

**PREPARED BY, RECORDING REQUESTED BY,
AND WHEN RECORDED MAIL TO:**

When recorded return to:
Ms. Colleen Conley
National Commercial Services
First American Title Insurance
4801 E. Washington Street - Ste. 100
Phoenix, AZ 85034

**Presented for recording without liability
for acceptability or sufficiency by
FIRST AMERICAN TITLE**

**MORTGAGE, ASSIGNMENT OF RENTS AND
LEASES, AND SECURITY AGREEMENT**

by and from

AMERCO REAL ESTATE COMPANY OF ALABAMA, INC., "Mortgagor"

to

**JP MORGAN CHASE,
in its capacity as administrative agent, "Mortgagee"**

Dated as of September 12, 2003

Location: 2797 Pelham Parkway

Municipality: Pelham

County: Shelby

State: Alabama

**MAXIMUM SECURED AMOUNT: NOTWITHSTANDING ANYTHING TO THE
CONTRARY CONTAINED HEREIN THE MAXIMUM AMOUNT OF PRINCIPAL
INDEBTEDNESS SECURED BY THIS MORTGAGE AT THE TIME OF**

Alabama Title, Inc.

EXECUTION OR WHICH UNDER ANY CONTINGENCY MAY HEREAFTER BECOME SECURED BY THIS MORTGAGE AT ANY TIME IS \$ 4,587,500.00; PROVIDED THAT, SUCH LIMITATION SHALL NOT LIMIT THE SECURITY OF THIS MORTGAGE WITH RESPECT TO (A) INTEREST ON THE AFORESAID PRINCIPAL INDEBTEDNESS AND (B) REPAYMENT TO THE MORTGAGEE AFTER THE OCCURRENCE OF A DEFAULT OF SUMS ADVANCED OR PAID FOR REAL ESTATE TAXES, CHARGES AND ASSESSMENTS THAT MAY BE IMPOSED BY LAW UPON THE MORTGAGED PROPERTY, AND (C) REPAYMENT TO THE MORTGAGEE AFTER THE OCCURRENCE OF A DEFAULT OF SUMS ADVANCED OR PAID FOR INSURANCE PREMIUMS WITH RESPECT TO THE MORTGAGED PROPERTY, AND (D) REPAYMENT TO THE MORTGAGEE AFTER THE OCCURRENCE OF A DEFAULT OF ALL REASONABLE COSTS OR EXPENSES OF COLLECTION OF THE INDEBTEDNESS SECURED BY THIS MORTGAGE OR THE DEFENCE OR PROSECUTION OF THE RIGHTS AND LIEN CREATED BY THIS MORTGAGE, AND (E) REPAYMENT TO THE MORTGAGEE OF SUMS ADVANCED OR PAID TO WHICH THE MORTGAGEE BECOMES SUBROGATED, UPON PAYMENT UNDER RECOGNIZED PRINCIPLES OF LAW OR EQUITY, OR UNDER EXPRESS STATUTORY AUTHORITY.

MAXIMUM ADVANCES – ALABAMA. NOTWITHSTANDING ANY PROVISION HEREOF TO THE CONTRARY, THIS MORTGAGE SHALL NOT SECURE ANY FUTURE ADVANCES IN EXCESS OF THE AMOUNT STATED HEREIN UNLESS THE MORTGAGEE SHALL HAVE COMPLIED OR DOES COMPLY WITH THE REQUIREMENTS OF §40-22-2(2)(a) OF THE CODE OF ALABAMA, 1975.

**MORTGAGE, ASSIGNMENT OF
RENTS AND LEASES, AND SECURITY AGREEMENT
(Alabama)**

THIS MORTGAGE, ASSIGNMENT OF RENTS AND LEASES AND SECURITY AGREEMENT (this "**Mortgage**") is dated as of September 12, 2003, by and from AMERCO REAL ESTATE COMPANY OF ALABAMA, INC., an Alabama corporation ("**Mortgagor**"), whose address is 2727 North Central Avenue, Phoenix, Arizona 85004 to JP MORGAN CHASE, a New York state bank, in its capacity as administrative agent (the "**Agent**") pursuant to the Loan Agreement (as defined below), having an address at 270 Park Avenue, New York, New York 10017, Attention: Loan and Agency Services Group (Agent, together with its successors and assigns, is referred to herein as "**Mortgagee**").

RECITALS:

WHEREAS, Mortgagor is the fee owner of the real property and improvements described in Exhibit A attached hereto.

WHEREAS, AMERCO, a Nevada corporation (also referred to herein as the context requires as "**Parent**"), Agent and certain lenders entered into that certain 3-Year Credit Agreement dated as of June 28, 2002 (as amended, supplemented or otherwise modified heretofore or hereinafter from time to time, including, without limitation, by the Stipulated Order (defined below), the "**Loan Agreement**"), which Loan Agreement established a credit facility in the amount of \$205,000,000 and other extensions of credit as specified in said Loan Agreement.

WHEREAS, all amounts owed under the Loan Agreement are guaranteed by certain subsidiaries of Parent, including Mortgagor and AMERCO REAL ESTATE COMPANY, a Nevada corporation ("**AREC**").

WHEREAS, AREC commenced a case under chapter 11 of title 11 of the United States Bankruptcy Code (the "**Bankruptcy Code**") on August 13, 2003 in the United States Bankruptcy Court for the District of Nevada (the "**Bankruptcy Court**").

WHEREAS, on August 14, 2003, the Court entered that certain Stipulated Order Authorizing Consensual Use Of Cash Collateral And Granting Adequate Protection (the "**Stipulated Order**"), which, among other matters, granted a lien and security interest in favor of Agent in and to the real property and improvements owned by certain AREC subsidiaries, including the Mortgaged Property (defined below).

WHEREAS, Mortgagor, as an affiliate of a AREC and Parent, is receiving a good and valuable benefit, the sufficiency and receipt of which is hereby acknowledged, from Agent relating to the terms and conditions of the Stipulated Order.

ARTICLE 1

DEFINITIONS

Section 1.1 Definitions. All capitalized terms used herein without definition shall have the respective meanings ascribed to them in the Stipulated Order. As used herein, the following terms shall have the following meanings:

(a) **“Indebtedness”**: Any and all diminution in value of the Secured Creditor's interest in the Collateral, including the Cash Collateral (as those terms are defined in the Stipulated Order), as contemplated by Section 5 of the Stipulated Order.

(b) **“Obligations”**: All of the agreements, covenants, conditions, warranties, representations and other obligations of Mortgagor and AREC under the Stipulated Order and this Mortgage.

(c) **“Mortgaged Property”**: All of Mortgagor's interest in (1) the fee interest in the real property described in Exhibit A attached hereto and incorporated herein by this reference, together with any greater estate therein as hereafter may be acquired by Mortgagor (the **“Land”**), (2) all improvements now owned or hereafter acquired by Mortgagor, now or at any time situated, placed or constructed upon the Land (the **“Improvements”**; the Land and Improvements are collectively referred to herein as the **“Premises”**), (3) all materials, supplies, equipment, apparatus and other items of personal property now owned or hereafter acquired by Mortgagor and now or hereafter attached to or installed in any of the Improvements or the Land, and water, gas, electrical, telephone, storm and sanitary sewer facilities and all other utilities whether or not situated in easements (the **“Fixtures”**), (4) all deposit accounts maintained by Mortgagor with respect to the Mortgaged Property (the **“Deposit Accounts”**), (5) all existing and future leases, subleases, licenses, concessions, occupancy agreements or other agreements (written or oral, now or at any time in effect) which grant to any Person a possessory interest in, or the right to use or occupy, all or any part of the Mortgaged Property, whether made before or after the filing by or against Mortgagor of any petition for relief under the Bankruptcy Code, together with any extension, renewal or replacement of the same and together with all related security and other deposits (the **“Leases”**), (6) all of the rents, additional rents, revenues, royalties, income, proceeds, profits, early termination fees or payments, security and other types of deposits, and other benefits paid or payable by parties to the Leases for using, leasing, licensing, possessing,

operating from, residing in, selling or otherwise enjoying the Mortgaged Property or any part thereof, whether paid or accruing before or after the filing by or against Mortgagor of any petition for relief under the Bankruptcy Code (the "**Rents**"), (7) all other agreements, such as construction contracts, architects' agreements, engineers' contracts, utility contracts, maintenance agreements, management agreements, service contracts, listing agreements, guaranties, warranties, permits, licenses, certificates and entitlements in any way relating to the construction, use, occupancy, operation, maintenance, enjoyment or ownership of the Mortgaged Property (the "**Property Agreements**"), (8) all rights, privileges, tenements, hereditaments, rights-of-way, easements, appendages and appurtenances appertaining to the foregoing, (9) all property tax refunds, utility refunds and rebates, earned or received at any time (the "**Tax Refunds**"), (10) all accessions, replacements and substitutions for any of the foregoing and all proceeds thereof (the "**Proceeds**"), (11) all insurance policies, unearned premiums therefor and proceeds from such policies covering any of the above property now or hereafter acquired by Mortgagor (the "**Insurance**"), (12) all of Mortgagor's right, title and interest in and to any awards, damages, remunerations, reimbursements, settlements or compensation heretofore made or hereafter to be made by any governmental authority pertaining to the Land, Improvements or Fixtures (the "**Condemnation Awards**"), (13) all of Mortgagor's rights to appear and defend any action or proceeding brought with respect to the Mortgaged Property and to commence any action or proceeding to protect the interest of Mortgagee in the Mortgaged Property, and (14) all rights, powers, privileges, options and other benefits of Mortgagor as lessor under the Leases, including, without limitation, the immediate and continuing right to claim for, receive, collect and receive all Rents payable or receivable under the Leases or pursuant thereto (and to apply the same to the payment of the Indebtedness and the Obligations), and to do all other things which Mortgagor or any lessor is or may become entitled to do under the Leases. As used in this Mortgage, the term "Mortgaged Property" shall mean all or, where the context permits or requires, any portion of the above or any interest therein.

(d) "**Permitted Liens**": (i) liens and exceptions for taxes and other governmental charges and assessments (including special assessments) that are not yet due and payable or the enforcement of which is stayed by the Bankruptcy Court and orders promulgated thereby, (ii) mechanics', carriers', workers', repairers', materialmen's, warehousemen's, and other similar liens arising or incurred and paid for in the ordinary course of business, that are being contested in good faith by appropriate proceedings or the enforcement of which is stayed by the Bankruptcy Court and orders promulgated thereby, (iii) local, county, state and federal laws, ordinances or governmental regulations now or hereafter in effect relating to the Premises, (iv) violations of laws, regulations, ordinances, orders or requirements, if any, arising out of the adoption, promulgation, repeal, modification or reinterpretation of any law, rule, regulation, ordinance or order of any federal, state, county or local government,

governmental agency, court, commission, department or other such entity, which occurs subsequent to the date hereof and which cannot be cured by payment of money, (v) encroachments, overlaps, boundary line disputes, and any other matters which would be disclosed by an accurate survey or that are observable by physical inspection of the premises and that do not materially detract from the value of or materially impair the use of the Premises, (vi) liens created by the Stipulated Order and this Mortgage and (vii) liens and security interests of Foothill pursuant to the DIP Facility, (viii) and matters identified as exceptions from coverage in Schedule B of the Mortgagee Policy of Title Insurance issued by First American Title Insurance Company, Policy No. 142110 C, and (ix) condemnations and takings presently pending or threatened.

(e) "UCC": The Uniform Commercial Code of the state in which the Land is located or, if the creation, perfection and enforcement of any security interest herein granted is governed by the laws of a state other than the state in which the Land is located, then, as to the matter in question, the Uniform Commercial Code in effect in that state.

ARTICLE 2

GRANT

Section 2.1 Grant. For and in consideration of good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, in order to secure the obligations of Mortgagor herein set forth, to secure the full and timely payment of the Indebtedness and the full and timely performance of the Obligations, Mortgagor GRANTS, BARGAINS, ASSIGNS, SELLS, WARRANTS and CONVEYS, to Mortgagee the Mortgaged Property, subject, however, to the Permitted Liens, TO HAVE AND TO HOLD the Mortgaged Property and all parts, rights and appurtenances thereof to Mortgagee, IN TRUST, WITH POWER OF SALE, and Mortgagor does hereby bind itself, its successors and assigns to WARRANT AND FOREVER DEFEND the title to the Mortgaged Property unto Mortgagee.

TO HAVE AND TO HOLD the Mortgaged Property, together with all and singular the parts, rights, privileges, hereditaments, and appurtenances thereto in any ways belonging or appertaining, to the use, benefit, and behoof of Mortgagee, its successors and assigns, in trust for the benefit of Mortgagee, in fee simple forever.

ARTICLE 3

WARRANTIES, REPRESENTATIONS AND COVENANTS

Mortgagor warrants, represents and covenants to Mortgagee as follows:

Section 3.1 Title to Mortgaged Property and Lien of this Instrument. Mortgagor (i) has good and indefeasible title to the Mortgaged Property, in fee simple (to the extent that the Mortgaged Property constitutes real property), free and clear of any liens, claims or interests, except the Permitted Liens and (ii) has full power and lawful authority to encumber the Mortgaged Property in the manner and form set forth in this Mortgage. This Mortgage creates valid and enforceable liens and security interests against the Mortgaged Property.

Section 3.2 Lien Status. Mortgagor shall preserve and protect the lien and security interest status of this Mortgage and the other Loan Documents. If any lien or security interest, other than the Permitted Liens, is asserted against the Mortgaged Property, Mortgagor shall promptly, and at its expense, (a) give Mortgagee a detailed written notice of such lien or security interest (including origin, amount and other terms), and (b) pay the underlying claim in full or take such other action so as to cause it to be released or contest the same in compliance with the requirements of the Loan Agreement.

Section 3.3 Payment and Performance. Mortgagor shall perform or cause to be performed the Obligations in full when they are required to be performed.

Section 3.4 Replacement of Fixtures. Mortgagor shall not, without the prior written consent of Mortgagee, permit any of the Fixtures to be removed at any time from the Land or Improvements, unless the removed item is removed temporarily for maintenance and repair or, if removed permanently, is obsolete and is replaced by an article of equal or better suitability and value, owned by Mortgagor subject to the liens and security interests of this Mortgage and the other Loan Documents, and free and clear of any other lien or security interest except such as may be permitted under the Loan Agreement or first approved in writing by Mortgagee.

Section 3.5 Inspection. Mortgagor shall permit Mortgagee and its agents, representatives and employees to inspect the Mortgaged Property and all books and records of Mortgagor located thereon, and to conduct such environmental and engineering studies as Mortgagee may require. All such testing and investigation shall be conducted at reasonable times and upon reasonable prior notice to Mortgagor and at Mortgagee's sole cost and expense. Mortgagee shall restore the Mortgaged Property to the condition it was in immediately prior to such testing and investigation.

Section 3.6 Other Covenants. All of the covenants in the Loan Agreement are incorporated herein by reference and, together with covenants in this Article 3, shall, to the extent applicable, be covenants running with the land.

Section 3.7 Condemnation Awards and Insurance Proceeds.

(a) Condemnation Awards. Mortgagor, immediately upon obtaining knowledge of the institution of any proceedings for the condemnation of the Mortgaged Property or any portion thereof, will notify Mortgagee of the pendency of such proceedings. Except as set forth in the Loan Agreement, Mortgagee may participate in any such proceedings and Mortgagor from time to time will deliver to Mortgagee all instruments requested by it to permit such participation. Mortgagor assigns all awards and compensation to which it is entitled for any condemnation or other taking, or any purchase in lieu thereof, to Mortgagee and authorizes Mortgagee to collect and receive such awards and compensation and to give proper receipts and acquittances therefor, subject to the terms of the Loan Agreement and the liens and security interests of Foothill pursuant to the DIP Facility. Mortgagor hereby waives all rights to such awards and compensation described in the foregoing sentence. Mortgagor, upon request by Mortgagee, shall make, execute and deliver any and all instruments requested for the purpose of confirming the assignment of the aforesaid awards and compensation to Mortgagee free and clear of any liens, charges or encumbrances of any kind or nature whatsoever.

(b) Insurance Proceeds. Mortgagor assigns to Mortgagee all proceeds of any insurance policies insuring against loss or damage to the Mortgaged Property. Except as set forth in the Loan Agreement, Mortgagor authorizes Mortgagee to collect and receive such proceeds, subject to the liens and security interests of Foothill pursuant to the DIP Facility, and authorizes and directs the issuer of each of such insurance policies to make payment for all such losses directly to Mortgagee, instead of to Mortgagor and Mortgagee jointly, as more specifically described in the Loan Agreement. In the event that the issuer of such insurance policy fails to disburse directly or solely to Mortgagee but disburses instead either solely to Mortgagor or to Mortgagor and Mortgagee, jointly, Mortgagor shall immediately endorse and transfer such proceeds to Mortgagee. Upon Mortgagor's failure to do so, Mortgagee may execute such endorsements or transfers from and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Mortgagee as Mortgagor's agent and attorney-in-fact so to do.

Section 3.8 Costs of Defending and Upholding the Lien. If any action or proceeding is commenced to which action or proceeding Mortgagee is made a party or in which it becomes necessary for Mortgagee to defend or uphold the lien of this Mortgage including any extensions, renewals, amendments or modifications thereof, Mortgagor shall, on demand, reimburse Mortgagee for all expenses (including, without limitation, reasonable attorneys' fees and reasonable appellate attorneys' fees) incurred by Mortgagee in any such action or proceeding and all such expenses shall be secured by this Mortgage. In any action or proceeding to foreclose this Mortgage or to recover or

collect the Indebtedness, the provisions of law relating to the recovering of costs, disbursements and allowances shall prevail unaffected by this covenant.

Section 3.9 TRANSFER OF THE SECURED PROPERTY. EXCEPT AS EXPRESSLY PERMITTED PURSUANT TO THE TERMS OF THE LOAN AGREEMENT, MORTGAGOR SHALL NOT SELL, TRANSFER, PLEDGE, ENCUMBER, CREATE A SECURITY INTEREST IN, GROUND LEASE, OR OTHERWISE HYPOTHECATE, ALL OR ANY PORTION OF THE MORTGAGED PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF MORTGAGEE. THE CONSENT BY MORTGAGEE TO ANY SALE, TRANSFER, PLEDGE, ENCUMBRANCE, CREATION OF A SECURITY INTEREST IN, GROUND LEASE, OR OTHER HYPOTHECATION OF, ANY PORTION OF THE MORTGAGED PROPERTY SHALL NOT BE DEEMED TO CONSTITUTE A NOVATION OR A CONSENT TO ANY FURTHER SALE, TRANSFER, PLEDGE, ENCUMBRANCE, CREATION OF A SECURITY INTEREST IN, GROUND LEASE, OR OTHER HYPOTHECATION, OR TO WAIVE THE RIGHT OF MORTGAGEE, AT ITS OPTION, TO DECLARE THE INDEBTEDNESS SECURED HEREBY IMMEDIATELY DUE AND PAYABLE, WITHOUT NOTICE TO MORTGAGOR OR ANY OTHER PERSON OR ENTITY, UPON ANY SUCH SALE, TRANSFER, PLEDGE, ENCUMBRANCE, CREATION OF A SECURITY INTEREST, GROUND LEASE, OR OTHER HYPOTHECATION TO WHICH MORTGAGEE SHALL NOT HAVE CONSENTED.

Section 3.10 SECURITY DEPOSITS. To the extent required by law, or if required by Mortgagee after Mortgagee is entitled to exercise any rights pursuant to the Stipulated Order, and as approved by an order of the Bankruptcy Court, if required by the Stipulated Order with respect to the Mortgaged Property, all security deposits of tenants of the Mortgaged Property shall be treated as trust funds not to be commingled with any other funds of Mortgagor. Within twenty (20) days after request by Mortgagee, Mortgagor shall furnish satisfactory evidence of compliance with this Section 3.10, as necessary, together with a statement of all security deposits deposited by the tenants and copies of all Leases not theretofore delivered to Mortgagee, as requested thereby, certified by Mortgagor.

ARTICLE 4
INTENTIONALLY DELETED

ARTICLE 5
REMEDIES AND FORECLOSURE

Section 5.1 Remedies. In the event Mortgagee is entitled to exercise any rights pursuant to the Stipulated Order, and as approved by an order of the Bankruptcy Court, if required by the Stipulated Order, with respect to the Mortgaged Property, Mortgagee may, at Mortgagee's election and by or through Mortgagee or otherwise, exercise any or all of the following rights, remedies and recourses:

(a) Declare the Indebtedness to be immediately due and payable, without further notice, presentment, protest, notice of intent to accelerate, notice of acceleration, demand or action of any nature whatsoever (each of which hereby is expressly waived by Mortgagor), whereupon the same shall become immediately due and payable.

(b) Notify all tenants of the Premises and all others obligated on leases of any part of the Premises that all rents and other sums owing on leases have been assigned to Mortgagee and are to be paid directly to Mortgagee, and to enforce payment of all obligations owing on leases, by suit, ejectment, cancellation, releasing, reletting or otherwise, whether or not Mortgagee has taken possession of the Premises, and to exercise whatever rights and remedies Mortgagee may have under any assignment of rents and leases.

(c) As and to the extent permitted by law, enter the Mortgaged Property, either personally or by its agents, nominees or attorneys, and take exclusive possession thereof and thereupon, Mortgagee may (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Premises and conduct business thereat; (ii) complete any construction on the Premises in such manner and form as Mortgagee deems advisable in the reasonable exercise of its judgment; (iii) exercise all rights and power of Mortgagor with respect to the Premises, whether in the name of Mortgagor, or otherwise, including, without limitation, the right to make, cancel, enforce or modify leases, obtain and evict tenants, and demand, sue for, collect and receive all earnings, revenues, rents, issues, profits and other income of the Premises and every part thereof, which rights shall not be in limitation of Mortgagee's rights under any assignment of rents and leases securing the Indebtedness; and (iv) pursuant to the provisions of the Loan Agreement, apply the receipts from the Premises to the payment of the Indebtedness, after deducting therefrom all expenses (including attorneys' fees) incurred in connection with the aforesaid operations and all amounts necessary to pay the taxes, assessments, insurance and other charges in connection with the Mortgaged Property, as well as just and reasonable compensation for the services of Mortgagee, its counsel, agents and employees.

(d) Hold, lease, develop, manage, operate or otherwise use the Mortgaged Property upon such terms and conditions as Mortgagee may deem reasonable under the circumstances (making such repairs, alterations, additions and improvements and taking other actions, from time to time, as Mortgagee deems necessary or desirable), and apply all Rents and other amounts collected by Mortgagee in connection therewith in accordance with the provisions of Section 5.7 hereof.

(e) Require Mortgagor to assemble any collateral under the UCC and make it available to Mortgagee, at Mortgagor's sole risk and expense, at a place or places to be designated by Mortgagee, in its sole discretion.

(f) Institute proceedings for the complete foreclosure of this Mortgage, either by judicial action or by power of sale, in which case the Mortgaged Property may be sold for cash or credit in accordance with applicable law in one or more parcels as Mortgagee may determine. Except as otherwise required by applicable law, with respect to any notices required or permitted under the UCC, Mortgagor agrees that five (5) days' prior written notice shall be deemed commercially reasonable. At any such sale by virtue of any judicial proceedings, power of sale, or any other legal right, remedy or recourse, the title to and right of possession of any such property shall pass to the purchaser thereof, and to the fullest extent permitted by law, Mortgagor shall be completely and irrevocably divested of all of its right, title, interest, claim, equity, equity of redemption, and demand whatsoever, either at law or in equity, in and to the property sold and such sale shall be a perpetual bar both at law and in equity against Mortgagor, and against all other Persons claiming or to claim the property sold or any part thereof, by, through or under Mortgagor. Mortgagee or any of the Lenders may be a purchaser at such sale. If Mortgagee is the highest bidder, Mortgagee may credit the portion of the purchase price that would be distributed to Mortgagee against the Indebtedness in lieu of paying cash. In the event this Mortgage is foreclosed by judicial action, appraisal and valuation of the Mortgaged Property is waived. In the event of any sale made under or by virtue of this Article 5 (whether made by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale) the entire Indebtedness, if not previously due and payable, immediately thereupon shall become due and payable. The failure to make any such tenants of the Premises party to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted to be by Mortgagor, a defense to any proceedings instituted by Mortgagee to collect the sums secured hereby.

(g) With or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Mortgage for the portion of the Indebtedness then due and payable (if Mortgagee shall have elected not to declare the entire Indebtedness to be immediately due and owing), subject to the continuing lien of this Mortgage for the balance of the

Indebtedness not then due; or (1) as and to the extent permitted by law, sell for cash or upon credit the Mortgaged Property or any part thereof and all estate, claim, demand, right, title and interest of Mortgagor therein, pursuant to power of sale or otherwise, at one or more sales, as an entity or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law, and in the event of a sale, by foreclosure or otherwise, of less than all of the Mortgaged Property, this Mortgage shall continue as a lien on the remaining portion of the Mortgaged Property; or (2) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein or in any Loan Document; or (3) to the extent permitted by applicable law, recover judgment on the Loan Agreement either before, during or after any proceedings for the enforcement of this Mortgage.

(h) Make application to a court of competent jurisdiction for, and obtain from such court as a matter of strict right and without notice to Mortgagor or regard to the adequacy of the Mortgaged Property for the repayment of the Indebtedness, the appointment of a receiver of the Mortgaged Property, and Mortgagor irrevocably consents to such appointment. Any such receiver shall have all the usual powers and duties of receivers in similar cases, including the full power to rent, maintain and otherwise operate the Mortgaged Property upon such terms as may be approved by the court, and shall apply such Rents in accordance with the provisions of Section 5.7 hereof.

(i) Exercise all other rights, remedies and recourses granted under the Loan Documents or otherwise available at law or in equity.

Section 5.2 Separate Sales. In the event Mortgagee is entitled to exercise any rights pursuant to the Stipulated Order and as approved by an order of the Bankruptcy Court, if required by the Stipulated Order, with respect to the Mortgaged Property, Mortgagee may, at Mortgagee's election, sell the Mortgaged Property in one or more parcels and in such manner and order as Mortgagee in its sole discretion may elect; the right of sale arising out of Mortgagee's exercise of remedies hereunder shall not be exhausted by any one or more sales.

Section 5.3 Remedies Cumulative, Concurrent and Nonexclusive. In the event that Mortgagee is entitled to exercise any rights pursuant to the Stipulated Order and as approved by an order of the Bankruptcy Court, if required by the Stipulated Order, with respect to the Mortgaged Property, Mortgagee shall have all rights, remedies and recourses available at law or equity (including the UCC), which rights (a) shall be cumulated and concurrent, (b) may be pursued separately, successively or concurrently against Mortgagor or others obligated under the Stipulated Order, or against the Mortgaged Property, or against any one or more of them, at the sole discretion of Mortgagee, as the case may be, (c) may be exercised as often as occasion therefor shall

arise, and the exercise or failure to exercise any of them shall not be construed as a waiver or release thereof or of any other right, remedy or recourse, and (d) are intended to be, and shall be, nonexclusive.

Section 5.4 Release of and Resort to Collateral. Mortgagee may release, regardless of consideration and without the necessity for any notice to or consent by the holder of any subordinate lien on the Mortgaged Property, any part of the Mortgaged Property without, as to the remainder, in any way impairing, affecting, subordinating or releasing the lien or security interest created in or evidenced by the Loan Documents or their status as a second priority lien and security interest in and to the Mortgaged Property. For payment of the Indebtedness, Mortgagee may resort to any other security in such order and manner as Mortgagee may elect.

Section 5.5 Waiver of Redemption, Notice and Marshalling of Assets. To the fullest extent permitted by law, Mortgagor hereby irrevocably and unconditionally waives and releases (a) all benefit that might accrue to Mortgagor by virtue of any present or future statute of limitations or law or judicial decision exempting the Mortgaged Property from attachment, levy or sale on execution or providing for any stay of execution, exemption from civil process, redemption or extension of time for payment, (b) all notices of any election by Mortgagee to exercise or the actual exercise of any right, remedy or recourse provided for under the Loan Agreement and/or the Stipulated Order, and (c) any right to a marshalling of assets or a sale in inverse order of alienation.

Section 5.6 Discontinuance of Proceedings. If Mortgagee shall have proceeded to invoke any right, remedy or recourse permitted under the Loan Documents and shall thereafter elect to discontinue or abandon it for any reason, Mortgagee shall have the unqualified right to do so and, in such an event, Mortgagor and Mortgagee shall be restored to their former positions with respect to the Indebtedness, the Obligations, the Loan Agreement, the Mortgaged Property and otherwise, and the rights, remedies, recourses and powers of Mortgagee shall continue as if the right, remedy or recourse had never been invoked, but no such discontinuance or abandonment shall waive any rights of Mortgagee which may then exist or the right of Mortgagee thereafter to exercise any right, remedy or recourse under the Loan Documents.

Section 5.7 Application of Proceeds. The proceeds of any sale made under or by virtue of this Article 5, together with any Rents and other amounts generated by the holding, leasing, management, operation or other use of the Mortgaged Property, shall be applied by Mortgagee (or the receiver, if one is appointed) in the following order unless otherwise required by applicable law:

(a) to the payment of the costs and expenses of taking possession of the Mortgaged Property and of holding, using, leasing, repairing, improving and selling the same, including, without limitation (1) trustee's and receiver's fees and expenses, including the repayment of the amounts evidenced by any receiver's certificates, (2) court costs, (3) attorneys' and accountants' fees and expenses, and (4) costs of advertisement;

(b) to the payment of the Indebtedness and performance of the Obligations in such manner and order of preference as set forth in the Loan Agreement; and

(c) the balance, if any, to the payment of the persons legally entitled thereto.

Section 5.8 Occupancy After Foreclosure. Except as otherwise required by applicable law, any sale of the Mortgaged Property or any part thereof in accordance with Section 5.1(e) or Section 5.1(f) hereof will divest all right, title and interest of Mortgagor in and to the property sold. Subject to applicable law, any purchaser at a foreclosure sale will receive immediate possession of the property purchased. If Mortgagor retains possession of such property or any part thereof subsequent to such sale, Mortgagor will be considered a tenant at sufferance of the purchaser, and will, if Mortgagor remains in possession after demand to remove, be subject to eviction and removal, forcible or otherwise, with or without process of law.

Section 5.9 Costs of Enforcement. Mortgagor shall pay all expenses (including reasonable attorneys' fees and expenses and all costs and expenses related to legal work, research and litigation) of or incidental to the perfection and enforcement of this Mortgage, or the enforcement, compromise or settlement of the Indebtedness or any claim under this Mortgage, and for the curing thereof, or for defending or asserting the rights and claims of Mortgagee in respect thereof, by litigation or otherwise.

Section 5.10 No Mortgagee in Possession. Neither the enforcement of any of the remedies under this Article 5, the assignment of the Rents and Leases under Article 6, the security interests under Article 7, nor any other remedies afforded to Mortgagee under the Loan Documents, at law or in equity shall cause Mortgagee to be deemed or construed to be a mortgagee in possession of the Mortgaged Property, to obligate Mortgagee to lease the Mortgaged Property or attempt to do so, or to take any action, incur any expense, or perform or discharge any obligation, duty or liability whatsoever under any of the Leases or otherwise.

Section 5.11 WAIVER OF MORTGAGOR'S RIGHTS. BY EXECUTION OF THIS MORTGAGE, MORTGAGOR EXPRESSLY: (A) TO

THE EXTENT ALLOWED BY APPLICABLE LAW, WAIVES ANY AND ALL RIGHTS WHICH MORTGAGOR MAY HAVE UNDER THE CONSTITUTION OF THE UNITED STATES, THE VARIOUS PROVISIONS OF THE CONSTITUTIONS FOR THE SEVERAL STATES, OR BY REASON OF ANY OTHER APPLICABLE LAW, TO NOTICE AND TO JUDICIAL HEARING PRIOR TO THE EXERCISE BY MORTGAGEE OF ANY RIGHT OR REMEDY HEREIN PROVIDED TO MORTGAGEE; (B) ACKNOWLEDGES THAT MORTGAGOR HAS READ THIS MORTGAGE AND ITS PROVISIONS HAVE BEEN EXPLAINED FULLY TO MORTGAGOR AND MORTGAGOR HAS CONSULTED WITH LEGAL COUNSEL OF MORTGAGOR'S CHOICE PRIOR TO EXECUTING THIS MORTGAGE; AND (C) ACKNOWLEDGES THAT ALL WAIVERS OF THE AFORESAID RIGHTS OF MORTGAGOR HAVE BEEN MADE KNOWINGLY, INTENTIONALLY AND WILLINGLY BY MORTGAGOR AS PART OF A BARGAINED FOR LOAN TRANSACTION.

ARTICLE 6

ASSIGNMENT OF RENTS AND LEASES

Section 6.1 Assignment. In furtherance of and in addition to the assignment made by Mortgagor in Section 2.1 of this Mortgage, Mortgagor hereby absolutely and unconditionally assigns, sells, transfers and conveys to Mortgagee (for the benefit of Mortgagee) and to Mortgagee all of its right, title and interest in and to all Leases, whether now existing or hereafter entered into, and all of its right, title and interest in and to all Rents. This assignment is an absolute assignment and not an assignment for additional security only. So long as the Mortgagee is not entitled to exercise any rights pursuant to the Stipulated Order, any other order of the Bankruptcy Court or otherwise with respect to the Mortgaged Property, Mortgagee shall have a revocable license from Mortgagor to exercise all rights extended to the landlord under the Leases, including the right to receive and collect all Rents and to hold the Rents in trust for use in the payment and performance of the Obligations and to otherwise use the same. In the event Mortgagee is entitled to exercise any rights pursuant to the Stipulated Order, any other order of the Bankruptcy Court or otherwise with respect to the Mortgaged Property, whether or not legal proceedings have commenced, and without regard to waste, adequacy of security for the Obligations or solvency of Mortgagor, the license herein granted shall automatically expire and terminate, without notice by Mortgagee (any such notice being hereby expressly waived by Mortgagor).

Section 6.2 Perfection Upon Recordation. Mortgagor acknowledges that Mortgagee have taken all actions necessary to obtain, and that upon recordation of this Mortgage, Mortgagee shall have, to the extent permitted under applicable law, a valid and fully perfected present assignment of the Rents arising out of the Leases and all

security for such Leases. Mortgagor acknowledges and agrees that upon recordation of this Mortgage, Mortgagee's interest in the Rents shall be deemed to be fully perfected, "choate" and enforced as to Mortgagor and all third parties, including, without limitation, any subsequently appointed trustee in any case under the Bankruptcy Code, without the necessity of commencing a foreclosure action with respect to this Mortgage, making formal demand for the Rents, obtaining the appointment of a receiver or taking any other affirmative action.

Section 6.3 Bankruptcy Provisions. Without limitation of the absolute nature of the assignment of the Rents hereunder, Mortgagor, and Mortgagee agree that (a) this Mortgage shall constitute a "security agreement" for purposes of Section 552(b) of the Bankruptcy Code, (b) the security interest created by this Mortgage extends to property of Mortgagor acquired before the commencement of a case in bankruptcy and to all amounts paid as Rents and (c) such security interest shall extend to all Rents acquired by the estate after the commencement of any case in bankruptcy.

Section 6.4 No Merger of Estates. So long as part of the Indebtedness and the Obligations secured hereby remain unpaid and undischarged, the fee and leasehold estates to the Mortgaged Property shall not merge, but shall remain separate and distinct, notwithstanding the union of such estates either in Mortgagor, Mortgagee, any tenant or any third party by purchase or otherwise.

ARTICLE 7

SECURITY AGREEMENT

Section 7.1 Security Interest. This Mortgage constitutes a "security agreement" on personal property within the meaning of the UCC and other applicable law and with respect to the Fixtures, Leases, Rents, Deposit Accounts, Property Agreements, Tax Refunds, Proceeds, Insurance and Condemnation Awards. To this end, Mortgagor grants to Mortgagee a security interest in the Fixtures, Leases, Rents, Deposit Accounts, Property Agreements, Tax Refunds, Proceeds, Insurance and Condemnation Awards and all other Mortgaged Property which is personal property to secure the payment of the Indebtedness and performance of the Obligations, and agrees that Mortgagee shall have all the rights and remedies of a secured party under the UCC with respect to such property. Any notice of sale, disposition or other intended action by Mortgagee with respect to the Fixtures, Leases, Rents, Deposit Accounts, Property Agreements, Tax Refunds, Proceeds, Insurance and Condemnation Awards sent to Mortgagor at least five (5) days prior to any action under the UCC shall constitute reasonable notice to Mortgagor.

Section 7.2 Financing Statements. Mortgagor shall execute and deliver to Mortgagee, in form and substance satisfactory to Mortgagee, such financing statements and such further assurances as Mortgagee may, from time to time, reasonably consider necessary to create, perfect and preserve Mortgagee's security interest hereunder and Mortgagee may cause such statements and assurances to be recorded and filed, at such times and places as may be required or permitted by law to so create, perfect and preserve such security interest. Mortgagor's state of organization is the State of Alabama.

Section 7.3 Fixture Filing. This Mortgage shall also constitute a "fixture filing" for the purposes of the UCC against all of the Mortgaged Property which is or is to become fixtures. Information concerning the security interest herein granted may be obtained at the address of Debtor (Mortgagor) and Secured Party (Mortgagee) as set forth in the first paragraph of this Mortgage.

ARTICLE 8 MISCELLANEOUS

Section 8.1 Notices. Any notice required or permitted to be given under this Mortgage shall be given in accordance with Section 28 of the Stipulated Order and a copy of any notice given to Grantor shall also be given to the following: Wells Fargo Foothill, Inc., 2450 Colorado Avenue, Suite 3000 West, Santa Monica, California 90404.

Section 8.2 Covenants Running with the Land. All Obligations contained in this Mortgage are intended by Mortgagor, Mortgagee to be, and shall be construed as, covenants running with the Mortgaged Property. As used herein, "Mortgagor" shall refer to the party named in the first paragraph of this Mortgage and to any subsequent owner of all or any portion of the Mortgaged Property. All Persons who may have or acquire an interest in the Mortgaged Property shall be deemed to have notice of, and be bound by, the terms of the Loan Agreement and the other Loan Documents; however, no such party shall be entitled to any rights thereunder without the prior written consent of Mortgagee.

Section 8.3 Attorney-in-Fact. Mortgagor hereby irrevocably appoints Mortgagee and its successors and assigns, as its attorney-in-fact, which agency is coupled with an interest and with full power of substitution, (a) to execute and/or record any notices of completion, cessation of labor or any other notices that Mortgagee deems appropriate to protect Mortgagee's interest, if Mortgagor shall fail to do so within ten (10) days after written request by Mortgagee, (b) upon the issuance of a deed pursuant to the foreclosure of this Mortgage or the delivery of a deed in lieu of foreclosure, to

execute all instruments of assignment, conveyance or further assurance with respect to the Leases, Rents, Deposit Accounts, Property Agreements, Tax Refunds, Proceeds, Insurance and Condemnation Awards in favor of the grantee of any such deed and as may be necessary or desirable for such purpose (if remedies are exercised pursuant to this Mortgage), (c) to prepare, execute and file or record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve Mortgagee's security interests and rights in or to any of the Mortgaged Property, and (d) while Mortgagee is entitled to exercise any rights pursuant to the Stipulated Order, any other order of the Bankruptcy Court or otherwise with respect to the Mortgaged Property, to perform any obligation of Mortgagor hereunder, however: (1) Mortgagee shall not under any circumstances be obligated to perform any obligation of Mortgagor; (2) any sums advanced by Mortgagee in such performance shall be added to and included in the Indebtedness and shall bear interest at the rate or rates at which interest is then computed on the Indebtedness; (3) Mortgagee as such attorney-in-fact shall only be accountable for such funds as are actually received by Mortgagee; and (4) Mortgagee shall not be liable to Mortgagor or any other person or entity for any failure to take any action which it is empowered to take under this Section 9.3. Notwithstanding the foregoing, Mortgagee shall be liable for its gross negligence, willful misconduct, and bad faith in connection with exercising its rights hereunder.

Section 8.4 Successors and Assigns. This Mortgage shall be binding upon and inure to the benefit of Mortgagee, and Mortgagor and their respective successors and assigns. Mortgagor shall not, without the prior written consent of Mortgagee, assign any rights, duties or obligations hereunder.

Section 8.5 No Waiver. Any failure by Mortgagee, to insist upon strict performance of any of the terms, provisions or conditions of the Loan Documents shall not be deemed to be a waiver of same, and Mortgagee, shall have the right at any time to insist upon strict performance of all such terms, provisions and conditions.

Section 8.6 Loan Agreement. If any conflict or inconsistency exists between this Mortgage and the Loan Agreement or the Stipulated Order, the Stipulated Order shall govern.

Section 8.7 Release or Reconveyance. Upon the earlier to occur of (a) the payment in full of all amounts owing under the Loan Agreement and performance in full of the Obligations or (b) the occurrence of the effective date of a plan of reorganization for AREC, Mortgagee, at Mortgagor's expense, shall release the liens and security interests created by this Mortgage or reconvey the Mortgaged Property to Mortgagor.

Section 8.8 Waiver of Stay, Moratorium and Similar Rights.

Mortgagor agrees, to the full extent that it may lawfully do so, that it will not at any time insist upon or plead or in any way take advantage of any stay, marshalling of assets, extension, redemption or moratorium law now or hereafter in force and effect so as to prevent or hinder the enforcement of the provisions of this Mortgage or the Indebtedness secured hereby, or any agreement between Mortgagor and Mortgagee or any rights or remedies of Mortgagee.

Section 8.9 Applicable Law. The provisions of this Mortgage regarding the creation, perfection and enforcement of the liens and security interests herein granted shall be governed by and construed under the laws of the state in which the Mortgaged Property is located. All other provisions of this Mortgage shall be governed by the laws of the State of New York, without regard to conflicts of law principles.

Section 8.10 Headings. The Article, Section and Subsection titles hereof are inserted for convenience of reference only and shall in no way alter, modify or define, or be used in construing, the text of such Articles, Sections or Subsections.

Section 8.11 Entire Agreement. This Mortgage and the other Loan Documents embody the entire agreement and understanding between Mortgagor and Mortgagee and supersede all prior agreements and understandings between such parties relating to the subject matter hereof and thereof. Accordingly, the Loan Documents may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

Section 8.12 Mortgagee as Agent; Successor Agents.

(a) Agent has been appointed to act as Agent hereunder by the Lender Group. Agent shall have the right hereunder to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including, without limitation, the release or substitution of the Mortgaged Property) in accordance with the terms of the Loan Agreement, any related agency agreement among Agent and the lender parties to the Loan Agreement (collectively, as amended, supplemented or otherwise modified or replaced from time to time, the "Agency Documents") and this Mortgage. Mortgagor and all other persons shall be entitled to rely on releases, waivers, consents, approvals, notifications and other acts of Agent, without inquiry into the existence of required consents or approvals of the Lender Group therefor.

(b) Mortgagee shall at all times be the same Person that is Agent under the Agency Documents. Written notice of resignation by Agent pursuant to

the Agency Documents shall also constitute notice of resignation as Agent under this Mortgage. Removal of Agent pursuant to any provision of the Agency Documents shall also constitute removal as Agent under this Mortgage. Appointment of a successor Agent pursuant to the Agency Documents shall also constitute appointment of a successor Agent under this Mortgage. Upon the acceptance of any appointment as Agent by a successor Agent under the Agency Documents, that successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Agent as the Mortgagee under this Mortgage, and the retiring or removed Agent shall promptly (i) assign and transfer to such successor Agent all of its right, title and interest in and to this Mortgage and the Mortgaged Property, and (ii) execute and deliver to such successor Agent such assignments and amendments and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Agent of the liens and security interests created hereunder, whereupon such retiring or removed Agent shall be discharged from its duties and obligations under this Mortgage. After any retiring or removed Agent's resignation or removal hereunder as Agent, the provisions of this Mortgage and the Agency Documents shall inure to its benefit as to any actions taken or omitted to be taken by it under this Mortgage while it was the Agent hereunder.

(c) Each reference herein to any right granted to, benefit conferred upon or power exercisable, exercised or action taken by the "Mortgagee" shall be deemed to be a reference to or be deemed to have been so taken, as the case may be, by Mortgagee in its capacity as Agent pursuant to the Loan Agreement for the benefit of the Lender Group and for the benefit of the issuer or supplier of the Bank Product Obligations (as defined in the Loan Agreement), all as more fully set forth in the Loan Agreement.

ARTICLE 9

LOCAL LAW PROVISIONS

Section 9.1 Power of Sale. This Mortgage explicitly gives the Mortgagee a POWER TO SELL the Mortgaged Property to the full extent permitted under applicable law, including, without limitation, under §35 10 12 of the Code of Alabama.

Section 9.2 Waivers. MORTGAGOR HEREBY ACKNOWLEDGES AND AGREES THAT THIS MORTGAGE CONTAINS CERTAIN INDEMNIFICATION PROVISIONS WHICH IN CERTAIN CIRCUMSTANCES COULD INCLUDE AN INDEMNIFICATION BY MORTGAGOR OR BENEFICIARY

FROM CLAIMS OR LOSSES ARISING AS A RESULT OF BENEFICIARY'S OWN NEGLIGENCE.

ARTICLE 10
GUARANTY WAIVERS

Section 10.1 Waiver of Subrogation, Contribution and Other Rights. MORTGAGOR HEREBY IRREVOCABLY WAIVES ANY AND ALL CLAIMS OR OTHER RIGHTS WHICH IT MAY NOW HAVE OR HEREAFTER ACQUIRES AGAINST BORROWERS OR ANY OTHER GUARANTOR OF THE INDEBTEDNESS AND OBLIGATIONS THAT ARISE FROM THE EXISTENCE, PAYMENT, PERFORMANCE OR ENFORCEMENT OF MORTGAGOR'S LIABILITIES OR OBLIGATIONS UNDER THIS MORTGAGE OR ANY OTHER LOAN DOCUMENT, INCLUDING, WITHOUT LIMITATION, ANY RIGHT OF SUBROGATION, REIMBURSEMENT, EXONERATION, CONTRIBUTION OR INDEMNIFICATION, AND ANY RIGHT TO PARTICIPATE IN ANY CLAIM OR REMEDY OF MORTGAGEE OR LENDER GROUP AGAINST BORROWERS OR ANY OTHER GUARANTOR OF THE INDEBTEDNESS AND OBLIGATIONS OR ANY COLLATERAL WHICH MORTGAGEE NOW HAS OR HEREAFTER ACQUIRES, WHETHER OR NOT SUCH RIGHT, CLAIM OR REMEDY ARISES IN EQUITY OR UNDER CONTRACT, STATUTE OR COMMON LAW, INCLUDING, WITHOUT LIMITATION, THE RIGHT TO TAKE OR RECEIVE FROM BORROWERS, DIRECTLY OR INDIRECTLY, IN CASH OR OTHER PROPERTY OR BY SETOFF OR IN ANY OTHER MANNER, PAYMENT OR SECURITY ON ACCOUNT OF SUCH RIGHT, CLAIM OR REMEDY. WITHOUT LIMITING THE GENERALITY OF AND IN ADDITION TO THE FOREGOING, MORTGAGOR HEREBY IRREVOCABLY WAIVES ANY AND ALL CLAIMS OR OTHER RIGHTS IT MAY NOW HAVE OR HEREAFTER ACQUIRES AGAINST MORTGAGEE OR LENDER GROUP ANY OTHER PERSON UNDER CHAPTER 34 OF THE TEXAS BUSINESS AND COMMERCE CODE. IF ANY AMOUNT SHALL BE PAID TO MORTGAGOR IN VIOLATION OF THIS PARAGRAPH AND THE INDEBTEDNESS AND OBLIGATIONS SHALL NOT HAVE BEEN PAID IN FULL, SUCH AMOUNT SHALL BE DEEMED TO HAVE BEEN PAID TO MORTGAGOR FOR THE BENEFIT, AND HELD IN TRUST FOR THE BENEFIT, OF MORTGAGEE OR LENDER GROUP AND SHALL FORTHWITH BE PAID TO MORTGAGEE OR LENDER GROUP TO BE CREDITED AND APPLIED UPON THE INDEBTEDNESS AND OBLIGATIONS, WHETHER MATURED OR UNMATURED, IN ACCORDANCE WITH THE TERMS OF THE LOAN AGREEMENT AND OTHER LOAN DOCUMENTS. MORTGAGOR ACKNOWLEDGES THAT IT WILL RECEIVE DIRECT AND INDIRECT BENEFIT FROM THE LOAN AND THE OTHER TRANSACTIONS EVIDENCED BY AND CONTEMPLATED IN THE

LOAN AGREEMENT AND THE LOAN DOCUMENTS AND THAT THE WAIVER SET FORTH IN THIS PARAGRAPH IS KNOWINGLY MADE IN CONTEMPLATION OF SUCH BENEFIT.

[The remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF, Mortgagor has on the date set forth in the acknowledgement hereto, effective as of the date first above written, caused this instrument to be duly EXECUTED AND DELIVERED by authority duly given.


MORTGAGOR:

AMERCO REAL ESTATE COMPANY
OF ALABAMA, INC., an Alabama
corporation

By:

Name:

Its:


Carlos Vizcarra

STATE OF Arizona)
) ss.
COUNTY OF Maricopa)

On September 12, 2003, before me, the undersigned, Notary Public in and for said State and County, personally appeared Carlos Vizcarra, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity(ies) upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Joanne Fried
Notary Public

My commission expires: June 27, 2005

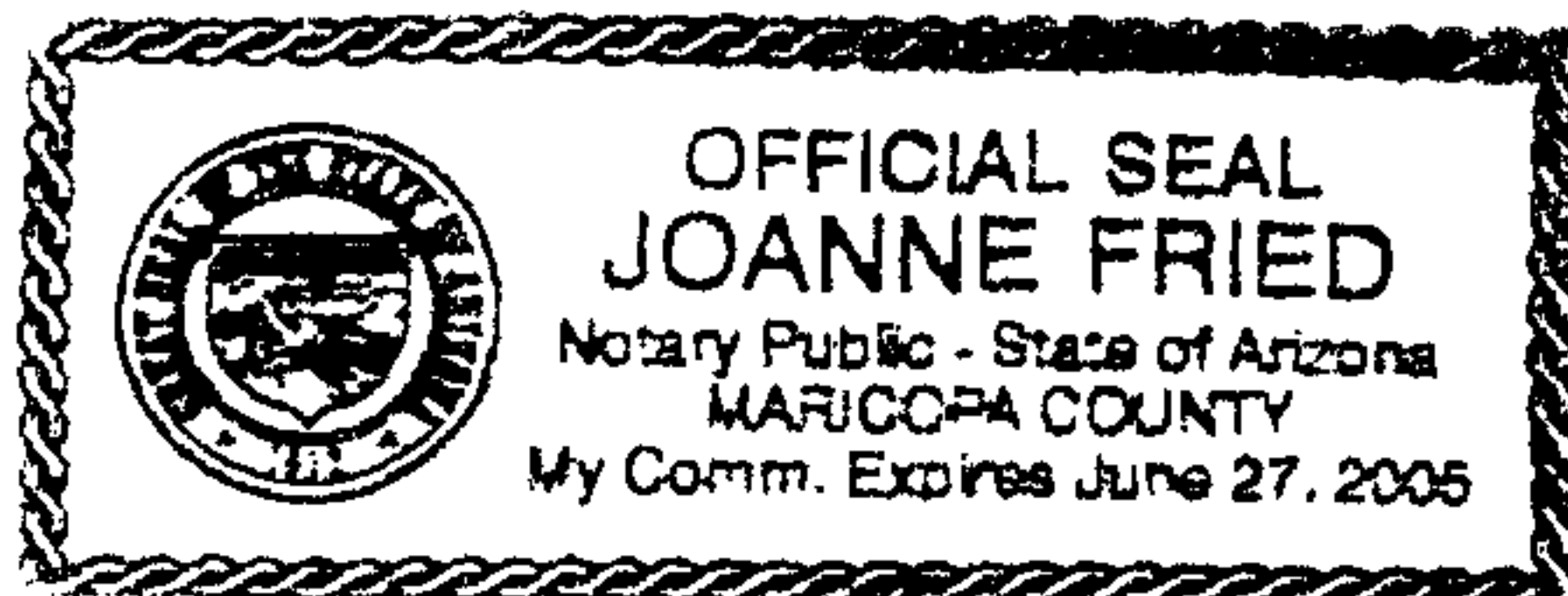


EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY

Part of Lot 4, Issis Subdivision as recorded in Map Book 16, Page 70, in the Office of the Judge of Probate, Shelby County, Alabama, being more particularly described as follows:

From the most Southerly corner of said Lot 4, Issis Subdivision, run in a Northwesterly direction along the Southwest line of said Lot 4 for a distance of 115.52 feet to an existing iron pin being the POINT OF BEGINNING;

Thence continue in a Northwesterly direction along said Southwest line for a distance of 86.48 feet to an existing iron pin;

Thence turn an angle to the right of 90 deg. 00 min. 03 sec. And run in a Northeasterly direction for a distance of 119.98 feet;

Thence turn an angle to the right of 90 deg. 01 min. 05 sec. And run in a Southeasterly direction for a distance of 29.99 feet to an existing iron pin;

Thence turn an angle to the left of 89 deg. 54 min. 07 sec. And run in a Northeasterly direction for a distance of 89.92 feet to an existing iron pin;

Thence turn an angle to the left of 89 deg. 50 min. 39 sec. And run in a Northwesterly direction for a distance of 255.11 feet to an existing iron pin being on the southeast right of way line of U.S. Highway No. 31;

Thence turn an angle to the right of 89 deg. 44 min. 16 sec. And run in a Northeasterly direction for a distance of 251.66 feet to an existing iron pin being on the Southerly right of way line of Little Oak Ridge Road;

Thence turn an angle to the right of 73 deg. 12 min. 01 sec. And run in an Easterly direction along the South right of way line of Little Oak Ridge Road for a distance of 453.47 feet to an existing iron pin;

Thence turn an angle to the right of 110 deg. 22 min. 46 sec. And run in a Southwesterly direction for a distance of 301.03 feet to an existing iron pin;

Thence turn an angle to the right of 24 deg. 34 min. 34 sec. and run in a Southwesterly direction for a distance of 176.57 feet to an existing iron pin;

Thence turn an angle to the left of 19 deg. 40 min. and run in a Southwesterly direction for a distance of 139.16 feet, more or less, to the POINT OF BEGINNING.

TOGETHER WITH THE FOLLOWING NON-EXCLUSIVE APPURTENANT EASEMENT:
A three (3) foot nonexclusive construction easement, along the entire Southeasterly border of Parcel I.