

STATE OF ALABAMA)

SHELBY COUNTY)

OPTION AGREEMENT

THIS OPTION AGREEMENT made this 4th day of April, 2005, between:

SELLER: ALIANT BANK, an Alabama banking association
(hereinafter sometimes referred to as "Seller") and

BUYER: COLONIAL PROPERTIES SERVICES, INC.,
an Alabama corporation (hereinafter sometimes referred to as "Buyer")

The parties agree as follows:

1. **GRANT OF OPTION.** In consideration of the sum of Ten and No/100 Dollars (\$10.00), paid by the Buyer to the Seller, and the mutual covenants and agreements contained in the Contract for Sale and Purchase having an effective date of September 29, 2004, and amended on December 8, 2004, between Seller and Buyer (the "Purchase Contract") and this Option Agreement, the receipt and sufficiency of which is hereby acknowledged, Seller does hereby grant to the Buyer the exclusive option to purchase the real estate described on Exhibit "A" attached hereto and incorporated herein by reference (the "Property"). All capitalized terms not otherwise defined herein shall carry the meaning ascribed to such term in the Purchase Contract.

2. **TERMS OF OPTION.** Buyer may, in the exercise of its sole discretion, elect to repurchase the Property if: (i) the Property is sold before certificates of occupancy are issued for all Intended Improvements, or (ii) commencement of construction does not occur on or before twelve (12) months following the date hereof (the "Construction Period"), or (iii) Seller fails to complete construction on or before eighteen (18) months from the date hereof (the "Construction Completion Date"). The right of repurchase shall be exercised in accordance with the following provisions:

(a) **Election Notice.** Buyer may elect to exercise its rights of repurchase by giving written notice thereof ("Election Notice") to Seller. The Election Notice shall also be given by Seller to any Institutional Mortgagee, as defined below, holding a mortgage on the Property if said mortgagee has theretofore provided Seller with notice (in the manner provided herein) of its name and address along with a copy of the mortgage it holds.

(b) **Repurchase Price.** The repurchase price ("Repurchase Price") to be paid by Buyer for the Property shall be equal to the original purchase price paid by Seller to Buyer for the Property plus Seller's actual out-of-pocket hard costs for any improvements erected on the Property (excluding

interest on loans and general administrative and overhead costs), less the balance of any mortgages and liens paid off or assumed by Buyer.

Following the determination of the Repurchase Price of the Property, Buyer may elect not to repurchase the Property by giving written notice to Seller of its election. An election not to repurchase the Property will not waive Buyer's right to repurchase the Property at a later date, and will not waive any remedy which may be available to the Buyer under this Agreement, at law or in equity for a breach of this Agreement by Buyer.

(c) Indemnity. Seller agrees to indemnify and hold harmless Buyer from and against any and all claims, damages, expenses (including reasonable attorney's fees and court costs) and liabilities of any nature whatsoever asserted against or incurred by Buyer in connection with any mortgages, mechanic's liens, judgment liens and other matters pertaining to the Property arising on or after the Closing Date not satisfied and released by Seller.

(d) Closing. Closing on repurchase of the Property shall occur at the office of Buyer. The date and time for closing on the repurchase shall be specified by Buyer in the Election Notice and shall be on or before sixty (60) days after the Election Notice is sent.

(e) Title Insurance. At closing on the repurchase, Seller shall deliver to Buyer an owner's title insurance policy (ALTA Form B, 1970 form) issued by a duly licensed title insurer insuring title to the Property (and any improvements located thereon) in Buyer subject only to the Permitted Exceptions. Cost of said title insurance, costs of clearing title, and all other costs incurred incidental to reconveyance of the Property (including, but not by way of limitation, recording fees and documentary stamp tax or similar deed taxes) shall be paid by Seller.

(f) Institutional Mortgagee. In the event that Buyer elects to exercise its rights to repurchase pursuant to this Section 2, any Institutional Mortgagee entitled to receive an Election Notice, may, within thirty (30) days of receipt of such notice, elect to assume Seller's obligations hereunder and promptly cure the default and proceed to complete construction in accordance with the approved plans and specifications whereupon Buyer shall be deemed to waive its rights of repurchase as to the specific default, but not as to any future default hereunder. Any such election shall be exercised by such Institutional Mortgagee giving written notice thereof to Buyer in the manner required herein whereupon the Institutional Mortgagee shall execute promptly formal assumption documents, in such form and content as Buyer may reasonably require. For purposes of this Agreement, an "Institutional Mortgagee" shall mean any bank, savings and loan association, credit union, life insurance company or recognized real estate investment trust holding a first mortgage on the Property to secure a loan for the sole purpose of financing acquisition of the Property and/or construction of improvements thereon in accordance with plans and specifications approved by Buyer.

3. EXPIRATION OF OPTION. The option hereby granted, and all rights and privileges hereunder, shall become null and void and shall no longer exist or the last to occur of: (i) Seller shall have commenced construction of the facilities and improvements prior to the end of the Construction Period and is constructing the same with diligence and speed through the issuance of a



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certificate of occupancy, or (ii) upon the Construction Completion Date. In addition, even if Seller has not commenced construction during the Construction Period, the option shall become null and void if Seller commences construction prior to exercise of the option by Buyer and further satisfies (i) and (ii) above. In any event, the option hereby granted shall expire if it has not been exercised within ten (10) years from the date hereof. The option may be terminated at any time by a document in recordable form signed by the Buyer.

4. **NOTICE OF EXERCISE.** This option shall be exercised by the Buyer giving written notice to the Seller, said notice to be sent by certified or registered mail to the Seller at the following address:

SELLER'S ADDRESS: Aliant Bank
 1100 Corporate Parkway
 Birmingham, Alabama 35238
 Attention: Jack Naramore

Said notice shall be effective if deposited in the U. S. Mail on or before the expiration date.

5. **PERFORMANCE.** Upon exercise of the option as provided herein, the Property shall be transferred upon the same terms and conditions contained in the Purchase Contract.

6. **ASSIGNMENT.** This option and all rights hereunder shall be assignable by the Buyer either before or after the exercise of this option.

IN WITNESS WHEREOF, Seller and Buyer have signed and sealed this instrument on the day and year first set forth above.

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SELLER:

ALiant BANK,
an Alabama banking association

By: Jack Newman
Its: President, Birmingham Region

STATE OF ALABAMA)

Jefferson COUNTY)

I, the undersigned, a Notary Public, in and for said County, in said State, hereby certify that Jack Newman, whose name as President Birmingham Region of ALiant BANK, an Alabama banking association, is signed to the foregoing document, and who is known to me, acknowledged before me on this day, that, being informed of the contents thereof, she/he, as such officer and with full authority, executed the same voluntarily for and as the act of said association.

Given under my hand and official seal this 4 day of April, 2005.


[Signature]
Notary Public
My commission expires: 6/17/07



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BUYER:

COLONIAL PROPERTIES SERVICES, INC.,
an Alabama corporation

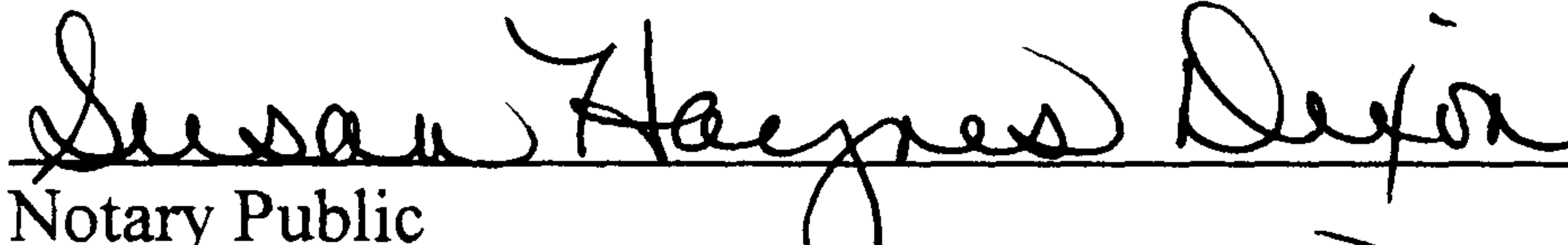
By: 
Charles L. Light
Its: Executive Vice President

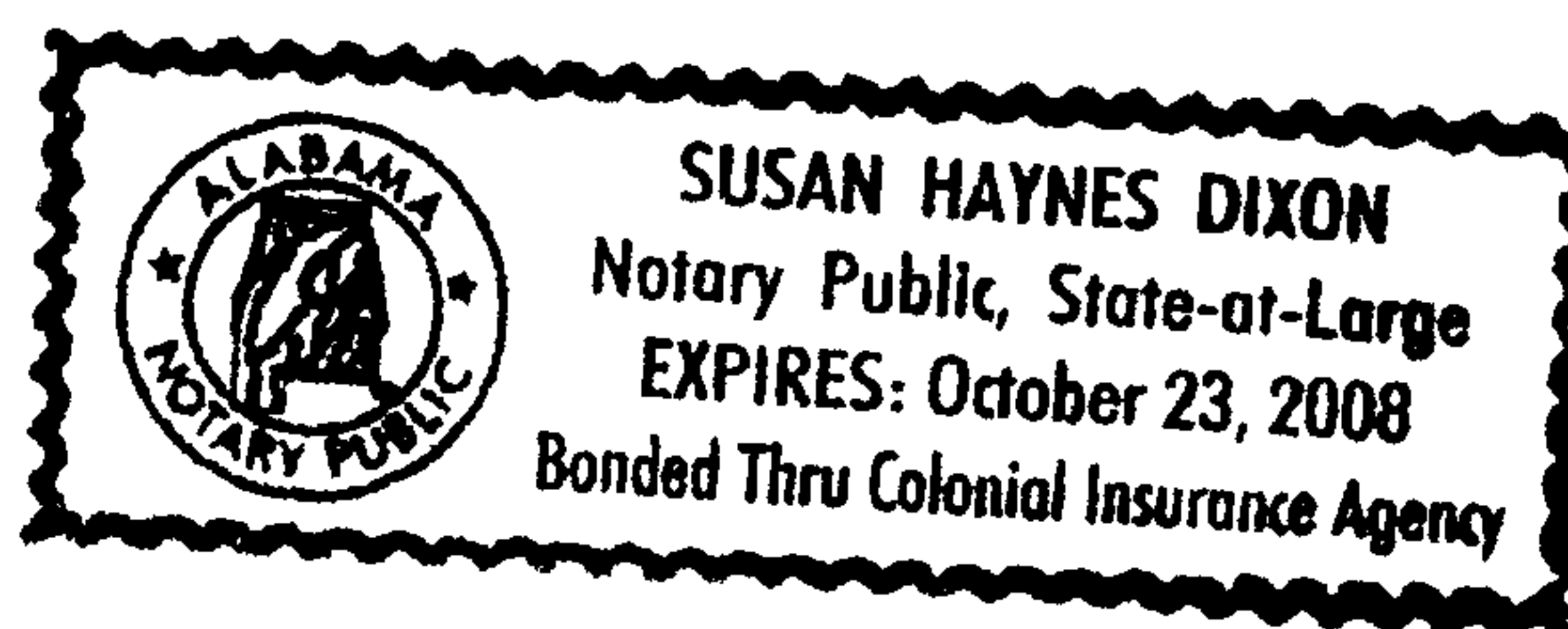
STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public, in and for said County, in said State, hereby certify that Charles L. Light, whose name as Executive Vice President of Colonial Properties Services, Inc., an Alabama corporation, is signed to the foregoing document, and who is known to me, acknowledged before me on this day, that, being informed of the contents thereof, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 31 day of March, 2005.


Notary Public
My commission expires: 10/23/08



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EXHIBIT "A"

A parcel of land situated in the Southwest 1/4 of the Southeast 1/4 of Section 1, Township 21 South, Range 3 West, Shelby County, Alabama being more particularly described as follows:

Commence at the Southeast corner of Section 1, Township 21 South, Range 3 West; thence in a Westerly direction along the South line of said Section 1 a distance of 2337.92 feet to a point at the intersection of said Section line and the Northeasterly Right-of-Way line of U.S. Highway No. 31; thence $37^{\circ}21'23''$ to the right in a Northwesterly direction along said Right-of-Way line a distance of 24.34 feet to the POINT OF BEGINNING of the parcel described herein; thence continue along the last described course and along said Right-of-Way line a distance of 215.59 feet to a point at the intersection of said U.S. Highway No. 31 Right-of-Way line and the Southeast Right-of-Way line of a proposed road, said point lying on a curve to the left having a radius of 112.00 feet and a central angle of $12^{\circ}50'47''$; thence $83^{\circ}26'29''$ to the right (angle measured to tangent) in a Northeasterly direction (leaving said U.S. Highway No. 31 Right-of-Way) along the arc of said curve and along the Southeasterly Right-of-Way line of said proposed road a distance of 25.11 feet to the P.T. (point of tangent) of said curve; thence tangent to said curve in a Northeasterly direction along said Right-of-Way line a distance of 72.60 feet to the P.C. (point of curve) of a curve to the right having a radius of 175.00 feet and a central angle of $45^{\circ}33'32''$; thence in a Northeasterly direction along the arc of said curve and along said Right-of-Way line a distance of 139.15 feet to the P.T. (point of tangent) of said curve; thence tangent to said curve in a Northeasterly direction along said Right-of-Way line a distance of 78.51 feet to a point, said point lying on a curve to the right having a radius of 250.00 feet and a central angle of $16^{\circ}42'31''$; thence $92^{\circ}44'33''$ to the right (angle measured to tangent) in a Southerly direction (leaving said Right-of-Way line) along the arc of said curve a distance of 72.91 to the P.T. (point of tangent) of said curve; thence tangent to said curve in a Southerly direction a distance of 173.03 feet to a point; thence $34^{\circ}03'58''$ to the right in a Southwesterly direction a distance of 133.19 feet to the POINT OF BEGINNING.