

18.50

PRIOR LIENHOLDER'S AGREEMENT

This PRIOR LIENHOLDER'S AGREEMENT is by and between REGIONS BANK (formerly known as FIRST ALABAMA BANK) (the "Prior Lienholder") and ALABAMA COMMUNITY DEVELOPMENT CORPORATION (hereinafter along with its successors and assigns, the "CDC").

RECITALS

WHEREAS, EASTWOOD MINI STORAGE COMPANY, a general partnership, and FDK, L.L.C. (doing business as SUBURBAN LODGE) (the "Borrower") is the owner of the real estate described on the attached Exhibit A (the "Real Estate"). Prior Lienholder has made a loan in the original principal amount of up to \$2,524,000.00 (the "Prior Loan"). The Prior Loan is secured by a Mortgage dated May 11, 1995, and September 21, 1995 and recorded as Instrument 1995-12291, and 1995-26404 in the Office of the Judge of Probate of Shelby County, Alabama (the "Prior Mortgage"). The Prior Loan is further secured by a security interest in the equipment and machinery (the "Equipment") owned by Borrower (the "Security Interest") and such Security Interest is evidenced by UCC-1 Financing Statement #1995-12293 recorded with the Judge of Probate of Shelby County, Alabama.

WHEREAS, CDC has agreed to make a loan in the amount of \$750,000.00 (the "504 Loan") to Borrower. The 504 Loan will be secured by a mortgage (the "504 Mortgage") to be recorded in the Office of the Judge of Probate of Shelby County, Alabama, contemporaneously with this agreement, and a security interest in the Equipment.

AGREEMENT

NOW, THEREFORE, for and in consideration of the foregoing recitals, the mutual agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Balance of the Prior Loan. Following the funding of the 504 Loan, Prior Lienholder will receive \$726,000.00 from CDC in accordance with instruction given to CDC by Borrower. Such \$726,000.00 will reduce the note secured by the Prior Mortgage, and Security Interest, and the principal balance of the Prior Loan will upon such reduction be no more than \$1,798,000.00, and will be the only obligation superior to Borrower's obligations to CDC which are secured by the Mortgage, and the Security Interest.

2. Subordination of Future Advances. Except for liens arising from advances under the Prior Mortgage or Security Interest intended to preserve the Real Estate or Equipment and made pursuant to the Prior Mortgage or Security Interest, any lien securing any sum advanced to Borrower by Prior Lienholder after the date of this Agreement will be subordinate to the lien created by the 504 Mortgage and the security interest in favor of CDC in the Equipment.

3. Waiver of Enforcement of Covenant Not to Encumber the Real Estate. If the Prior Mortgage or any document evidencing the Prior Loan contains any provision prohibiting Borrower from further encumbering the Real Estate, Prior Lienholder waives its right to enforce

any such provision as it might apply to the lien arising from the 504 Mortgage securing or any document evidencing the 504 Loan.

4. Notice of Default Under the Prior Loan. If an event of default occurs under the Prior Mortgage or any document evidencing the Prior Loan, Prior Lienholder will give CDC and the U.S. Small Business Administration (the SBA) written notice of the event of default within thirty (30) days after the occurrence of the event of default. After an event of default, Prior Lienholder will not sell all or any portion of the Real Estate, without giving CDC and the SBA at least sixty (60) days' prior written notice of its intent to sell the Real Estate or any portion thereof. Notice under this Section shall be deemed to have been given when sent by certified or registered mail, return receipt requested, addressed, as the case may be, to CDC, ALABAMA COMMUNITY DEVELOPMENT CORPORATION at Suite 300, # 3 Office Park Circle, Birmingham, Alabama, 35223, and to the SBA at its Birmingham District Office, Suite 200, 2121 Eighth Avenue North, Birmingham, Alabama 35203-2398, Attention: District Counsel.

5. Successors and Assigns. This Agreement shall inure to the benefit of and bind the respective parties to this Agreement and their successors and assigns.

IN WITNESS WHEREOF, We have hereunto set our hands and seals this 18 day of June, 1997.

REGIONS BANK (formerly known as FIRST ALABAMA BANK)

By James R. Beaird
(Its Senior Vice President)

ACKNOWLEDGED AND CONSENTED TO:

EASTWOOD MINI STORAGE COMPANY,
a general partnership,

By: Jack W. Kidd
Jack W. Kidd (Its General Partner)

FDK, L.L.C. (doing business as SUBURBAN LODGE)

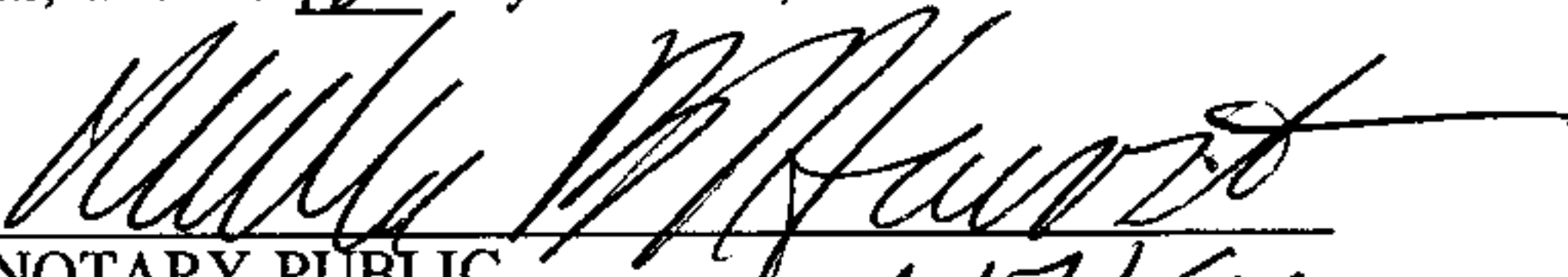
By: Faye D. Kidd
Faye D. Kidd (Its Member)

[ACKNOWLEDGEMENT ON NEXT PAGE]

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that James R. Beard, whose name as Senior Vice President of REGIONS BANK (formerly known as FIRST ALABAMA BANK), a 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 said instrument, he/she, as such officer, and with full authority, executed the same voluntarily, as an act of said corporation, acting in his/her capacity as aforesaid.

Given under my hand and official seal, this the 18 day of June, 1997.


NOTARY PUBLIC
My Commission Expires: 6/17/99

THIS INSTRUMENT PREPARED BY:
William B. Hairston III
ENGEL HAIRSTON & JOHANSON, P.C.
4th Floor 109 North 20th Street
P.O. Box 370027
Birmingham, Alabama, 35237-0027
(205) 328-4600

EXHIBIT "A"

TO

**MORTGAGE
AFFIDAVIT AND AGREEMENT
LESSOR'S AGREEMENT
ASSIGNMENT OF LEASE
FINANCING STATEMENT (UCC-1) . . .
PRIOR LIENHOLDER'S AGREEMENT
ASSIGNMENT OF LEASES AND RENTS
ESTOPPEL CERTIFICATE AND ATTORNMENT AGREEMENT
HAZARDOUS SUBSTANCE INDEMNIFICATION AND WARRANTY AGREEMENT**

BORROWER: EASTWOOD MINI STORAGE COMPANY, a general partnership, and FDK, L.L.C. (doing business as SUBURBAN LODGE)

LENDER: ALABAMA COMMUNITY DEVELOPMENT CORPORATION

Commence at the northwest corner of the northwest one-quarter of the northeast one-quarter of Section 5, Township 19 South, Range 1 West; thence run north 86 degrees 43 minutes 38 seconds east along the north line of said quarter-quarter section line for a distance of 333.88 feet; thence run south 71 degrees 31 minutes 13 seconds east for a distance of 100.20 feet; thence run south 23 degrees 59 minutes 16 seconds west for a distance of 260.63 feet; thence run south 71 degrees 19 minutes 30 seconds east for a distance of 261.47 feet; thence run south 23 degrees 55 minutes 20 seconds west for a distance of 14.31 feet; thence run south 71 degrees 24 minutes 36 seconds east for a distance of 261.73 feet; thence run south 24 degrees 50 minutes 46 seconds west for a distance of 130.00 feet to the point of beginning; thence run south 24 degrees 50 minutes 46 seconds west for a distance of 97.62 feet; thence run south 26 degrees 37 minutes 46 seconds west for a distance of 226.72 feet to the centerline of a creek as shown on USW subdivision and is recorded in Map Book 14 Page 80 in the office of the Judge of Probate, Shelby County, Alabama; thence run along said centerline by the following described courses; thence north 35 degrees 50 minutes 17 seconds west for a distance of 64.67 feet; thence north 10 degrees 27 minutes 52 seconds west for a distance of 13.24 feet; thence run north 64 degrees 39 minutes 20 seconds east for a distance of 10.39 feet; thence run north 63 degrees 17 minutes 11 seconds west for a distance of 10.75 feet; thence run south 63 degrees 19 minutes 10 seconds west for a distance of 10.92 feet; thence run north 73 degrees 35 minutes 54 seconds west for a distance of 12.11 feet; thence run north 17 degrees 02 minutes west for a distance of 7.18 feet; thence run north 37 degrees 45 minutes 27 seconds west for a distance of 17.71 feet; thence run north 59 degrees 12

EXHIBIT "A" (continued)

minutes 44 seconds west for a distance of 20.62 feet; thence run north 45 degrees 12 minutes 51 seconds west for a distance of 28.09 feet; thence run north 87 degrees 59 minutes 52 seconds west for a distance of 20.59 feet; thence run north 51 degrees 43 minutes 04 seconds west for a distance of 26.76 feet; thence run north 24 degrees 40 minutes 36 seconds west for a distance of 25.49 feet; thence run north 08 degrees 02 minutes 50 seconds east for a distance of 12.43 feet; thence run north 82 degrees 00 minutes 57 seconds west for a distance of 26.34 feet; thence run north 32 degrees 40 minutes 52 seconds west for a distance of 22.77 feet; thence run north 60 degrees 33 minutes 04 seconds west for a distance of 19.70 feet; thence run south 78 degrees 46 minutes 47 seconds west for a distance of 12.33 feet; thence run north 44 degrees 56 minutes 03 seconds west for a distance of 20.92 feet; thence run north 88 degrees 15 minutes 43 seconds west for a distance of 11.94 feet; thence run south 49 degrees 01 minute 10 seconds west for a distance of 23.71 feet; thence run south 41 degrees 29 minutes 13 seconds west for a distance of 29.53 feet; thence run north 59 degrees 21 minutes 24 seconds west for a distance of 16.97 feet; thence run north 54 degrees 34 minutes 47 seconds west for a distance of 30.16 feet; thence run south 85 degrees 48 minutes 55 seconds west for a distance of 19.77 feet; thence run north 17 degrees 06 minutes 24 seconds east for a distance of 17.89 feet; thence run north 36 degrees 44 minutes 37 seconds west for a distance of 42.66 feet; thence run north 40 degrees 17 minutes 25 seconds east for a distance of 18.80 feet; thence run north 35 degrees 26 minutes 30 seconds west for a distance of 4.99 feet and the end of said creek centerline courses; thence run south 87 degrees 22 minutes 08 seconds west for a distance of 85.62 feet to a point on the northeasterly right-of-way line of U.S. Highway No. 280; thence run in a northwesterly direction along the northeasterly right-of-way line of said highway for a distance of 17.00 feet; (Said highway right-of-way line being situated on a curve to the left having a central angle of 00 degrees 19 minutes 51 seconds, a radius of 2944.79 feet, a chord of 17.00 feet and a chord bearing of north 21 degrees 36 minutes 20 seconds west); thence run north 68 degrees 13 minutes 44 seconds east for a distance of 30.00 feet to the point of commencement of a curve to the left, said curve having a central angle of 50 degrees 45 minutes 00 seconds, and a radius of 131.77 feet; thence run in a northeasterly direction along the arc of said curve for a distance of 116.72 feet; thence run north 17 degrees 28 minutes 44 seconds east along the tangent if extended from said curve for a distance of 153.42 feet to the point of commencement of a curve to the right, said curve having a central angle of 00 degree 34 minutes 43 seconds and a radius of 198.00 feet and a chord bearing of north 17 degrees 46 minutes 06 seconds east; thence run in a northeasterly direction along the arc of said curve for a distance of 2.00 feet; thence run south 61 degrees 36 minutes 29 seconds east for a distance of 508.90 feet to the point of beginning.

Inst # 1997-20396

06/30/1997-20396
01:20 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
005 MCD 18.50