Bonds, 1985 (Series O (Heatherbrooke Apartments Project) issued by Alabama Housing Finance Authority (the "Authority"), and (ii) the execution of the Regulatory Agreement and Declaration of Restrictive Covenants dated as of June 1, 1996 among Colonial Realty Limited Partnership (as successor to Heatherbrooke Investors, Ltd., the "Owner"), the Authority and AmSouth Bank of Alabama, as trustee, the parties hereto hereby terminate and release the Regulatory Agreement dated as of December 1, 1985 among the Authority, First Alabama Bank, Colonial Mortgage Company and the Owner, which was recorded in the Office of the Judge of Probate of Shelby County, Alabama, on December 20, 1985 at Real 54, Page 527, et seq., and all amendments thereto.

Dated as of the 1st day of July, 1996.

[SIGNATURES FOLLOW]
Inst # 1996-21123

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01:13 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
004 MCD 16.00

Inst # 1996-21123

COLONIAL REALTY LIMITED PARTNERSHIP,
a Delaware limited partnership

By: Colonial Properties Holding Company, Inc.,
an Alabama corporation, as general partner

By: 

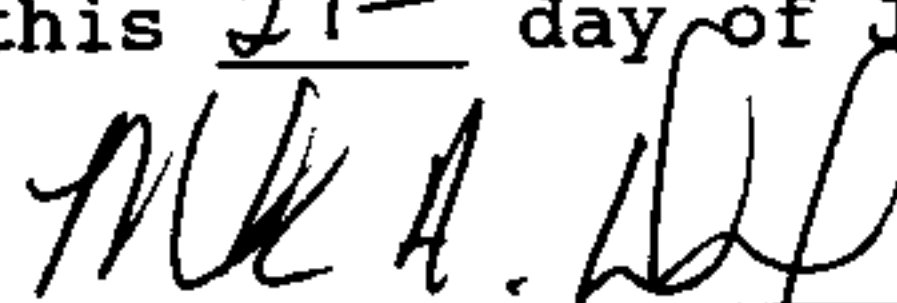
Thomas H. Lowder, President
and Chief Executive Officer

ACKNOWLEDGMENT OF OWNER

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Thomas H. Lowder, whose name as President and Chief Executive Officer of Colonial Properties Holding Company, Inc., an Alabama corporation, which is a general partner of COLONIAL REALTY LIMITED PARTNERSHIP, a Delaware limited partnership, 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 President and with full authority, executed the same voluntarily for and as the act of said corporation, acting in the capacity as general partner of the limited partnership.

GIVEN under my hand and seal, this 27th day of June, 1996.



Notary Public

[NOTARIAL SEAL]

My Commission Expires: 2-22-2000

FIRST ALABAMA BANK, as Trustee

By: Patsy Slaton
Its: Corporate Trust Officer

ACKNOWLEDGMENT OF TRUSTEE

STATE OF ALABAMA)
MONTGOMERY COUNTY)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Patsy Slaton, whose name as Corporate Trust Officer of FIRST ALABAMA BANK, a state 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, (s)he, as such officer and with full authority, executed the same voluntarily for and as the act of said Bank.

GIVEN under my hand and seal, this 25th day of June, 1996.

Lois Louise Kooki
Notary Public

[NOTARIAL SEAL]

My Commission Expires: 10/21/98

ALABAMA HOUSING FINANCE AUTHORITY

By: Ted B. Watts
Vice Chairman of the Board of Directors

ACKNOWLEDGMENT OF AUTHORITY

STATE OF ALABAMA)

MONTGOMERY COUNTY)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Ted B. Watts, whose name as Vice Chairman of the Board of Directors of ALABAMA HOUSING FINANCE AUTHORITY, a public corporation and instrumentality of the State of Alabama, 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 public corporation.

GIVEN under my hand and seal, this 25th day of June, 1996.

Debra Leigh Bonner
Notary Public

[NOTARIAL SEAL]

My Commission Expires: 11-13-99

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SHELBY COUNTY JUDGE OF PROBATE
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