

Outparcel

THIS MORTGAGE IS A "CONSTRUCTION MORTGAGE" WITHIN THE MEANING OF SUCH TERM IN CODE OF ALABAMA (1975) § 7-9-313(1)(C) AND § 7-9-313(6).

THIS INSTRUMENT IS ALSO A FINANCING STATEMENT FILED AS A FIXTURE FILING, PURSUANT TO CODE OF ALABAMA (1975) SECTION 7-9-402(6), AND IS ALSO TO BE INDEXED IN THE INDEX OF FINANCING STATEMENTS UNDER THE NAMES OF MORTGAGOR, AS DEBTOR, AND MORTGAGEE, AS SECURED PARTY.

STATE OF ALABAMA)

COUNTY OF SHELBY)

FIRST MORTGAGE AND SECURITY AGREEMENT

THIS FIRST MORTGAGE AND SECURITY AGREEMENT (the "Mortgage") is made this 22nd day of May, 1998, between STORAGE USA SING, LLC, a Maryland limited liability company, whose address is c/o Dede Harbin, 2094 Myrtlewood Drive, Montgomery County, Montgomery, Alabama 36111 (the "Mortgagor" or "Borrower"), and SUSA PARTNERSHIP, L.P., a Tennessee limited partnership (the "Mortgagee" or "Lender"), whose address is 10440 Little Patuxent Parkway, Suite 1100, Columbia, Maryland 21044.

WITNESSETH:

WHEREAS, Mortgagor is indebted to Mortgagee in the principal sum of Six Hundred Thirty-Nine Thousand Four Hundred Sixty-Four Dollars (\$639,464) together with interest thereon, as evidenced by that certain Note of even date herewith, executed by Mortgagor and delivered to Mortgagee (the "Note", the obligation evidenced by which is sometimes referred to as the "Loan"), which by reference said Note is made a part hereof to the same extent as though set out in full herein; and

WHEREAS, Mortgagor desires to secure the prompt payment of the indebtedness evidenced by the Note, and the several installments of principal, interest, late charges and other fees therein provided for; and the performance of, and compliance with, all of the terms, covenants, conditions, stipulations and agreements contained in the Note, this Mortgage and all other documents executed and/or delivered in connection with the borrowing hereinabove described; and

WHEREAS, Mortgagor may hereafter become indebted to said Mortgagee for additional sums loaned and/or on account of indebtedness which may accrue to Mortgagee, whether on account of any future payments, advances or expenditures made by Mortgagee under the provisions of this Mortgage or otherwise; and this Mortgage is intended to secure and enforce payment of any and all such present and future indebtedness,

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SHELBY COUNTY JUDGE OF PROBATE

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NOW, THEREFORE, to secure (a) the payment, performance and observance by Mortgagor of all indebtedness, terms, covenants and conditions set forth in the Note, in any renewal, extension or modification thereof, in this Mortgage and in all other instruments evidencing and securing the Note, including without limitation, any and all amounts which may be paid or incurred by Mortgagee pursuant to this Mortgage (provided, however, that nothing set forth herein shall create an obligation on the part of Mortgagee to make any such payments); (b) all future advances that may subsequently be made to Mortgagor by Mortgagee, evidenced by the aforesaid Note, or any other promissory notes, and all renewals, extensions and modifications thereof (provided, however, that nothing set forth herein shall create an obligation on the part of Mortgagee to make future advances to Mortgagor); and (c) all other indebtedness of Mortgagor to Mortgagee, now or hereafter existing, whether direct or indirect, as well as all charges and expenses of collection incurred by Mortgagee, including court costs, and reasonable attorneys' fees (all of the foregoing shall hereinafter be collectively referred to as the "Secured Indebtedness"), and in further consideration of the Loan and for other valuable consideration, the receipt of which is hereby acknowledged, Mortgagor does hereby grant, bargain, sell, alien, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, deliver, set over, warrant and confirm unto Mortgagee, its successors and assigns forever all right, title and interest of Mortgagor in and to the following:

THE MORTGAGED PROPERTY

(A) The Property. All the property located in the County of Shelby, State of Alabama (the "Property"), described in Exhibit "A" attached hereto and made a part hereof;

(B) The Improvements. TOGETHER WITH all buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Property, and all fixtures, machinery, appliances, equipment, furniture, and personal property of every nature whatsoever now or hereafter owned by Mortgagor and located in or on, or attached to, or used or intended to be used in connection with or with the operation of, the Property, buildings, structures or other improvements, including all extensions, additions, improvements, betterments, renewals and replacements to any of the foregoing and all of the right, title and interest of Mortgagor in and to any such personal property or fixtures (the "Improvements");

(C) Easements or other Interests. TOGETHER WITH all easements, rights-of-way, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way belonging, relating or appertaining to any part of the Property or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Mortgagor, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law as well as in equity, of Mortgagor of, in and to the same, including but not limited to all judgments, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of the Mortgaged Property (as hereinafter defined), or any part thereof under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the Mortgaged Property or any part thereof, or to any rights appurtenant thereto, and all proceeds of any sales or other dispositions of the Mortgaged Property or any part thereof;

(D) Assignment of Rents. TOGETHER WITH all rents, royalties, issues, profits, revenue, income and other benefits from the Mortgaged Property to be applied against the Secured Indebtedness, provided, however, that permission is hereby given to Mortgagor, so long

as no Event of Default (as hereinafter defined) has occurred hereunder, to collect, receive, take, use and enjoy such rents, royalties, issues, profits, revenue, income and other benefits as they become due and payable, but not in advance thereof. The foregoing assignment shall be fully operative without any further action on the part of either party and specifically Mortgagee shall be entitled, at its option upon the occurrence of an Event of Default hereunder, to all rents, royalties, issues, profits, revenue, income and other benefits from the Mortgaged Property whether or not Mortgagee takes possession of the Mortgaged Property. Upon any such default hereunder, the permission hereby given to Mortgagor to collect such rents, royalties, issues, profits, revenue, income and other benefits from the Mortgaged Property shall automatically terminate and the continued taking of such rents, unless immediately delivered to the Mortgagee, shall constitute actionable conversion of such assets by Mortgagor. Neither the exercise of any such rights by Mortgagee nor the application of any such rents, royalties, issues, profits, revenue, income or other benefits to the Secured Indebtedness and other sums secured hereby, shall cure or waive any Event of Default hereunder or invalidate any act done pursuant hereto or to any such notice, but all such rights and remedies shall be cumulative.

(E) Fixtures and Personal Property. TOGETHER WITH a security interest in (i) all personal property and fixtures now or hereafter acquired and affixed to or located on the Property which, to the fullest extent permitted by law, shall be deemed fixtures and a part of the Property, (ii) all articles of personal property now or hereafter acquired by Mortgagor and used or usable in connection with the Property, and all materials delivered to the Property for use in any construction being conducted thereon, and owned by Mortgagor; (iii) and all contract rights, general intangibles, actions and rights in action now or hereafter acquired pertaining to the Mortgaged Property, including all rights to insurance proceeds, and (iv) all of the Mortgagor's right, title and interest in and to the property described on Exhibit B attached hereto and made a part hereof. All of the Equipment, so far as permitted by law, shall be deemed to be fixtures and part of the Property and of the Improvements, and as to any part of the Equipment not deemed or permitted by law to be fixtures, this Mortgage shall also constitute a security agreement under the U.C.C. and, pursuant thereto, and in order to secure the repayment of the Indebtedness and the performance of the obligations intended to be secured by this Mortgage, the Mortgagor hereby grants to the Mortgagee a security interest under the U.C.C. in and to such part of the Equipment not deemed or permitted by law to be fixtures, and the proceeds (cash and non-cash) thereof, including the Net Proceeds. With respect to the part of the Equipment not deemed or permitted by law to be fixtures, the Mortgagee shall have all the rights and remedies of a secured party under the U.C.C.

(F) TOGETHER WITH all proceeds (cash and non-cash), products and conversions of the Property; all improvements, accessions, additions, appurtenances and betterments to, extensions, renewals and replacements of, and/or substitutions for the Property; all of the Property, whether now or hereafter owned or acquired by the Mortgagor or (except as otherwise provided herein) others; and all books and records respecting all of the Property and the foregoing, all of the property described in this paragraph being included within the Property.

(G) Further Encumbrances. TOGETHER WITH all of Mortgagor's rights further to encumber all or any portion of the Mortgaged Property without the prior written approval of the Mortgagee.

Everything referred to in paragraphs (A), (B), (C), (D), (E), (F) and (G) hereof and any additional property hereafter acquired by Mortgagor and subject to or hereafter made subject to the lien of this Mortgage, or intended to be so, is herein collectively referred to as the "Mortgaged Property".

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Mortgagee, its successors and assigns, to its own proper use and benefit forever, subject, however, to the terms and conditions hereof.

PROVIDED, HOWEVER, that if Mortgagor shall promptly pay or cause to be paid to Mortgagee the Secured Indebtedness, at the times and in the manner stipulated in the Note, this Mortgage, and in all other instruments evidencing and securing the same, and shall keep, perform and observe all the covenants and promises in the Note, and any renewal, extension or modification thereof, and in this Mortgage and in all other instruments evidencing and securing the Secured Indebtedness to be kept, performed or observed by Mortgagor, then this Mortgage, and all the properties, interest and rights hereby granted, conveyed and assigned shall cease and be void, but shall otherwise remain in full force and effect. Any default or event of default under any other Loan Document shall constitute an Event of Default hereunder.

TO INDUCE THE MORTGAGEE TO MAKE THE LOAN AND TO ENTER INTO THIS MORTGAGE, THE MORTGAGOR MAKES THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS ARTICLE ONE. THE MORTGAGOR ACKNOWLEDGES THE MORTGAGEE'S JUSTIFIABLE RIGHT TO REPLY UPON THESE REPRESENTATIONS AND WARRANTIES. MORTGAGOR REPRESENTS, WARRANTS, COVENANTS AND AGREES WITH MORTGAGEE AS FOLLOWS:

ARTICLE I

DEFINITIONS

1.01. Definitions. The capitalized terms used in this Mortgage shall have the meanings indicated below unless the specific context in which such terms are used in this Mortgage requires a different meaning. All capitalized terms which are not otherwise defined herein and which are defined in Title 9 of the U.C.C. shall have the meanings set forth therein.

"Accounts," "Chattel Paper," "Contract Rights," "Documents," "Equipment," "Fixtures," "General Intangibles," "Goods," and "Instruments" shall have the same respective meanings as are applicable to those terms in the Maryland Uniform Commercial Code-Secured Transactions, Title 9, Commercial Law Article, Annotated Code of Maryland, as amended. The term "Fixtures" shall have the meaning provided by the common law of the state in which the fixtures are physically located.

"Affiliate" means (a) any officer, owner of any interest, or director of the Mortgagor ("Affiliated Individuals"); (b) any member of the immediate family of any Affiliated Individual; (c) any Subsidiary of the Mortgagor; (d) any Person which, directly or indirectly, controls, is controlled by or is under common control or ownership with the Mortgagor; and (e) any Person which is under the control of Affiliated Individuals. For the purposes of this definition, the term "control" means the ownership of ten percent (10%) or more of the beneficial interests in the firm or entity referred to, and the term "immediate family" means spouses, ancestors, lineal descendants, and brothers and sisters of the person in question including those adopted.

"Award" has the meaning given such term in Exhibit B to this Mortgage.

"Building" means, collectively, the buildings and other structures and improvements located on the Property.

"Business Day" means any day other than a Saturday or Sunday or a day that is a legal holiday or on which banks are authorized to close.

"Closing Date" means the date of this Mortgage.

"Collateral" means all of the property, real, personal and mixed, with respect to which the Mortgagor has granted a security interest to the Mortgagee pursuant to this Mortgage.

"Environmental Requirements" has the meaning given such term in Section 4.27 of this Mortgage.

"Equipment" has the meaning given this term in Exhibit B to this Mortgage.

"Event of Default" and "default" mean those events described in Article VII hereof, and any default or event of default under any other Loan Document.

"G.A.A.P." means generally accepted accounting principles consistently applied and maintained throughout the period indicated and consistent with the prior financial practices of the Mortgagor, except for changes mandated by the Financial Accounting Standards Board or any similar accounting authority of comparable standing. Whenever any accounting term is used in the Loan Documents which is not specifically defined in the Loan Documents, it shall be interpreted in accordance with G.A.A.P.

"Hazardous Materials" means (i) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. 6901 et seq.), as amended from time to time, and regulations promulgated thereunder; (ii) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9601 et seq.), as amended from time to time, and regulations promulgated thereunder; (iii) any "oil, petroleum products and their by-products"; (iv) any "hazardous substance"; (v) any "asbestos material" promulgated thereunder, and/or as defined by 40 C.F.R. Section 61.141, as amended from time to time; (vi) any "radon gas" in excess of levels recommended in U.S. Environmental Protection Agency Guidance Documents, as modified from time to time, or lower levels as provided by any applicable law or regulation now or hereafter in effect; (vii) any "infectious waste"; (viii) any substance the presence of which on any property attributable to the operations of the Borrower is prohibited, restricted or regulated by any law or regulation similar to those laws, regulations and/or other documents set forth above, including without limitation, polychlorinated biphenyls (PCBs) and lead-based paints; and (ix) any other substance which by law or regulation requires special handling in its collection, generation, storage, transportation, treatment or disposal.

"Improvements" has the meaning given such term in the granting clauses of the Mortgage.

"Indebtedness" means as to the Mortgagor all items of indebtedness, obligation or liability, whether matured or unmatured, liquidated or unliquidated, direct or contingent, joint or several, including the Obligations and including, but not limited to:

(a) All indebtedness guaranteed, directly or indirectly, in any manner or endorsed (other than for collection or deposit in the ordinary course of business) or discounted with recourse;

(b) All indebtedness in effect guaranteed, directly or indirectly, through agreements, contingent or otherwise (1) to purchase such indebtedness or (2) to purchase, sell or lease (as lessee or lessor) property, products, materials or supplies or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such indebtedness or to assure the owner of the indebtedness against loss, or (3) to supply funds to or in any manner to invest in the debtor;

(c) All indebtedness secured by (or for which the holder of such indebtedness has a right, contingent or otherwise, to be secured by) any mortgage, Mortgage, pledge, lien, security interest or other charge or encumbrance upon property owned or acquired subject thereto, whether or not the liabilities secured thereby have been assumed; and

(d) All indebtedness incurred as the lessee of goods or services under leases that, in accordance with G.A.A.P., should not be reflected on the balance sheet of the lessee.

"Inspector" means an independent engineer licensed to practice in the State and appointed by the Mortgagee.

"Leases" means any and all existing and future leases or subleases for all or any portion of the Security.

"Lessees" means any and all present and future lessees or sublessees of all or any portion of the Security.

"Loan" or "Loan Proceeds" means the maximum total principal amount which the Lender has agreed to lend to the Borrower under this Mortgage, which is Six Hundred Thirty-Nine Thousand Four Hundred Sixty-Four Dollars (\$639,464).

"Loan Agreement" means that certain loan and security agreement of even date herewith executed by the Mortgagor and the Lender.

"Loan Documents" means all documents executed and/or delivered by the Mortgagor or others in connection with Loan, including but not limited to, the Note, the Loan Agreement, this Mortgage, and any financing statements.

"Mortgage" or "Outparcel Mortgage" means this Mortgage dated the Closing Date executed by the Mortgagor in favor of the Mortgagee, as mortgagee, as security for the Note, together with all supplements hereto and modifications hereof.

"Net Proceeds" means the amount of each Award, less all costs and expenses of the Mortgagee in collecting, negotiating and compromising the Award.

"Obligations" means the absolute obligation of the Mortgagor to pay to the Mortgagee (a) any and all sums due to the Mortgagee under the stated terms of the Loan, this Mortgage or the Loan Documents, (b) any and all sums advanced by the Mortgagee to preserve or protect the Security and the value of the Security or to preserve, protect or perfect the Mortgagee's security interest or lien in the Security, (c) in the event of any proceeding to enforce the collection of the obligations, or any of them, after default, the expenses of retaking, holding, preparing for sale, selling or otherwise disposing of or realizing on the Security or of any exercise by the Mortgagee of the Mortgagee's rights in the Event of Default, together with attorneys' fees, expenses of collection and court costs, as provided in the Loan Documents, (d) any obligations or liability of the

Mortgagor to the Mortgagee arising out of any letter of credit issued by the Mortgagee for the account or benefit of the Mortgagor, and (e) any other indebtedness or liability of the Mortgagor to the Mortgagee, whether direct or indirect, joint or several, absolute or contingent, now or hereafter existing so long as the Loan is in effect, however created or arising, and however evidenced.

"Permitted Liens" means:

(a) Liens for taxes, assessments or similar charges incurred in the ordinary course of business that are not yet due and payable.

(b) Pledges or deposits made in the ordinary course of business to secure payment of workmen's compensation or to participate in any fund in connection with workers' compensation, unemployment insurance, old age pensions or other Social Security programs.

(c) Good faith pledges or deposits made in the ordinary course of business to secure performance of bids, tenders, contracts (other than for repayment of borrowed money) or leases, not in excess of Fifty Thousand Dollars (\$50,000), or to secure statutory obligations, or a surety, appeal, indemnity, performance or other similar bonds required in the ordinary course of business.

(d) Encumbrances consisting of zoning restrictions, easements or other restrictions on the use of real property, none of which impairs the use of the Property by the Mortgagor in the operation of the business of the Mortgagor and none of which is violated in any material respect by existing or proposed structures or Property uses.

(e) Liens in favor of the Mortgagee, including the lien of this Mortgage.

(f) Existing liens previously disclosed to the Mortgagee and consented to by the Mortgagee in writing and as set forth in the Title Policy.

"Person" means any individual, corporation, partnership, association, joint stock company, trust, unincorporated organization, joint venture, court or government or political subdivision or agency thereof.

"Project" means the acquisition of real property and construction thereon of a self-storage facility located on the Property.

"Property" means the land, the building and all other property, whether real, personal or mixed, described in this Mortgage and all improvements thereto and betterments thereon, including all of the Collateral deemed to be fixtures, and as described on Exhibit A of this Mortgage.

"Records" means correspondence, memoranda, tapes, discs, papers, books and other documents, or transcribed information of any type, whether expressed in ordinary, computer or machine language.

"Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, or dumping.

"Remedial Action" means (a) the clean-up or removal of Hazardous Substances; (b) such action as may be necessary to monitor, assess, or evaluate the Release or threatened Release of Hazardous Substances; (c) the proper disposal or removal of Hazardous Substances; (d) the taking

of such other actions as may be necessary to prevent, minimize, or mitigate the damages caused by a Release or threatened Release of Hazardous Substances to the public health or welfare or to the environment; and (e) the providing of emergency assistance after a Release. Remedial Actions include but are not limited to such actions at the location of a Release as: storage; confinement; perimeter protection using dikes, trenches, or ditches; clay cover; neutralization; clean-up of Hazardous Substances or contaminated materials; recycling or reuse; diversion; destruction; segregation of reactive wastes; dredging or excavations; repair or replacement of leaking containers; collection of leachate and runoff; onsite treatment or incineration; providing alternative water supplies; and any monitoring reasonably required to assure that such actions protect the public health and welfare and the environment.

"Security" means, collectively, the Property and the Collateral.

"Secured Indebtedness" means, collectively, the Outparcel Mortgage and the Storage Parcel Mortgage.

"Solvent" means, as to any Person, that such Person at the time of determination (a) owns assets whose fair saleable aggregate value is greater than the amount required to pay all of its liabilities; (b) is able to pay all of its liabilities as such liabilities mature; and (c) has paid in and unimpaired capital sufficient to carry on its business and transactions and all business and transactions in which it engages or is about to engage.

"State" means the State of Alabama.

"Storage Parcel" means the land, the building and all other property, whether real, personal or mixed, described in the Storage Parcel Mortgage and all improvements thereto and betterments thereon, including all of the collateral deemed to be fixtures, and as described on "Exhibit A" to the Storage Parcel Mortgage.

"Storage Parcel Mortgage" means the Mortgage dated the Closing date executed by the Mortgagor in favor of the Mortgagee, as mortgagee, as security for a note in the amount of Three Million Four Hundred Fifty-Seven Thousand Nine Hundred Forty-Five Dollars (\$3,457,945), together with all supplements thereto and modifications thereof.

"Subsidiary" means any corporation of which the Mortgagor directly or indirectly owns or controls at the time: (a) at least a majority of the outstanding stock having under ordinary circumstances (not dependent upon the happening of a contingency) voting power to elect a majority of the board of directors (in the case of a corporation having directors); or (b) a majority of the voting stock of any corporation not having directors. The term "Subsidiary" also means any general or limited partnership or other entity of which more than fifty percent (50%) of the outstanding partnership interests or ownership interests shall, at the time of determination, be owned directly, or indirectly through one or more intermediaries, by the Mortgagor.

"Taxes" means all taxes, water rents, sewer rents, assessments, utility charges (whether public or private) and other governmental or municipal or public or private dues, charges and levies and any prior liens (including federal tax liens) for such which are or may be levied, imposed or assessed upon the Security or any part thereof or upon the rents, issues, income or profits thereof, whether any or all of the aforementioned be levied directly or indirectly or as excise taxes or as income taxes.

"Title Policy" means the title insurance policy, binder or commitment issued by a title company acceptable to the Mortgagee with respect to the Property, which Title Policy shall be acceptable and updated through the Closing Date and the date on which the Mortgage has been recorded among the appropriate land records office.

"U.C.C." means the Maryland Uniform Commercial Code, as codified in the Commercial Law Article of the Annotated Code of Maryland, and as amended, supplemented or modified from time to time.

1.02. Rules of Construction. The words "hereof," "herein," "hereunder," "hereto," and other words of similar import refer to this Mortgage in its entirety.

The terms "agree" and "agreement" contained herein are intended to include and mean "covenant" and "covenants."

References to Articles, Sections, and other subdivisions of this Mortgage are to the designated Articles, Sections, and other subdivisions of this Mortgage as originally executed.

The headings of this Mortgage are for convenience only and shall not define or limit the provisions hereof.

The use of the word "including" is intended to set forth examples and not constitute a limitation on the general statement preceding such use of the word "including" and shall be deemed to mean "including but not limited to" unless expressly set forth to the contrary.

ARTICLE II

TERMS OF THE LOAN

2.01. Terms of the Loan. Upon the terms and subject to the conditions contained herein and in the Loan Documents, the Mortgagee shall advance the Principal Sum to the Mortgagor, for the purposes herein described, on the Closing Date.

2.02. Payments to the Mortgagee. All sums payable to the Mortgagee hereunder shall be paid, on or before the date on which the same become due and payable, to the Mortgagee (or as otherwise directed by the Mortgagee) in immediately available funds.

2.03. Purpose of the Loan. The purpose of the Loan is set forth in the Loan Agreement.

2.04. Payments are Provisional. All payments made by the Mortgagor to the Mortgagee on any of the Obligations shall be provisional and shall not be considered final unless and until such payment is not subject to avoidance under any provision of the United States Bankruptcy Code, as amended, including Sections 547 and 550, or any state law governing insolvency or creditors' rights. If any payment is avoided or set aside under any provision of the United States Bankruptcy Code, including Section 547 and 550, or any state law governing insolvency or creditors' rights, the payment shall be considered not to have been made for all purposes of this Mortgage, and the Mortgagee shall adjust its records to reflect the fact that the avoided payment was made and has not been credited against the Obligations.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

To induce the Mortgagee to make the Loan and to enter into this Mortgage, the Mortgagor makes the representations and warranties set forth in this Article III. The Mortgagor acknowledges the Mortgagee's justifiable right to rely upon these representations and warranties.

3.01. Status. The Mortgagor is validly organized under the Laws of the State of Maryland, is qualified to do business in the State of Alabama and its operations and affairs have been effectively and validly commenced. The Mortgagor has the power to own its properties, conduct its business and affairs, and enter into the Loan and perform the Obligations. The Mortgagor's entry into the Loan with the Mortgagee has been validly and effectively approved by its members as may be required by its organizational documents and applicable laws. All copies of the organizational documents and limited liability company resolutions of the Mortgagor submitted to the Mortgagee are true, accurate, and complete and no action has been taken in diminution or abrogation thereof. The Mortgagor has not changed its name, been the surviving entity in a merger, or changed the location of its chief executive office within the last twelve (12) years. The Mortgagor does not trade under any trade or fictitious names.

3.02 Warranty of Title. The Mortgagor represents and warrants that, at the time of the execution and delivery of this Mortgage, the Mortgagor is the owner of the fee simple legal title to, and is lawfully seized and possessed of, the Property. The Mortgagor has the right and authority to convey the Property and does hereby warrant specially, and agrees to defend, the Property and the title thereto, whether now owned or hereafter acquired, against all claims and demands of the Mortgagor and every Person claiming by, through or under Mortgagor.

3.03. Subsidiaries. The Mortgagor represents that it has no Subsidiaries.

3.04. Authority. The Mortgagor has full power and authority to enter into and execute and deliver this Mortgage and each of the other Loan Documents executed and delivered by it and to incur and perform the Obligations provided for herein and therein (including the borrowing under the Loan). No further consent or approval of any other Person or public authority or regulatory body is required as a condition to the validity or enforceability of this Mortgage or any of the other Loan Documents, or if required, the same has been obtained.

3.05. Binding Agreements. This Mortgage and each of the other Loan Documents executed and delivered by the Mortgagor have been duly and properly executed by the Mortgagor, constitute the valid and legally binding obligations of the Mortgagor and are fully enforceable against the Mortgagor in accordance with their respective terms.

3.06. Litigation. There is no litigation or proceeding pending or, so far as the Mortgagor knows, threatened, before any court or administrative agency which will materially adversely affect the financial condition of the Mortgagor or the authority of the Mortgagor to enter into, or the validity or enforceability of, this Mortgage or any of the other Loan Documents or the ability of the Mortgagor to perform the Obligations.

3.07. No Conflicting Agreements. There is (i) no provision in any existing mortgage, indenture, contract or agreement binding on the Mortgagor or affecting any property of the Mortgagor, (ii) no provision of law or order of court binding upon the Mortgagor or affecting any property of the Mortgagor, and (iii) no preference partnership provision which would

conflict with or in any way prevent the execution, delivery or performance of the terms of this Mortgage or of any of the other Loan Documents executed and delivered by the Mortgagor or which would be in default or violated as a result of such execution, delivery or performance.

3.08. Financial Position. The financial statements of the Mortgagor heretofore delivered to the Mortgagee are complete and correct and fairly present the financial position of the Mortgagor as of the dates and for the periods referred to therein and have been prepared accurately to reflect the assets and liabilities of the Mortgagor. There are no liabilities, direct or indirect, fixed or contingent, of the Mortgagor as of the date of such financial statements, which are not reflected therein or in the notes thereto, and the assets set forth therein are valued in accordance with G.A.A.P. There has been no material adverse change in the financial condition or operations of the Mortgagor since the date of such financial statements (and to the Mortgagor's knowledge no such material adverse changes are pending or threatened), and the Mortgagor has not guaranteed the obligations of, or made any investment in or loans to, a Person or other entity except as disclosed in such financial statements. The Mortgagor has good and marketable title to all of its properties and assets, and all such properties and assets are free and clear of mortgages, pledges, liens, charges and other encumbrances, except as reflected in such financial statements or in the notes thereto, and except for Permitted Liens.

3.09. Tax Returns. The Mortgagor has filed all required federal, state and local tax or information returns and have paid all taxes required to be shown on such returns as they have become due, and there is no current on-going audit of any of them by either the State or federal governments.

3.10. Place of Business of the Mortgagor. The Mortgagor currently has offices and/or assets in Hoover, Alabama, Dallas, Texas, Santa Fe, New Mexico, Colorado Springs, Colorado, and Indianapolis, Indiana. Other than the places listed in this Section, the Mortgagor has no other places of business which are located in other counties or states.

3.11. Name. The Mortgagor has never operated under or used any other name or trade name in its business and operations, other than the tradename of "Storage USA."

3.12. Title to Collateral. The Mortgagor owns the Collateral subject only to the Permitted Liens.

3.13. Broker's Commission. The Mortgagor has not made any agreement or taken any action which may cause anyone to become entitled to a commission or finder's fee as a result of the making of the Loan.

3.14. Non-existence of Defaults. The Mortgagor is not in default, nor shall the passing of time or the giving of notice result in the occurrence of a default with respect to any of its existing Indebtedness.

3.15. Regulation "U". The Mortgagor neither owns nor presently intends to acquire any "margin stock" as defined in 12 CFR Part 221 (Regulation "U") of the Board of Governors of the Federal Reserve System, and none of the sums to be advanced pursuant to the Loan provided for herein shall be used, directly or indirectly, for the purpose of acquiring or maintaining any "margin stock" or retiring any existing obligation that was incurred to purchase or maintain any "margin stock."

3.16. Leases in Good Standing. The Mortgagor enjoys peaceful and undisturbed possession under all Leases under which it is now operating, and all said Leases are valid, subsisting and in full force and effect and the Mortgagor is not in violation of any material term of any such Lease. Each such Lease contains terms acceptable to the Mortgagor.

3.17. Patents, Trademarks, Etc. The Mortgagor owns, possesses, or has the right to use all necessary patents, patent rights, licenses, trademarks, trademark rights, trade names, trade name rights and copyrights to conduct its business as now conducted, without known conflict with any patent, patent right, license, trademark, trademark right, trade name, trade name right or copyright of any other Person or entity.

3.18. Labor Matters. There are no strikes or other labor disputes involving or against the Mortgagor pending, or to the Mortgagor's knowledge, threatened against the Mortgagor. Hours worked by and payments made to employees of the Mortgagor, have not been in violation of the Fair Labor Standards Act or any other law dealing with such matters in any material respects. For the purpose of this subsection, "material respects" means that there are no violations which expose the Mortgagor to penalties, fines, damages or liabilities which in the aggregate exceed Five Thousand Dollars (\$5,000).

3.19. Public Utilities. The Mortgagor has not received any notification that any Public Utility, the receivables of which are or are requested to be part of the basis for an advance under the Loan, is the subject of any federal or state insolvency proceedings.

3.20. No Labor Agreements. The Mortgagor is not subject to any collective bargaining agreement or any agreement, contract, decree or order requiring it to recognize, deal with or employ any Persons organized as a collective bargaining unit or other form of organized labor.

3.21. Franchises. The Mortgagor possesses all franchises, approvals, contracts, merchandising agreements and merchandising contracts necessary for it lawfully to conduct its business and operation.

3.22. Debt. The Mortgagor has no credit agreements, indentures, purchase agreements, guaranties, capital leases, or other investments, agreements, and arrangements presently in effect providing for or relating to extensions of credit (including agreements and arrangements for the issuance of letters of credit or for acceptance financing) in respect of which the Mortgagor or any Subsidiary of the Mortgagor is in any manner directly or contingently obligated.

3.23. Solvency. The Mortgagor will be solvent both before and after the Closing Date, after giving full effect to the Loan and all of the Mortgagor's Indebtedness. The Mortgagor knows of no reason which is likely to cause it to be unable to maintain such Solvent financial condition, giving full effect to the Obligations, as long as any of the Obligations remain unsatisfied. The Mortgagor has sufficient capital to carry on its business and transactions as now conducted and as planned in the future.

3.24. No Hazardous Substances. To the best of the Mortgagor's knowledge and belief, the Property has never been and is not being used to make, store, handle, treat, dispose of, generate, or transport Hazardous Substances in violation of any applicable law. To the best of the Mortgagor's knowledge and belief, there has not been a Release of Hazardous Substances on, from, or near the Property. The Mortgagor has never received any notification, citation, complaint, violation, or notice of any kind from any Person relating or pertaining to the making,

storing, handling, treating, disposing, generating, transporting, or Release of Hazardous Substances.

3.25. Fair Labor Standards Act. The Mortgagor has complied and shall comply in all material respects with the Fair Labor Standards Act of 1938, as amended.

3.26. Ownership. The outstanding member interests of the Mortgagor are duly authorized, validly issued, fully paid and nonassessable. There are no warrant agreements, option agreements, or member agreements relating or pertaining to the member interests of the Mortgagor.

3.27. Purpose. The Mortgagor represents and warrants that the Loan evidenced and secured by the Loan Documents is a "commercial loan" as defined in the Commercial Law Article of the Annotated Code of Maryland and is a qualified project under the Program.

3.28. Tax Assessment. The Property is assessed for purposes of Taxes as a separate and distinct parcel from any other real property so that the Property shall never become subject to the lien of any Taxes levied or assessed against any real property other than the Property and Improvements described in this Mortgage.

3.29. Compliance with Environmental Requirements. The Mortgagor represents and warrants that the Mortgagor has not done or caused anything to be done to the Security which would cause the Security to be in violation of or in non-compliance with the Environmental Requirements. The Mortgagor further represents and warrants that the Security is in compliance with and does not violate any Environmental Requirements.

ARTICLE IV

COVENANTS AND AGREEMENTS

4.01. Payment of Indebtedness and Performance. The Mortgagor will punctually pay to the Mortgagee the principal of and interest on the Note according to the terms of the Note and all other Indebtedness secured hereby as the same shall become due, and shall punctually keep and perform each and every term, provision, covenant and agreement contained in the Loan Documents.

4.02. Indemnification. The Mortgagor will pay all expenses and charges, legal or otherwise (including all court costs and reasonable attorneys' fees and expenses) paid or incurred by the Mortgagee in reliance upon this Mortgage, in realizing upon any of the obligations hereby secured or in enforcing this Mortgage or any agreement or covenant referred to herein, and in each of the other Loan Documents. The Mortgagor further agrees to indemnify and hold harmless the Mortgagee from any loss (including reasonable attorneys' fees) resulting from any default by the Mortgagor under the terms of this Mortgage.

4.03. Insurance. The Mortgagor shall, at all times during the term of the Loan and at the Mortgagor's sole costs and expense, maintain or cause to be maintained, insurance coverage in accordance with the customary insurance practices of businesses similar to the business which is carried on by the Mortgagor, but in all events at least to the following extent:

(a) A builder's risk insurance policy in the full amount of the Project and permanent fire and extended coverage insurance for any existing improvements on the Property, which policy shall, upon completion of the Project, automatically convert to a standard hazard insurance policy with fire and extended coverage, including vandalism and malicious mischief. Such policy must contain an endorsement naming the Mortgagee as mortgagee and, at the Mortgagee's election, loss payee.

(b) The commercial general public liability and property damage insurance for both the Mortgagor and the Mortgagor's general contractor. The Mortgagee may, at its sole discretion, request proof of liability insurance.

(c) Worker's compensation insurance for the Mortgagor's general contractor with coverage limits as required by applicable laws.

(d) If the Property is located in a special flood and/or mud hazard area, the Mortgagee may elect, at its sole option, to terminate this Agreement. If the Mortgagee elects to proceed with this Agreement, the Mortgagee shall be provided with a flood insurance policy or binder naming the Mortgagee as mortgagee and, at its election, loss payee.

(e) Such other and further insurance as may be reasonably required from time to time by the Mortgagee. Upon completion of the Project, the Mortgagee shall also be furnished with a satisfactory insurance against casualty to the Property.

(f) All policies issued pursuant to any of the requirements in this Section shall be issued in form, content and amount, and by companies acceptable to the Mortgagee and shall indicate the Mortgagee's interest as first secured party, additional insured and additional loss payee and shall provide that such policy will not be canceled or non-renewed without thirty (30) days' prior written notice to the Mortgagee. In addition, evidence of premium payment for each policy must be provided at Closing.

(g) Notwithstanding anything herein to the contrary, the limits of liability insurance maintained by the Mortgagor as required above must never be less than One Million Dollars (\$1,000,000) per occurrence and not less than Two Million Dollars (\$2,000,000) as the combined limit of liability in any given policy year.

4.04. Taxes. (a) Subject to the provisions of the next succeeding sentence, the Mortgagor will promptly pay in full and discharge before delinquency and before any penalty for non-payment attaches thereto all Taxes whether such Taxes be levied directly or indirectly or as excise taxes or as income taxes. The Mortgagor shall be permitted to contest any such Taxes provided that Mortgagor first (a) delivers written notice of the Mortgagor's intent to so contest and (b) provides the Mortgagee with a surety or other security to the satisfaction of the Mortgagee. Upon payment of the Taxes, the Mortgagor will exhibit to the Mortgagee, upon demand, the receipted bills therefor, prior to the day upon which the same shall become delinquent. If the Mortgagor fails to pay the Taxes at the times or in the manner provided in this Section, the Mortgagee may, at its option, pay such Taxes, and the Mortgagor shall pay to the Mortgagee the amount of any Taxes so paid, with interest thereon, as provided herein.

At the election of the Mortgagee, the Mortgagor shall pay to the Mortgagee or its designee monthly in advance one-twelfth (1/12) of the estimated insurance premiums required to be paid pursuant to this Mortgage and Taxes required to be paid pursuant to this section, which moneys

shall be held in an escrow reserve by the Mortgagee or as designated by the Mortgagee for the purpose of paying such amounts when due.

(b) In the event of the passage of any Federal, State, municipal or other governmental law, order, rule or regulation, subsequent to the date hereof, in any manner changing or modifying the laws now in force governing the taxation of deeds of trust or debts secured by deeds of trust or the manner of collecting any such taxes so as to adversely affect the Mortgagee (including, without limitation, a requirement that additional internal revenue stamps be affixed to the Note or to this Mortgage), the Mortgagor will promptly pay any such tax. If the Mortgagor fails to make such prompt payment, or if any such Federal, State, municipal or other governmental law, order, rule or regulation prohibits the Mortgagor from making such payment or would penalize the Mortgagee if the Mortgagor makes such payment, then the entire unpaid balance of the Principal Sum secured by this Mortgage and all unpaid interest accrued thereon shall, without notice, immediately become due and payable at the option of the Mortgagee. In no event, however, shall any income taxes of the Mortgagee or franchise taxes of the Mortgagee measured by income, or taxes in lieu of such income taxes or franchise taxes, be required to be paid by the Mortgagor.

4.05. Maintenance and Repair of the Property. The Mortgagor, at the Mortgagor's sole expense, will (a) keep and maintain the Security and each part thereof in good condition, working order and repair, and (b) make all necessary or appropriate repairs, replacements and renewals to the Security so that each part of the Security shall at all times, be in good condition, fit and proper for the respective purposes for which they were originally intended, erected, or installed. To the extent that Awards are made available to the Mortgagor, the Mortgagor will promptly repair, restore, replace, or rebuild any part of the Security which may be damaged or destroyed by any casualty whatsoever or which may be affected by any taking by eminent domain or alteration of the Security or any part thereof by public or quasi-public authority or corporation.

4.06. Removal, etc. of Equipment and Improvements. No Improvements or Equipment now or hereafter covered by the lien and security interest of this Mortgage shall be removed, demolished or materially altered, without the prior written consent of the Mortgagee, except that the Mortgagor shall have the right, without such consent, to remove and dispose of, free from the lien and security interest of this Mortgage, such Equipment as from time to time may become worn out or obsolete, provided that either (a) simultaneously with or prior to such removal any such Equipment is replaced with other Equipment of value at least equal to that of the replaced Equipment and free from the lien or security interest of any title retention or security agreement or other encumbrance, and by such removal and replacement the Mortgagor shall be deemed to have subjected such replacement Equipment to the lien and security interest of this Mortgage, or (b) such Equipment is sold at fair market value for cash and the net cash proceeds received from such disposition are paid over promptly to the Mortgagee to be applied to the payment of the Indebtedness in the manner and order determined by the Mortgagee.

4.07. Other Liens. At all times the Mortgagor will keep the Security free from all liens, mortgages, security interests, encumbrances and claims of every kind and nature (other than Permitted Liens). The Mortgagor shall give the Mortgagee notice of any default in any permitted junior or subordinated lien, mortgage, security interest or encumbrance on the Security and notice of any foreclosure or threat of foreclosure of such permitted junior or subordinated lien, mortgage, security interest or encumbrance.

4.08. Compliance with Laws. The Mortgagor will comply with and not violate, or cause to be complied with and not violated, all present and future laws, statutes, ordinances, rules,

regulations, decrees and orders of any governmental or other authority or regulatory body relating to the Security or any part thereof or to the use and operation of the Security or any part thereof.

4.09. Inspection. The Mortgagor will permit the Mortgagee or its agents to enter upon the Property and make inspections of the Security or any part thereof at all reasonable times and as often as may be reasonably requested by the Mortgagee.

4.10. Transfer of Security. Without the prior written consent of the Mortgagee and except as otherwise provided in this Mortgage, the Mortgagor will not transfer sell, lease, convey, assign, transfer or in any manner dispose of all or any part of the Security.

4.11. Restrictive Covenants, Zoning, etc. Without the prior written consent of the Mortgagee, the Mortgagor will not initiate, join in, or consent to any change in, any restrictive covenant, easement, zoning ordinance, or other public or private restrictions, limiting or defining the uses which may be made of the Property or any part thereof. The Mortgagor will promptly perform and observe, or cause to be performed and observed, all of the terms, covenants and conditions of all instruments of record affecting the Property, non-compliance with which may affect the security of this Mortgage, or which may impose any duty or obligation upon the Mortgagor or any Lessee or other occupant of the Property, or any part thereof, and the Mortgagor shall do or cause to be done all things necessary to preserve intact and unimpaired any and all easements, appurtenances and other interests and rights in favor of, or constituting any portion of, the Property.

4.12. Management. The Mortgagor at all times shall provide competent and responsible management and operation of the Property. Any management contract or contracts involving the Property, or any part thereof, must be approved in writing by the Mortgagee prior to the execution of the same, shall be collaterally assigned to the Mortgagee and shall require the management agent to accept such assignment.

4.13. Books and Records. (a) The Mortgagor will keep and maintain full and accurate records and books administered in accordance with G.A.A.P., consistently applied, showing in detail the earnings and expenses of the Property and the operation thereof, and shall permit the Mortgagee or any Person or Persons authorized by the Mortgagee to inspect and examine such records and books and all supporting vouchers and data and to make copies and extracts therefrom or thereof at all reasonable times and as often as may be reasonably requested by the Mortgagee at the offices of the Mortgagor, or at the office of such other Person keeping and maintaining such books and records in the County of Shelby, Alabama, or at some other location as may be mutually agreed upon.

(b) The Mortgagor will furnish to the Mortgagee, such financial statements and other financial data of the Mortgagor required to be delivered to the Mortgagee as provided herein. At the same time, the Mortgagor will furnish to the Mortgagee similar financial statements, prepared as aforesaid, for each guarantor of the Note.

4.14. Condemnation or Casualty-General Provisions. The Mortgagee is hereby authorized, at its option, to commence, appear in and prosecute, in its own or the Mortgagor's name, any action or proceeding relating to any condemnation, taking or casualty to the Security, and to settle or compromise any claim in connection therewith. Provided the Mortgagor is not in default hereunder, the Mortgagee shall not settle or compromise any claim in connection with any damage or taking through condemnation without the prior written consent of the Mortgagor, which consent shall not be unreasonably withheld. No settlement for the damages sustained thereby shall be made

by the Mortgagor without the Mortgagee's prior written approval thereof. Notwithstanding any taking by eminent domain, alteration of the grade of any street or injury or other casualty to or decrease in value of the Security, the Mortgagor will continue to pay the Indebtedness as and when the same shall become due and payable, and any reduction in the Principal Sum resulting from the application by the Mortgagee of the Awards shall be deemed to take effect only on the date of such receipt and application in accordance with the provisions of this Section. The Net Proceeds from all or any part of any Awards so received by the Mortgagee shall be applied as set forth herein, provided that (i) the Mortgagee shall not be obligated to see to the application of any of Net Proceeds paid over to the Mortgagor, and (ii) the Net Proceeds so paid over shall not be deemed a payment on any of the Indebtedness secured hereby. If, prior to the receipt by the Mortgagee of such Award, the Security or any part thereof shall have been sold pursuant to the default provisions of this Mortgage, the Mortgagee shall have the right to receive such Award to the extent of any deficiency found to be due upon such sale, with legal interest thereon, whether or not a deficiency judgment on this Mortgage shall have been sought or recovered or denied, and of the counsel fees, costs and disbursements incurred by the Mortgagee in connection with the collection of such Award. The Mortgagor agrees to execute and deliver, from time to time, upon the request of the Mortgagee, such further instruments or documents as may be requested by the Mortgagee to confirm the grant and assignment to the Mortgagee of any such Award.

4.15. Damage and Destruction; Condemnation; Application of Net Proceeds. Provided any event giving rise to the applicability of this Section 4.15 does not occur in the last two (2) years of the loan term, if, at any time prior to the repayment in full of all of the Indebtedness, (a) the Security or any part thereof is damaged by fire or other casualty, or (b) title to, or the use of, the Security or any part thereof, or the interest of the Mortgagor in the Security or any part thereof, shall be taken or altered under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority, either temporarily or permanently, the Mortgagor shall be obligated to continue to pay the Indebtedness in the manner provided herein, and the Net Proceeds resulting from any event described in this Section shall be used for restoration of the Project or reduction of the loan balance, at the Mortgagee's sole option; provided, however, that the Mortgagee will permit the Mortgagor to use all or a portion of Net Proceeds for the purpose of repairing, restoring, renovating or replacing the Property in the event that: (1) no Event of Default shall have occurred and be continuing at the time of casualty loss under the Mortgage or any of the other Loan Documents; (2) no Event of Default under the Mortgage or any of the other Loan Documents shall occur during the course of such repair, restoration, renovation or replacement; (3) the amount of the Net Proceeds and any separate funds to be contributed by the Mortgagor are sufficient in the Mortgagee's sole opinion, to effect such repair, restoration, renovation or replacement in a satisfactory manner; (4) the Mortgagor submits to the Mortgagee an acceptable construction budget and construction schedule for the repair, restoration, renovation or replacement indicating that such repair, restoration, renovation or replacement can be accomplished within the time and cost restrictions shown on the construction budget and construction schedule; (5) the funds which are used to effect such repair, restoration, renovation or replacement (whether in the form of Net Proceeds or an equity contribution by the Mortgagor) are held and disbursed by the Mortgagee over the term of the construction schedule, upon terms and in accordance with procedures satisfactory to the Mortgagee; (6) the repair, restoration, renovation or replacement shall be undertaken and under the supervision of an architect or engineer acceptable to the Mortgagee; (7) the Mortgagor shall obtain payment and performance bonds required by the Mortgagee; (8) the repair, restoration, renovation or replacement must commence and must be completed by dates specified by the Mortgagee; and (9) the construction and disbursement is subject to such other reasonable controls as the Mortgagee may require. If, after completion of the improvements contemplated hereby, additional money from Net Proceeds exists, then such additional money shall be used to reduce the balance of the Loan.

The Mortgagor expressly waives any right or privilege now granted or created under the provisions of any of the real property laws of the State or any similar law, rule or regulation now or hereafter in effect relating to the condemnation of the Property or the damage or destruction of the Property from any cause and agrees that the foregoing provisions of this Section shall govern in lieu thereof.

All Net Proceeds received by any Person shall be held in trust by the recipient thereof to be applied in accordance with the terms of this Section. In the event the Net Proceeds are not sufficient to pay in full the costs of repairing, rebuilding, altering and restoring the Security or acquiring additional property, as provided in this Section, the Mortgagor will nonetheless complete the work or acquisition thereof and pay that portion of the costs thereof in excess of the amount of such Net Proceeds. The Mortgagor shall not, by reason of the payment of such excess costs (whether by direct payment thereof or payment to the Mortgagee therefor) be entitled to any reimbursement from the Mortgagee or to any abatement or diminution of the payments payable hereunder.

4.16. Additional Improvements. The Mortgagor will not construct any additional improvements on the Property without the prior written consent of the Mortgagee. The Mortgagor will complete and pay for, within a reasonable time, any permitted structure at any time in the process of construction on the Property. The Mortgagor will construct and erect any permitted improvements on any part of the Property (a) strictly in accordance with all applicable ordinances and statutes and in accordance with the requirements of all regulatory authorities having jurisdiction, (b) entirely on lots or parcels of the Property, (c) so as not to encroach upon any easement or right of way or upon the Property of others, (d) wholly within the building restriction lines however established, and (e) so as not to violate use and other restrictions contained in prior conveyances, zoning ordinances or restrictions.

4.17. Leases. (a) The Mortgagor will carry out all of its covenants and agreements under all Leases which it has executed or may hereafter execute in connection with the Security, or any portion thereof. The Mortgagor will not enter into any Master Lease or a Lease for substantially all of the Property without the written consent of the Mortgagee. At any time within thirty (30) days after notice and demand by the Mortgagee, the Mortgagor will deliver to the Mortgagee a written statement in such reasonable detail as the Mortgagee may request, certified by the Mortgagor, of all of the Leases relating to the Security or any part thereof, including the names of all Lessees, the terms of all Leases and the rentals payable under all Leases, and, on demand, the Mortgagor will furnish to the Mortgagee executed counterparts of any such Leases. If any of such Leases provide for the giving by the Lessee of certificates with respect to the status of such Leases, the Mortgagor shall exercise its right to require such certificates within ten (10) days after any request therefor by the Mortgagee.

(b) The Mortgagor hereby grants, assigns, transfers and sets over unto the Mortgagee, all of Mortgagor's right, title and interest in and to any Leases, or any portion thereof, now or hereinafter entered into, together with all of the rents, royalties, issues, profits, revenues, income and other benefits of the Security including, without limitation, any security deposits thereunder or guaranties to secure performance by the Lessees of their obligations thereunder, whether such security deposits are to be held until the expiration of the terms of such Leases or applied to one or more installments of rent coming due immediately prior to the expiration of such terms; reserving in the Mortgagor a license to collect and receive the same until there is a default under this Mortgage.

(c) So long as there shall exist no default under this Mortgage, the Mortgagor shall have a license, terminable by the Mortgagee upon the occurrence of a default hereunder, to collect upon, but not prior to accrual, the rents under the Leases, such rents to be held in trust for the Mortgagee. Each month, upon the Mortgagor's compliance with all of its obligations required under the Loan Documents, the Mortgagor may retain such rents as were collected that month and held in trust for the Mortgagee. Upon the occurrence of a default hereunder, the license granted to the Mortgagor shall be automatically and immediately revoked without any requirement of notice. Upon revocation of such license and following notification to the Lessees under such Leases by the Mortgagee that rents are to be paid to the Mortgagee, all rents shall be paid directly to the Mortgagee and not through the Mortgagor, it being understood that a demand by the Mortgagee on any Lessee under such Leases for the payment of rent following any default claimed by the Mortgagee shall be sufficient to warrant such Lessee making future payments of rent to the Mortgagee without the necessity of further consent by the Mortgagor.

(d) The Mortgagor will, at its sole cost and expense, use its best efforts to enforce or secure, or cause to be enforced or secured, the performance of each and every obligation and undertaking of the respective Lessees under any Leases, or any portion thereof, and will appear in and defend, at its sole cost and expense, any action or proceeding arising under or in any manner connected with such Leases or the obligations and undertakings of any Lessee thereunder.

(e) The Mortgagor will not further assign the whole or any part of the rents, income or profits arising from the Security or any part thereof without the prior written consent of the Mortgagee, and any assignment thereof without such consent shall be null and void.

(f) The Mortgagor will not, without the prior written consent of the Mortgagee, (i) cancel, terminate, accept a surrender of, reduce the payment of rent under, or accept any prepayment of rent (other than is customary) under, any present or future Lease, (ii) lease all or any part of the Security except upon lease forms which shall have been approved by the Mortgagee, or (iii) permit a lien or encumbrance on the Security or any part thereof superior to any such Lease other than this Mortgage.

(g) If the Mortgagor has leased or shall hereafter lease the Security or any part thereof by Lease or Leases, any such Lease or Leases shall be subject to the condition that in the event of any sale of the Security, or any part thereof, pursuant to the default provisions of this Mortgage, such Lease or Leases shall, at the sole option of Mortgagee, continue in full force and effect, and the Lessees thereunder will, upon request, attorn to and acknowledge in writing the purchaser or purchasers at such sale or sales as landlord or lessor thereunder, unless the Mortgagee or such purchaser or purchasers shall, at or prior to the time of such sale or sales or within sixty (60) days thereafter, notify the Lessees, in writing, to vacate and surrender the leased premises within ninety (90) days from the date of such sale or sales, in the event of which notice any such Lease or Leases shall fully terminate and expire at the end of such period of ninety (90) days from and after the date of such sale or sales; provided, however, that any such purchaser or purchasers shall not be bound by any payment of rent in advance or any amendment or modification of the Lease made without the prior written consent of the Mortgagee and such purchaser or purchasers.

(h) The Mortgagee shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by the Mortgagor under any Lease or Leases for all or any part of the Security, and the Mortgagor shall indemnify the Mortgagee for, and save it harmless from, any and all liability arising from any such Lease or Leases, or from any assignment thereof, and any such assignment shall not place the responsibility for the control, care, management or repair of the Security or any part thereof upon the Mortgagee, nor make the

Mortgagee liable for any negligence in the management, operation, upkeep, repair or control of the Security or any part thereof resulting in loss or injury or death to any Lessee, agent or stranger.

4.18. Use of Loan Proceeds. The proceeds of the Note advanced to the Mortgagor shall be employed and used by the Mortgagor solely for the purposes set forth herein.

4.19. Estoppel Certificates. Within ten (10) days after any request by the Mortgagee or a proposed assignee or purchaser of the Note, the Mortgagor shall certify, by a written statement, to the Mortgagee or to any proposed assignee or purchaser of the Note, the then unpaid balance of the Indebtedness (including but not limited to the unpaid balance of the Principal Sum with interest accrued but unpaid) and the existence of any offsets or defenses which exist against the Indebtedness secured hereby.

4.20. Additions to Security. All right, title and interest of the Mortgagor in and to all extensions, renewals and replacements of, and all substitutions for, and all improvements, accessions, additions, appurtenances and betterments to the Security, hereinafter acquired by or released to the Mortgagor, or constructed, assembled or placed by the Mortgagor on the Property, and all proceeds (cash and non-cash), products and conversions of the Security immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further Mortgage, conveyance, assignment or other act by the Mortgagor, shall become subject to the lien of this Mortgage as fully and completely, and with the same effect, as though now owned by the Mortgagor and specifically described in the granting clauses hereof, but at any and all times the Mortgagor will execute and deliver to the Mortgagee any and all such further assurances, deeds of trust, conveyances or assignments thereof as the Mortgagee may require for the purpose of expressly and specifically subjecting the same to the lien of this Mortgage.

4.21. Subrogation. To the extent permitted by law, the Mortgagee shall be subrogated, notwithstanding their release of record, to any mechanic's or vendor's lien or liens, superior titles, mortgages, deeds of trust, liens, encumbrances, rights, equities, and charges of all kinds heretofore or hereafter existing on the Security to the extent that the same are paid or discharged by the Mortgagee whether or not from the proceeds of the Note; provided, however, this Section shall not be deemed or construed to obligate the Mortgagee to pay or discharge the same.

4.22. Security Agreement. This Mortgage creates, and the Mortgagor hereby grants to the Mortgagee, a security interest in the Equipment and other Security to the extent the same is not real property or is subject to the U.C.C., and this Mortgage constitutes a security agreement from the Mortgagor to the Mortgagee under the U.C.C. with respect to the same. The Mortgagor hereby agrees to execute and deliver on demand, and hereby irrevocably constitutes and appoints the Mortgagee the attorney-in-fact of the Mortgagor, to execute, deliver and, if appropriate, to file with the appropriate filing office or offices, such financing statements or other instruments as the Mortgagee may request or require in order to perfect the security interest granted hereby or to continue the effectiveness of the same.

4.23. Right to Perform. If the Mortgagor shall fail to make any payment or perform, observe, or comply with any of the conditions and covenants herein contained, the Mortgagee, without notice to or demand upon the Mortgagor, and without waiving or releasing any obligation or default, may (but shall be under no obligation to) at any time thereafter make such payment or perform such act for the account and at the expense of the Mortgagor, and may enter upon the Property or any part thereof for that purpose and take all such action thereon as the Mortgagee may consider necessary or appropriate for such purpose. All such sums so paid or advanced by the

Mortgagee and all costs and expenses (including, without limitation, attorneys' fees and expenses) so incurred, together with interest thereon, shall be repaid by the Mortgagor to the Mortgagee as provided herein.

4.24. Utilities. The Mortgagor shall pay when due all utility charges, if any, which are incurred for the benefit of the Security or which may become a charge or lien against the Property for gas, electricity, water or sewer services furnished to the Property and all other assessments or charges of a similar nature, whether public or private, affecting the Security or any portion thereof, whether or not such taxes, assessments or charges are liens thereon.

4.25. Survival of Warranties. The Mortgagor shall fully and faithfully satisfy and perform the Obligations, and each agreement of the Mortgagor incorporated by reference therein or herein, and any modification or amendment thereof. All representations, warranties and covenants of the Mortgagor contained in the Loan Documents or incorporated therein or herein by reference shall survive the Closing Date and shall remain continuing obligations, warranties and representations of the Mortgagor during any time when any portion of the Obligations secured by this Mortgage remains outstanding.

4.26. Trade Names. At the request of the Mortgagee, the Mortgagor shall execute a certificate in form satisfactory to the Mortgagee listing the trade names which Mortgagor intends to use in connection with the Security, and representing and warranting that the Mortgagor does business under no other trade names with respect to the Security. The Mortgagor shall immediately notify the Mortgagee in writing of any change in such trade names; and will, upon request of the Mortgagee, execute any additional financing statements and other certificates revised to reflect the change in trade names.

4.27. Environmental Requirements. In reliance on the Phase One Environmental Report by Professional Service Industries, Inc. conducted prior to the date hereof, the Mortgagor hereby represents and warrants to the Mortgagee that the Security (including the Property, surface soil, subsurface strata, surface water, drinking water supply, ground water, and any improvement thereon including, but not limited to, any facility, building, structure, installation, equipment, pipe or pipeline, well, pit, pond, lagoon, ditch or impoundment) is free and clear of waste or debris and of any contamination from Hazardous Materials (collectively, the "Environmental Requirements"). The Mortgagor further covenants and warrants that the Mortgagor will not place or permit, nor cause or suffer to be placed or permitted, any Hazardous Materials on or about the Property at any time while the Mortgagee has any interest in the Security by virtue of this Mortgage. The Mortgagor shall indemnify and save harmless the Mortgagee for all claims, causes of action, damages, costs and expenses of any nature whatsoever arising out of or resulting from the existence or alleged existence of Hazardous Materials attributable to the operations of the Mortgagor. The Mortgagor further covenants and agrees that, if at any time it is determined that there are Hazardous Materials, the existence of which is attributable to the operations of the Mortgagor which require their collection, storage, treatment or disposal to be conducted or maintained in a specific or particular manner, the Mortgagor agrees to take or cause to be taken, at its sole expense, such actions as may be necessary to comply with Federal, State, local or municipal requirements for the collection, storage, treatment or disposal of all Hazardous Materials. If the Mortgagor fails to take such action, the Mortgagee may make advances or payments toward performance or satisfaction of the same, but shall be under no obligation to do so; and all sums so advanced or paid, including all sums advanced or paid in connection with any judicial or administrative investigation or proceeding relating thereto, including without limitation, all attorneys' fees, fines or other penalties, shall be at once repayable by the Mortgagor and shall bear interest at the Default Rate of Interest, from the date the same shall become due and payable until the date paid, and all sums so advanced or paid,

with interest aforesaid, shall become a part of the Obligations of the Mortgagor pursuant to this Mortgage.

4.28. Financial Statements and Reports. The Mortgagor shall furnish to the Mortgagee:

(a) Within ninety (90) days of the end of each fiscal year of the Mortgagor, audited financial statements, accompanied by an unqualified audit opinion. In addition, the Mortgagor agrees that it shall promptly furnish to the Mortgagee such additional reports and information deemed appropriate by the Mortgagee in its review of the financial condition of the Mortgagor, including unconsolidated figures and information on the Mortgagor. The Mortgagee may, at any time and in its sole discretion, obtain an audit of the Mortgagor's Accounts performed by an independent public accountant selected by the Mortgagee, at the Mortgagor's cost and expense.

(b) Such additional information, reports or statements as the Mortgagee may from time to time reasonably request, including, but not limited to, such cash flow projections and financial statements of the Mortgagor which the Mortgagee may request in its sole and absolute discretion.

(c) If requested by the Mortgagee, contemporaneously with each year-end financial report required to be provided by Paragraph (a) above, a certificate signed by an appropriate authorized representative of the Mortgagor stating that the signer has individually reviewed the provisions of this Mortgage and that a review of the activities of the Mortgagor during such year has been made by or under the supervision of the signer of such certificate with a view to determining whether the Mortgagor has observed, and performed all of the Obligations under this Mortgage and that the Mortgagor is not at the time in default in the observance or performance of any of the terms and conditions hereof or, if the Mortgagor shall be so in default, specifying all such defaults and events of which the signer may have knowledge.

4.29. Notice of Existence of Default. The Mortgagor shall promptly advise the Mortgagee of the existence of any condition or event, or the expected existence of any condition or event, which is or which will be with the passage of time or the giving of notice, an Event of Default under this Mortgage or any of the Loan Documents.

4.30. Further Assurances. The Mortgagor agrees to execute such other and further documents, including without limitation, promissory notes, security agreements, agreements, financing statements, continuation statements, and similar instruments as may from time to time, in the sole opinion of the Mortgagee or the Mortgagee's counsel, be necessary, proper or convenient, to perfect, confirm, establish, re-establish, continue or complete the security interest in the Collateral and the purposes and intentions of this Mortgage, it being the intention of the Mortgagor to hereby provide a full and absolute warranty of further assurance to the Mortgagee. In the event the Mortgagor shall fail for any reason to execute, within ten (10) days of the Mortgagee's demand, any document of the aforementioned type which the Mortgagee requests the Mortgagor to execute, the Mortgagor shall and hereby irrevocably and automatically appoints the Mortgagee as the Mortgagor's attorney-in-fact to execute such document in the Mortgagor's name, place and stead and on the Mortgagor's behalf, and such power of attorney shall constitute a power of attorney coupled with an interest and shall be irrevocable unless and until the subject document is fully and effectively executed.

4.31. Advancements. If the Mortgagor shall fail to perform any of the affirmative covenants contained in this Article or to protect or preserve its assets and properties, or if the Mortgagor shall fail to protect or preserve the Collateral or the status and priority of the security interest of the Mortgagee in the Collateral, the Mortgagee may, if the Mortgagor fails to make payments required to be made pursuant to any such covenants or to protect or preserve such assets or properties, make advances to perform the same on behalf of the Mortgagor or to protect or preserve the assets and properties of the Mortgagor or to protect and preserve the Collateral or the status and priority of the security interest of the Mortgagee in the Collateral, and all sums so advanced shall immediately upon advancement become secured by the security interest created by this Mortgage, and the terms and provisions of this Mortgage and all of the Loan Documents. The Mortgagor shall repay on demand all sums so advanced on the Mortgagor's behalf, plus any expenses or costs incurred by the Mortgagee, including attorneys' fees, with interest thereon at the Default Rate of Interest. The provisions of this Section shall not be construed to prevent the institution of the rights and remedies of the Mortgagee upon the occurrence of an Event of Default by the Mortgagor. Notwithstanding anything in this Section to the contrary, the authorization contained in this Section shall impose no duty or obligation on the Mortgagee to perform any action or to make any advancement on behalf of the Mortgagor and is for the sole benefit and protection of the Mortgagee.

4.32. Fair Labor Standards Act. The Mortgagor shall comply in all material respects with the Fair Labor Standards Act of 1938, as amended.

4.33. Outparcels; Partial Release. The Mortgagor acknowledges and agrees that the Property is comprised of two separate outparcels (the "Outparcels.") Upon the closing of the sale of either of the two Outparcels, Mortgagor shall reduce the outstanding principal balance under the Note by the greater of (a) One Hundred Percent (100%) of the sale price of such Outparcel, or (b) Three Hundred Nineteen Thousand Seven Hundred Thirty-Two Dollars (\$319,732). Mortgagee agrees that upon receipt of the payment(s) described above, it shall deliver a partial release for the applicable Outparcel or a full release of this Mortgage, as the case may be.

ARTICLE V

NEGATIVE COVENANTS

The Mortgagor covenants and agrees that, during the term of the Loan and until all of the Obligations have been fully performed to the satisfaction of the Mortgagee, it will not do or permit to be done or to cause to occur any of the acts or happenings set forth below without the prior written consent of the Mortgagee.

5.01. Merger, Etc. Neither the Mortgagor nor any of its members shall enter into any merger, consolidation, member interest exchange, reorganization or recapitalization. If changes occur in the ownership of Storage USA Franchise Corp. without the prior written consent of the Mortgagee no event of default shall occur. If changes in the ownership of SING Ltd., Co. are proposed, no default shall exist provided that immediately after the change in ownership, and at all times that the Loan is outstanding and the Obligations are not completely fulfilled, WLW Corporation shall be the manager of SING Ltd., Co. and Webb L. Wallace shall be the controlling stockholder and president of WLW Corporation.

5.02. Sale or Transfer of Assets. Except as otherwise provided herein, the Mortgagor shall not sell, transfer, lease or otherwise dispose of all or (except in the ordinary course of business for adequate consideration) any material portion of its assets. For purposes of this Section, a sale, transfer, lease or other disposition shall be material if it amounts to more than Five Thousand Dollars (\$5,000) when aggregated with all previous sales, transfers, leases and dispositions made by the Mortgagor after the date of this Mortgage.

5.03. Encumbrance of Assets. The Mortgagor shall not mortgage, pledge, assign, grant or permit to exist any liens, claims, encumbrances or security interests in or upon the Property or the Storage Parcel except for Permitted Liens.

5.04. Guaranties. The Mortgagor shall not become liable, directly or indirectly, as guarantor or otherwise, for any obligation, as to the Property or the Storage Parcel.

5.05. Indebtedness. The Mortgagor shall not incur, create, assume or permit to exist any indebtedness to any financial institution other than the Mortgagee, as to the Property or the Storage Parcel.

5.06. Investments and Loans. The Mortgagor shall not form any subsidiary or make any investment in or make any loan in the nature of any investment to any Person except as permitted by this Mortgage. The Mortgagor shall not become a general partner, limited partner or member of any Person.

5.07. Assignment of this Mortgage. The Mortgagor shall not assign or attempt to assign this Mortgage to any Person.

5.08. No Alteration of Structure or Operations. The Mortgagor shall not amend or change materially its capital structure or its line or scope of business, nor shall it engage in business ventures other than those in which it is presently engaged.

ARTICLE VI

CONDITIONS PRECEDENT TO THE OBLIGATIONS

The Mortgagee shall not be obligated to make any disbursements to the Mortgagor of the Loan Proceeds until it shall have received all of the items or documents referred to in this Article and until the following conditions precedent shall have been fully met and complied with in all respects.

6.01. No Event of Default. No Event of Default shall have occurred hereunder and all representations and warranties set forth herein shall be true and correct.

6.02. Loan Documents. The Loan Documents shall have been duly executed, acknowledged (where required), delivered and recorded (where required), including, but not limited to, landlord waivers acceptable to the Mortgagee from all landlords leasing any property to the Mortgagor.

6.03. Legal Matters. All legal matters incidental to the making of the Loan shall be satisfactory in all respects to the Mortgagee's Counsel, including an opinion of the Mortgagor's counsel in form and content satisfactory to the Mortgagee.

6.04. Delivery of Required Items. The Mortgagor shall have provided to the Mortgagee, not less than ten (10) Business Days prior to the Closing Date, copies of all items, documents or instruments required to be delivered to the Mortgagee prior to the Closing Date, each of which shall in all respects be satisfactory to the Mortgagee and the Mortgagee's counsel.

6.05. Payment of Fees. The Mortgagor shall have delivered to the Mortgagee all the fees required on or before the Closing Date; provided, however, that with respect to any fees to be paid to the Mortgagee by the Mortgagor on an annual basis, the Mortgagor shall be required to pay in advance to the Mortgagee on the Closing Date only that portion of such annual fee which represents the fee for the first annual period. Any annual fees thereafter shall be paid by the Mortgagor directly to the Mortgagee in advance, on or before each anniversary of the Closing Date.

ARTICLE VII

EVENTS OF DEFAULT

The occurrence of one or more of the following events (herein sometimes referred to as "Events of Default," or singularly an "Event of Default") shall constitute an Event of Default hereunder, and all such Events of Default are individually and collectively included in the term "default" as used herein:

7.01. Failure to Pay Principal and Interest. The Mortgagor shall fail to pay promptly any payment of the Principal Sum or of any interest thereon as and when the same is due and payable in accordance with the terms of the Note.

7.02. Failure to Pay Other Indebtedness. The Mortgagor shall fail to pay promptly any of the other Indebtedness secured hereby as and when the same shall be due and payable in accordance with the terms hereof or of the Note.

7.03. Breach of Representations and Warranties. Any representation, warranty, opinion or statement made by the Mortgagor (or counsel for the Mortgagor) or any other Person herein or in any of the Loan Documents or any certificate, opinion or other writing executed and delivered in connection therewith, shall prove to have been untrue in any respect at the time made.

7.04. Failure to Comply with Requirements. The Mortgagor shall fail to duly and promptly perform, comply with or observe the terms, covenants, conditions, representations, warranties and agreements set forth herein.

7.05. Other Defaults. The Mortgagor shall fail to duly and promptly perform, comply with or observe any one or more of the other terms, covenants, conditions, agreements and stipulations contained in this Mortgage and such failure shall continue for a period of thirty (30) days after notice of default or if the curing of such default cannot be completed within such thirty (30) day period, in the Mortgagee's sole discretion, then the Mortgagor shall have sixty (60) days to cure such default provided the Mortgagor promptly commences the cure process and diligently continues to cure such default.

7.06. Default Under Other Loan Documents. An event of default shall occur under any of the other Loan Documents, and such event of default is not cured within any applicable grace period provided therein.

7.07. Receiver; Bankruptcy. The Mortgagor shall (a) apply for, or consent in writing to, the appointment of a receiver, trustee or liquidator of the Mortgagor or of the Security or of all or substantially all of the Mortgagor's other assets, or (b) file, or have filed involuntarily against it, a petition for relief in bankruptcy or admit in writing its inability to pay the Mortgagor's debts as they become due, or (c) make a general assignment for the benefit of creditors, or (d) file a petition or an answer seeking a reorganization (other than a reorganization not involving the liabilities of the Mortgagor) or an arrangement with creditors or take advantage of any insolvency law, or (e) file an answer admitting the material allegations of a petition filed against the Mortgagor in any bankruptcy, reorganization or insolvency proceeding, or (f) if not an individual, be dissolved as a result of any adversary suit or proceeding.

7.08. Execution; Attachment. (a) Any execution or attachment shall be levied against the Security, or any part thereof, and such execution or attachment shall not be set aside, discharged or stayed within thirty (30) days after the same shall have been levied, or (b) an order, judgment or decree shall be entered by any court of competent jurisdiction on the application of a creditor adjudicating the Mortgagor a bankrupt or insolvent, or appointing a receiver, trustee or liquidator of the Mortgagor or of the Security, or of all or substantially all of the Mortgagor's other assets, and such order, judgment or decree shall continue unstayed and in effect for a period of thirty (30) days or shall not be discharged within 10 days after the expiration of any stay thereof.

7.09. Judgment. Unless adequately insured in the sole opinion of the Mortgagee, the entry of a final judgment against the Mortgagor for the payment of money in excess of Twenty-Five Thousand Dollars (\$25,000) which remains unpaid, undischarged, unbonded or undismissed for a period of thirty (30) days from the date of the order, decree or process under which or pursuant to which such judgment was entered, or to secure a stay of execution pending appeal of such judgment.

7.10. Change in Zoning. Any change in any zoning ordinance or regulation or any other public restriction shall be enacted, adopted or implemented, limiting or defining the uses which may be made of the Property, or any portion thereof, such that the intended use of the Property, as specified in the Loan Documents, would be in violation of such zoning ordinance or regulation or public restriction, as changed.

7.11. Default Under Other Mortgages or Deeds of Trust. An Event of Default (as defined therein) should exist or occur under any other mortgage, deed of trust or other instrument encumbering all or any portion of the Security regardless of whether or not the creation of such mortgage, deed of trust or other encumbrance has been previously consented to by Mortgagee.

7.12. Nonrecourse Nature of Obligations. Notwithstanding anything contained in this Mortgage to the contrary, the Mortgagee agrees that the Mortgagor's liabilities hereunder shall be satisfied from the Property and that except for the events set forth below in Section 7.13, neither the Mortgagor nor its Affiliates shall have any personal liability to the Mortgagee.

7.13. Carve Out. To induce the Mortgagee to accept the nonrecourse nature of the Mortgagor's obligations hereunder, the Mortgagor agrees, intending to be legally bound, that it shall be personally liable to pay to the Mortgagee any and all damages, costs and expenses including attorneys' fees and expenses, arising from the Mortgagor's commission of any of the following:

(i) the collection and receipt of proceeds and income from the Property following an Event of Default, which are not paid to the Mortgagee or applied to the Property in the ordinary course of business;

(ii) Fraud;

(iii) Material misrepresentation;

(iv) Misapplication or misappropriation of funds which come into the Mortgagor's possession;

(v) Intentional or material waste to the Property;

(vi) The creation of a hazardous waste condition on the Property; and

(vii) Notwithstanding the Mortgagor's obligations as set forth in this Section 7.13, the Mortgagor shall not waive any rights it may have against the Guarantor in its capacity as manager of the Property.

(viii) Interferes in any capacity (including, but not limited to interference by a Trustee in bankruptcy) with the Mortgagee's foreclosure on the Property after an Event of Default under the Loan Documents.

ARTICLE VIII

RIGHTS AND REMEDIES

If one or more of the Events of Default set forth in Article VII above shall occur, then in each and every such case, the Mortgagee, may at any time thereafter exercise any or all of the following powers, privileges, discretions, rights or remedies:

8.01. Acceleration of Maturity. If an Event of Default shall have occurred, Mortgagee may, at its option, declare the entire outstanding principal amount of the Note and all interest accruing thereon, and all other Secured Indebtedness, to be due and payable immediately, regardless of the maturity date thereof, and upon such declaration, all such principal and interest and other sums shall immediately become and be due and payable without further presentment, demand, protest, notice of protest or of dishonor, all of which the Mortgagor hereby waives.

8.02. Mortgagee's Power of Enforcement. If an Event of Default shall have occurred, Mortgagee may, either with or without entry or taking possession as hereinafter provided or otherwise, sell the Mortgaged Property or any portion thereof at public outcry, in front of the courthouse door of the county wherein the Property is located, to the highest bidder for cash, either in person or by auctioneer, after first giving notice of the time, place and terms of such sale by publication once a week for three (3) successive weeks in some newspaper published in said county, and, upon the payment of the purchase money, Mortgagee or any person conducting said sale for it is authorized and empowered to execute and deliver to the purchaser at said sale, a deed to the property so purchased, in the name and on behalf of Mortgagor. The equity of redemption from this Mortgage may also be foreclosed by suit in any court of competent jurisdiction as now provided by law in the case of past due mortgages. The proceeds of any such sale shall be applied, in such order and amounts as Mortgagee shall designate, (a) to the expense incurred in making the sale and in all prior efforts to effect collection of the Secured

Indebtedness, including a reasonable attorney's fee, or reasonable attorneys' fees, for such services as may be, or have been, necessary in any one or more of the foreclosure of this Mortgage, of the collection of the Secured Indebtedness, and of the pursuit of any efforts theretofore directed to that end, including, but without limitation to, the defense of any proceedings instituted by the Mortgagor, or anyone liable for the Secured Indebtedness, or having any interest in the Mortgaged Property, to prevent or delay, by any means, the exercise of said power of sale on the foreclosure of this Mortgage; (b) to the payment of whatever sum or sums Mortgagee may have paid out or become liable to pay, in carrying out the provisions of this Mortgage, together with interest thereon; (c) to the payment and satisfaction of the Secured Indebtedness, including without limitation, all principal and interest thereon to the day of sale; and (d) the balance, if any, shall be paid over to Mortgagor, or Mortgagor's successors or assigns. In any event, the purchaser under any foreclosure sale, as provided herein, shall be under no obligation to see to the proper application of the purchase money.

8.03. Mortgagee's Right to Enter and Take Possession, Operate and Apply Income.

(a) If an Event of Default shall have occurred, Mortgagor, upon demand of Mortgagee, shall forthwith surrender to Mortgagee the actual possession of the Mortgaged Property, and if and to the extent permitted by law, Mortgagee itself, or by such officers or agents as it may appoint, may enter and take possession of all or any part of the Mortgaged Property, either with or without the appointment of a receiver, and may exclude Mortgagor and Mortgagor's agents and employees wholly therefrom, and may have joint access with Mortgagor to the books, papers and accounts of Mortgagor.

(b) If Mortgagor shall for any reason fail to surrender or deliver the Mortgaged Property or any part thereof after Mortgagee's demand, Mortgagee may obtain a judgment or decree conferring on Mortgagee the right to immediate possession or requiring Mortgagor to deliver immediate possession of all or part of the Mortgaged Property to Mortgagee along with all books, papers and accounts of Mortgagor, to the entry of which judgment or decree Mortgagor hereby specifically consents.

(c) Mortgagor shall pay to Mortgagee, upon demand, all reasonable costs and expenses of obtaining such judgment or decree and reasonable compensation to Mortgagee, its attorneys and agents, and all such costs, expenses and compensation shall, until paid, be secured by the lien of this Mortgage.

(d) Upon every such entering upon or taking of possession, Mortgagee may hold, store, use, operate, manage and control the Mortgaged Property and conduct the business thereof, and, from time to time:

(i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personal property and other property;

(ii) insure or keep the Mortgaged Property insured;

(iii) manage and operate the Mortgaged Property and exercise all the rights and powers of Mortgagor in Mortgagor's name or otherwise, with respect to the same;

(iv) enter into agreements with others to exercise the powers granted Mortgagee herein or in any other Loan Document; all as Mortgagee in its reasonable judgment from time to time may determine; and Mortgagee may collect and receive all the income, revenues, rents, issues and profits of the same, including those past due as well as those accruing thereafter; and shall apply the monies so received by Mortgagee in such priority as Mortgagee may determine to (1) the reasonable compensation, expenses and disbursements of the agents and attorneys; (2) the cost of insurance, taxes, assessments and other proper charges upon the Mortgaged Property or any part thereof; (3) the deposits for taxes and assessments and insurance premiums due; and (4) the payment of the Secured Indebtedness, including without limitation, interest thereon.

Mortgagee shall surrender possession of the Mortgaged Property to Mortgagor only when all that is due upon such interest, tax and insurance deposits and principal installments, and under any of the terms of this Mortgage, shall have been paid and all defaults made good. The same right of taking possession, however, shall exist if any subsequent Event of Default shall occur and be continuing.

8.04. Leases. Upon the occurrence of an Event of Default, Mortgagor shall promptly deliver to Mortgagee the originals of all leases and other agreements relating to the Mortgaged Property, as well as all accounts, books, records and security deposits relating to such, and Mortgagor will not claim any interest in such leases or the rents due thereunder. Mortgagee, at its option, is authorized to foreclose this Mortgage subject to the rights of any tenants of the Mortgaged Property, and the failure to make any such tenants parties defendant to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted by Mortgagor to be, a defense to any proceedings instituted by Mortgagee to collect the sums secured hereby or to collect any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property.

8.05. Purchase by Mortgagee. Upon any such foreclosure sale, Mortgagee may bid in all or any part of the Secured Indebtedness and purchase the Mortgaged Property and, upon compliance with the terms of sale, may hold, retain and possess and dispose of the Mortgaged Property or any part thereof in its own absolute right without accountability for such action. Upon any such foreclosure sale, Mortgagee may, if permitted by law, after allowing for the proportion of the total purchase price required to be paid in cash and for the costs and expenses of the sale, compensation and other charges, in paying the purchase price apply any portion of or all sums due to Mortgagee under the Note, this Mortgage or any other instrument securing the Note, in lieu of cash, to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon.

8.06. Receiver. If an Event of Default shall have occurred, Mortgagee, to the extent permitted by law and without regard to the value or occupancy of the security, shall be entitled as a matter of right if it so elects to appoint or have appointed a receiver to enter upon and take possession of the Mortgaged Property and to collect all rents, revenues, issues, income, products and profits thereof and apply the same as the court may direct. The receiver shall have all rights and powers permitted under the laws of the state where the Mortgaged Property is located and such other powers as any court shall confer. The expenses, including receiver's fees, attorney's fees, costs and agent's compensation, incurred pursuant to the powers herein set forth shall be secured by this Mortgage. All rights and powers granted herein, including without limitation, the right to enter and take possession of and to manage and operate the Mortgaged Property, and to collect the rents, issues and profits thereof, whether by a receiver or otherwise, shall be cumulative with any other right or remedy hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. Mortgagee shall be liable to account only for

such rents, issues and profits actually received by Mortgagee. Notwithstanding the appointment of any receiver or other custodian, Mortgagee shall be entitled as secured party hereunder to the possession and control of any cash, deposits, or instruments at the time held by, or payable or deliverable under the terms of this Mortgage to, Mortgagee.

8.07. Suits to Protect the Mortgaged Property. Mortgagee shall have the power and authority to institute and maintain any suits and proceedings as Mortgagee may deem advisable (a) to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or any violation of this Mortgage, (b) to preserve or protect its interest in the Mortgaged Property, and (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order might impair the security hereunder or be prejudicial to Mortgagee's interest.

8.08. Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting Mortgagor, any person, partnership or corporation guaranteeing or endorsing any of the Mortgagor's obligations, its creditors or its property, Mortgagee, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have its claim allowed in such proceedings for the entire amount due and payable by Mortgagor under the Note, this Mortgage and any other instrument securing the Note, at the date of the institution of such proceedings, and for any additional amounts which may become due and payable by Mortgagor after such date.

8.09. Mortgagor to Pay the Note on Any Default in Payment; Application of Monies by Mortgagee.

(a) If default shall be made in the payment of any amount due under the Note, this Mortgage or any other instrument securing the Note, then, upon Mortgagee's demand, Mortgagor will pay to Mortgagee the whole amount due and payable under the Note and all other Secured Indebtedness; and if Mortgagor shall fail to pay the same forthwith upon such demand, Mortgagee shall be entitled to sue for and to recover judgment for the whole amount so due and unpaid together with costs and expenses including the reasonable compensation, expenses and disbursements of Mortgagee's agents and attorneys incurred in connection with such suit and any appeal in connection therewith. Mortgagee shall be entitled to sue and recover judgment as aforesaid either before, after or during the pendency of any proceedings for the enforcement of this Mortgage, and the right of Mortgagee to recover such judgment shall not be affected by any taking, possession or foreclosure sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the terms of this Mortgage, or the foreclosure of the lien hereof.

(b) In case of a foreclosure sale of all or any part of the Mortgaged Property and of the application of the proceeds of sale to the payment of the sums secured hereby, Mortgagee shall be entitled to enforce payment of and to receive all amounts then remaining due and unpaid and to recover judgment for any portion thereof remaining unpaid, with interest.

(c) Mortgagor hereby agrees, to the extent permitted by law, that no recovery of any such judgment by Mortgagee and no attachment or levy of any execution upon any of the Mortgaged Property or any other property shall in any way effect the lien of this Mortgage upon the Mortgaged Property or any part thereof or any lien, rights, powers or remedies of Mortgagee hereunder, but such lien, rights, powers and remedies shall continue unimpaired as before.

(d) Any monies collected or received by Mortgagee under this paragraph shall be applied as follows:

(i) First, to the payment of reasonable compensation, expenses and disbursements of the agents and attorneys of the Mortgagee; and

(ii) Second, to payment of amounts due and unpaid under the Note, this Mortgage and all other instruments securing the Note;

8.10. Delay or Omission No Waiver. No delay or omission of Mortgagee to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to waive any such Event of Default or to constitute acquiescence therein. Every right, power and remedy given to Mortgagee may be exercised from time to time and as often as may be deemed expedient by Mortgagee.

8.11. No Waiver of One Default to Affect Another. No waiver of any Event of Default hereunder shall extend to or affect any subsequent or any other Event of Default then existing, or impair any rights, powers or remedies consequent thereon. If Mortgagee (a) grants forbearance or an extension of time for the payment of any sums secured hereby; (b) takes other or additional security for the payment thereof; (c) waives or does not exercise any right granted in the Note, this Mortgage or any other instrument securing the Note; (d) releases any part of the Mortgaged Property from the lien of this Mortgage or any other Loan Document; (e) consents to the filing of any map, plat or replat of the Mortgaged Property; (f) consents to the granting of any easement on the Mortgaged Property; or (g) makes or consents to any agreement changing the terms of this Mortgage or subordinating the lien or any charge hereof, no such act or omission shall release, discharge, modify, change or affect the original liability under the Note, this Mortgage or otherwise of Mortgagor, or any subsequent purchaser of the Mortgaged Property or any part thereof or any maker, cosigner, endorser, surety or guarantor. No such act or omission shall preclude Mortgagee from exercising any right, power or privilege herein granted or intended to be granted in case of any Event of Default then existing or of any subsequent Event of Default nor, except as otherwise expressly provided in an instrument or instruments executed by Mortgagee, shall the lien of this Mortgage be altered thereby. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Mortgaged Property, Mortgagee, without notice to any person, firm or corporation, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Mortgaged Property or the indebtedness secured hereby, or with reference to any of the terms or conditions hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any of the liabilities or undertakings hereunder.

8.12. Discontinuance of Proceedings; Position of Parties Restored. If Mortgagee shall have proceeded to enforce any right or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to Mortgagee, then and in every such case Mortgagor and Mortgagee shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Mortgagee shall continue as if no such proceeding has occurred or had been taken.

8.13. Waiver of Appraisement, Valuation, Stay, Extension, and Redemption Laws. Mortgagor agrees, to the full extent permitted by law, that in case of a default on its part hereunder, neither Mortgagor nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws

now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this First Mortgage and Security Agreement, or the absolute sale of the Mortgaged Property or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers of the Mortgaged Property, and Mortgagor, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprising the Mortgaged Property marshalled upon any foreclosure of the lien hereof and agrees that Mortgagee or any court having jurisdiction to foreclose such lien may sell the Mortgaged Property in part or as an entirety.

8.14. Remedies Cumulative. No right, power or remedy conferred upon or reserved to Mortgagee by the Note, this Mortgage or any other Loan Document securing the Note, is exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or under the Note or any other Loan Document securing the Note, or now or hereafter existing at law, in equity or by statute.

ARTICLE IX

SECURITY AGREEMENT

9.01. Mortgage deemed to be Security Agreement. Mortgagor, as debtor, hereby grants to Mortgagee, as secured party, a security interest in all furniture, fixtures, equipment, rights in action and personal property comprising a portion of the Mortgaged Property. When Mortgagor and Mortgagee shall respectively become the Debtor and Secured Party in any Uniform Commercial Code Financing Statement affecting property either referred to or described herein, or in any way connected with the use and enjoyment of the Mortgaged Property, this Mortgage shall be deemed the security agreement as defined in said Uniform Commercial Code. This Mortgage, therefore, is a self-operative security agreement with respect to such property, but Mortgagor agrees to execute and deliver on demand such other security agreements, financing statements and other instruments as Mortgagee may reasonably request in order to perfect its security interest or to impose the lien hereof more specifically upon any of such property. On demand, Mortgagor will promptly pay all costs and expenses of filing financing statements, continuation statements, partial releases, and termination statements deemed necessary or appropriate by Mortgagee to establish and maintain the validity, perfection and priority of the security interest of Mortgagee, hereby granted, or any modification thereof, and all costs and expenses of any searches reasonably required by Mortgagee.

9.02. Enforcement of Remedies. Mortgagee may exercise any or all of the remedies of a secured party available to it under the Alabama Uniform Commercial Code with respect to such property, and it is expressly agreed in accordance with the provisions of the Alabama Uniform Commercial Code, ten (10) days' notice by Mortgagee to Mortgagor shall be deemed to be reasonable notice under any provision of the Alabama Uniform Commercial Code requiring such notice; provided, however, that Mortgagee may at its option dispose of the collateral in accordance with Mortgagee's rights and remedies in respect to the real property pursuant to the provisions of this Mortgage, in lieu of proceeding under the Alabama Uniform Commercial Code.

9.03. Fixture Filing. If any of the items of property described in this Mortgage are goods that are now or are to become fixtures related to the real estate described herein, it is intended that, as to those goods, this Mortgage shall be effective as a financing statement filed as a fixture filing from the date of its filing for record in the real estate records of the county in

which the Mortgaged Property is located. Information concerning the security interest created by this instrument may be obtained from the Mortgagee, as Secured Party, or the Mortgagor, as Debtor, at the address first shown above.

9.04. Financing Statement shall not impair Mortgage. Mortgagor and Mortgagee agree that the filing of a separate financing statement in the records normally having to do with personal property shall never be construed as in anywise derogating from or impairing this Mortgage. The parties hereto intend that everything used in connection with the production of income from the Mortgaged Property and/or adapted for use therein and/or which is described or reflected in this Mortgage is, and at all times and for all purposes and in all proceedings both legal or equitable shall be, regarded as part of the real estate irrespective of whether (i) any such item is physically attached to the improvements, (ii) serial numbers are used for the better identification of certain equipment (or other items capable of being so identified) in a recital contained herein or in any list filed with the Mortgagee, or (iii) any such item is referred to or reflected in any such financing statement so filed at any time. Similarly, the mention in any such financing statement of (1) the rights in or the proceeds of any fire and/or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for loss of value, or (3) the debtor's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the Mortgaged Property, whether pursuant to lease or otherwise, shall never be construed as in anywise altering any of the rights of Mortgagee as determined by this instrument or impugning the priority of the Mortgagee's lien granted hereby or by any other recorded document, but such mention in the financing statement is declared to be for the protection of the Mortgagee in the event any court or judge shall at any time hold with respect to (1), (2) and (3) that notice of Mortgagee's priority of interest to be effective against a particular class of persons, including, but not limited to, the federal government and any subdivisions or entity of the federal government, must be filed in the Commercial Code Records.

ARTICLE X

MISCELLANEOUS

10.01. Payment by Others. Any payment of the Indebtedness or any part thereof made in accordance with the terms of this Mortgage or of the Note by any subsequent owner of the Security, or by any other Person whose interest in the Security might be prejudiced in the event of a failure to make such payment, or by any member, partner, stockholder, officer or director of an entity which at any time may be liable for such payment or may own or have such an interest in the Security, shall be deemed as between the Mortgagee and all Persons who at any time may be liable as aforesaid or may own or have an interest in the Security, to have been made on behalf of such Persons.

10.02. Notices. All notices, demands, requests, consents, or approvals required under this Mortgage to be in writing, shall be deemed to have been properly given if and when mailed by first class certified mail, return receipt requested, postage prepaid, as follows:

If to Mortgagee:

SUSA PARTNERSHIP L.P.
10440 Little Patuxent Parkway, Suite 1100
Columbia, Maryland 21044
Attn: Christopher P. Marr

with a copy to:

Shapiro and Olander
10320 Little Patuxent Parkway, Suite 608
Columbia, Maryland 21044
Attn: Bruce F. Taub, Esquire

If to Mortgagor:

Storage USA SING, LLC
c/o SING, Ltd. Co.
125 Lincoln Avenue, Suite 221
Sante Fe, New Mexico 87501
Attn: Webb L. Wallace

with a copy to:

Potter, Mills and Bateman, P.A.
P. O. Box 1208
Sante Fe, New Mexico 87504
Attn: James H. Karp, Esquire

10.03. Definitions. Wherever used in this Mortgage, unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, the words "Mortgage" shall mean this Mortgage and any supplement or supplements hereto, and pronouns of any gender shall include the other genders, and either the singular or plural shall include the other. The Mortgagee may release, compromise, modify or settle with the Mortgagor, in whole or in part, without impairing, lessening or affecting the obligations and liabilities of the others of the Mortgagor hereunder or under the Note. Any of the acts mentioned aforesaid may be done without the approval or consent of, or notice to, any of the Mortgagor.

10.04. Successors and Assigns. All of the grants, covenants, terms, provisions and conditions herein shall run with the Property and shall apply to, and bind the successors and assigns of the Mortgagor (including any permitted subsequent owner of the Security or any portion thereof) and inure to the benefit of the Mortgagee, its successors and assigns.

10.05. Amendments. This Mortgage may not be modified or amended except by an agreement in writing, signed by the party against whom enforcement of the change is sought.

10.06. Illegality. If fulfillment of any provision hereof or any transaction related hereto or to the Note, at the time performance of such provisions shall be due, shall involve transcending the limit of validity prescribed by law, then the obligation to be fulfilled shall be reduced to the limit of such validity; and if any clause or provisions herein contained, other than the provisions requiring the Mortgagor to pay interest, principal, principal and interest, or any other of the Indebtedness secured by this Mortgage, operates or would prospectively operate to invalidate this Mortgage in whole or in part, then such clause or provision only shall be void, as though not herein contained, and the remainder of this Mortgage shall remain operative and in full force and effect; and if such clause or provision requires the Mortgagor to pay interest, principal, principal and interest or any other of the Indebtedness secured by this Mortgage, then at the option of the Mortgagee, the entire

unpaid Principal Sum, with all unpaid interest accrued thereon and all other unpaid Indebtedness secured by this Mortgage shall become due and payable.

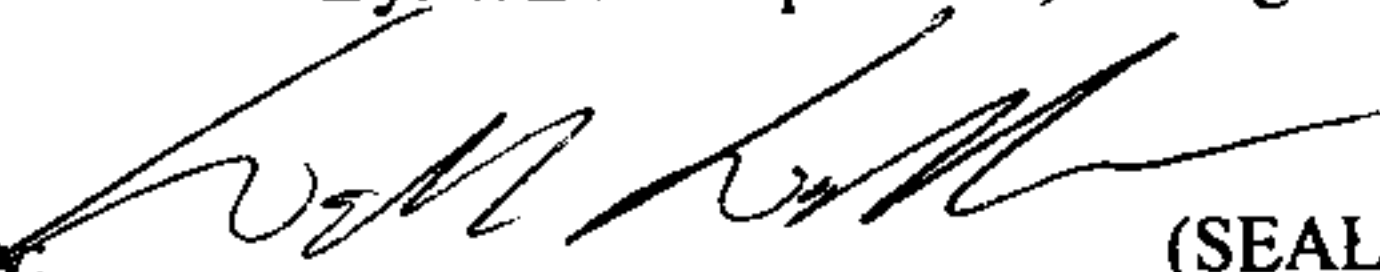
10.07. Governing Law. This Mortgage is being executed and delivered in the State and shall be construed, governed and enforced in accordance with the laws in effect from time to time in the State of Alabama (exclusive of conflicts of laws provisions).

IN WITNESS WHEREOF, the undersigned have executed this Mortgage under seal as of the day and year above first written.

STORAGE USA SING, LLC

By: SING Ltd., Co., Managing Member

By: WLW Corporation, Manager


By:  (SEAL)
Webb L. Wallace
President

STATE OF New Mexico

Santa Fe COUNTY)

I, the undersigned authority, a Notary Public in the aforesaid County in said State, hereby certify that Webb L. Wallace whose name as President of WLW Corporation, a(n) Texas corporation, in its capacity as Manager of SING Ltd., Co., a New Mexico limited liability company, as Managing Member of Storage USA SING, LLC, a Maryland limited liability company, is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he, as such officer and with full authority, executed the same voluntarily on the day the same bears date for and as the act of said corporation, in its representative capacity as aforesaid.

Given under my hand and official seal this the 19th day of May, 1998.


Notary Public
My Commission Expires: June 23, 1998

This instrument prepared by:

John E. Baum, Esquire
Shapiro and Olander
36 South Charles Street
Twentieth Floor
Baltimore, Maryland 21201

[After recordation, please return to the above]

Lots 2B and 2C, according to the SING 280 Survey, as recorded in Map 23,
Page 161, in the Office of the Judge of Probate of Shelby County, Alabama

EXHIBIT "B"

EXHIBT "B"

List of Collateral

1. All building materials, furniture, fixtures, machinery, equipment and tangible personal property of every kind and nature whatsoever (other than consumable goods, inventory, and trade fixtures or other personal property owned by tenants occupying all or any portion of the Improvements), now or hereafter located or contained in or upon or attached to (or intended to be located or contained in or upon or attached to) the Property or the Improvements or any part thereof, and used or usable in connection with any present or future use or operations of the Property or the Improvements or any part thereof (collectively, the "Equipment"), including, without limitation, all heating, air-conditioning, air-cooling, freezing, lighting, laundry, incinerating, plumbing, cleaning, fire prevention, fire extinguishing, ventilating, communications and power apparati and equipment, engines, pipes, tanks, motors, conduits, switchboards, boilers, ranges, furnaces, oil burners or units thereof, appliances, vacuum cleaning systems, shades, awnings, screens, storm doors and windows, stoves, microwave ovens, refrigerators, washing machines, dryers, garbage disposals, hoods, fans, trash compactors, attached cabinets, partitions, ducts and compressors, rugs and carpets, draperies, furnishings, electrical apparati, sound transmission systems, shelving, storage facilities and other apparati.

2. All judgments, awards of damages (including but not limited to severance and consequential damages), payments, proceeds, settlements or other compensation heretofore or hereafter made, including interest thereon, and the right to receive the same, as a result of, in connection with, or in lieu of (a) any taking of the Property or any part thereof under the power of eminent domain, either temporarily or permanently, (b) any change or alteration of the grade of any street, and (c) any injury or damage to, or decrease in value of, the Property or any part thereof and including payments, proceeds, settlements or other compensation heretofore or hereafter made, including any interest thereon, and the right to receive the same, from any and all insurance policies covering the Property or any portion thereof (collectively, the "Awards", or singularly an "Award"), to the extent of all Indebtedness which may be secured by the Mortgage at the date of receipt of any such Award by the Secured Party, and of the counsel fees, costs and disbursements, if any, incurred by the Secured Party in connection with the collection of such Award.

3. All rents, royalties, issues, profits, revenues, income, accounts (including any funds or accounts held by the Secured Party for or for the account of Debtor), accounts receivable, contract rights (including those assigned pursuant to the Assignments of Contracts), general intangibles, compensation, contributions, things in action, chattel paper, instruments, mortgages, and other benefits of the Property, or arising from the use or enjoyment of all or any portion thereof, or from any Leases, or other agreement, and all right, title and interest of the Debtor in and to, and remedies under, all Leases and other agreements both now in existence and hereafter entered into, including, without limitation, all cash or security deposits thereunder or guaranties provided to secure performance by the Lessees or other obligors of their obligations thereunder, whether such cash or security deposits are to be held until the expiration of the terms of such Leases or other agreements or are to be applied to one or more of the installments of rent or other payments or performance obligations coming due immediately prior to the expiration of such terms.

4. With respect to the Property, all of Debtor's equipment, supplies, inventory (including all raw materials, work in progress, and finished goods), goods, all other materials usable or used or consumed in or related to Debtor's business, and all of Debtor's present and future accounts, accounts receivable, contract rights, judgments, awards (insurance, condemnation, or otherwise), compensation, contributions, general intangibles, things in action, chattel paper, instruments, mortgages, all returned, repurchased, or repossessed goods, and all moneys due or to become due to Debtor.

All capitalized terms used in this Exhibit have the meanings given such terms herein or, if not defined herein, as defined in the Mortgage. In the event this Exhibit is attached (a) to the Mortgage, the term "Debtor" means the Mortgagor, and the term "Secured Party" means the Mortgagees and/or the Mortgagee; or (b) to the Loan Agreement, the term "Debtor" means the Borrower, and the term "Secured Party" means the Lender.

05/22/1998-18975
03:39 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
038 MCD 1060.25

Inst # 1998-18975

05/22/1998-18975
03:39 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE