

[Execution Copy]

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

Dated June 1, 1992

from

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF COLUMBIANA**

and

NFA CORP.

to

AMSOUTH BANK N.A.

Inst # 1992-12551

Mike A

Executed in 4 Counterparts of
Which this is Counterpart #1

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STATE OF ALABAMA)
)
SHELBY COUNTY)

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

THIS MORTGAGE, ASSIGNMENT OF LEASES AND SECURITY AGREEMENT dated June 1, 1992 is entered into by **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF COLUMBIANA**, a public corporation organized under the laws of the State of Alabama (the "Issuer"), and **NFA CORP.**, a corporation organized under the laws of the Commonwealth of Massachusetts ("NFA"; the Issuer and NFA being hereinafter sometimes together referred to as the "Mortgagors"), for the benefit of **AMSOUTH BANK N.A.**, a national banking association with its principal place of business in Birmingham, Alabama (the "Bank").

Recitals

The Issuer will issue its \$8,100,000 aggregate principal amount of Revenue Bonds (NFA Corp. Project), Series 1992-A (the "Bonds") pursuant to a Trust Indenture dated June 1, 1992 (the "Indenture") between the Issuer and AmSouth Bank N.A., a national banking association with its principal place of business in Birmingham, Alabama (the "Trustee"). The Bonds will be issued for the purposes of (i) refunding the Issuer's \$4,800,000 Revenue Bonds (NFA Corp. Project), Series 1991-A, dated June 1, 1991 and (ii) financing a portion of the costs of acquiring, constructing and equipping certain improvements to existing industrial facilities (the "Project").

The Issuer and NFA will enter into a Lease Agreement dated June 1, 1992 (the "Lease Agreement") whereby the Issuer will agree to lease the Project to NFA and NFA will agree to pay rentals to the Issuer at such times and in such amounts as shall be sufficient to pay when due the principal of, premium (if any) and interest ("Debt Service") on the Bonds and the purchase price of Bonds tendered for purchase pursuant to the mandatory or optional tender provisions of the Indenture.

As security for the payment of Debt Service on the Bonds, NFA will enter into a Guaranty Agreement dated June 1, 1992 (the "Bond Guaranty") in favor of the Trustee, whereby NFA will guarantee payment when due of Debt Service on the Bonds.

As additional security for the payment of the Bonds, NFA will cause the Bank to issue an irrevocable letter of credit (the "Letter of Credit") in favor of the Trustee in the amount of \$8,550,000 to enable the Trustee to pay Debt Service on the Bonds and the purchase price of Bonds tendered for purchase in accordance with the terms of the Indenture. The Letter of Credit will expire on June 16, 1997 (unless terminated sooner in accordance with its terms).

The Letter of Credit will be issued by the Bank pursuant to a Credit Agreement dated June 1, 1992 (the "Credit Agreement") between NFA and the Bank, whereby NFA will agree, among other things, to reimburse the Bank for all amounts drawn by the Trustee pursuant to the Letter of Credit.

As additional security for NFA's obligations under the Credit Agreement, NFA and the Issuer shall execute this Mortgage in favor of the Bank, whereby the Bank will be granted a mortgage, assignment and pledge of, and security interest in, the Project, the rights of NFA under the Lease Agreement and certain other collateral.

NOW, THEREFORE, in consideration of the foregoing recitals and to induce the Bank to enter into the Credit Agreement and to issue the Letter of Credit, and to secure the prompt payment of all amounts due under the Credit Agreement and this Mortgage, and also to secure the full and complete performance of each and every obligation, covenant, duty and agreement of the Mortgagors contained in this Mortgage and of NFA contained in the Credit Agreement:

ARTICLE 1

Definitions and Other Provisions of General Application

SECTION 1.01 Definitions

For all purposes of this Mortgage, except as otherwise expressly provided or unless the context otherwise requires:

- (1) The terms defined in this Article have the meanings assigned to them in this Article. Singular terms shall include the plural as well as the singular and vice versa.
- (2) The definitions in the recitals to this instrument are for convenience only and shall not affect the construction of this instrument.
- (3) All references in this instrument to designated "articles", "sections" and other subdivisions are to the designated articles, sections and subdivisions of this instrument as originally executed.
- (4) The terms "herein", "hereof" and "hereunder" and other words of similar import refer to this Mortgage as a whole and not to any particular article, section or other subdivision.
- (5) All references in this instrument to a separate instrument are to such separate instrument as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(6) The term "person" shall include any individual, corporation, partnership, joint venture, association, trust, unincorporated organization and any government or any agency or political subdivision thereof.

Bank shall mean AmSouth Bank N.A., a national banking association with its principal place of business in Birmingham, Alabama and its successors and assigns.

Bond Guaranty shall mean that certain Guaranty Agreement dated June 1, 1992, executed by NFA in favor of the Trustee.

Bonds shall mean the \$8,100,000 aggregate principal amount of Revenue Bonds (NFA Corp. Project), Series 1992-A issued by the Issuer pursuant to the Indenture.

Buildings shall mean all buildings, structures and other improvements (including the Project Improvements) now or hereafter located on the Real Property.

Collateral shall mean all property and rights mortgaged, assigned or pledged pursuant to, or otherwise subject to the lien of, this Mortgage.

Condemnation Awards shall have the meaning stated in the granting clause of Article 2 entitled "Condemnation Awards and Insurance Proceeds".

Construction Documents shall mean (i) the plans and specifications for the Project Improvements and Project Equipment; (ii) contracts with architects, engineers and contractors for the design, construction and development of the Project Improvements and Project Equipment, and (iii) performance and payment bonds and any other agreements guaranteeing performance of the work relating to, or guaranteeing payment for or completion of, the Project Improvements or Project Equipment.

Credit Agreement shall mean that certain Credit Agreement dated June 1, 1992 between NFA and the Bank.

Equipment shall mean all personal property and fixtures (including the Project Equipment) subject to the lien of this Mortgage.

Event of Default shall have the meaning stated in Section 7.01. An Event of Default shall "exist" if an Event of Default shall have occurred and be continuing.

Financing Documents shall mean the Indenture, the Lease Agreement, the Bond Guaranty, the Credit Agreement and this Mortgage.

Indenture shall mean that certain Trust Indenture dated June 1, 1992 between the Issuer and the Trustee.

Issuer shall mean The Industrial Development Board of the City of Columbiana, a public corporation organized under the laws of the State of Alabama, and its successors and assigns.

Lease Agreement shall mean that certain Lease Agreement dated June 1, 1992, between the Issuer and NFA.

Leases shall have the meaning stated in the granting clause of Article 2 entitled "Leases and Rents".

Letter of Credit shall mean (i) the letter of credit with respect to the Bonds to be issued by the Bank in favor of the Trustee pursuant to the Credit Agreement, and (ii) any substitute letter of credit issued by the Bank with respect to the Bonds, and shall include any such letter of credit or substitute letter of credit as amended or the term of which shall be extended or renewed by the Bank.

Mortgage shall mean this instrument as originally executed or as it may from time to time be supplemented, modified or amended by one or more instruments entered into pursuant to the applicable provisions hereof.

Mortgagors shall mean the Issuer and NFA.

NFA shall mean NFA Corp., a corporation organized under the laws of the Commonwealth of Massachusetts, and its successors and assigns.

Obligations shall mean:

(1) all letter of credit commissions, fees, charges and costs becoming due and payable under the Credit Agreement in accordance with the terms thereof;

(2) all amounts becoming due and payable under the Credit Agreement in accordance with the terms thereof as reimbursement of sums paid by the Bank under the Letter of Credit;

(3) all interest becoming due and payable under the Credit Agreement in accordance with the terms thereof;

(4) all amounts becoming due and payable under the Credit Agreement in accordance with the terms thereof upon the occurrence and continuance of an event of default, as therein defined, under the Credit Agreement;

(5) all amounts payable by NFA under the Credit Agreement as reimbursement of increased cost to the Bank caused by changes in laws or regulations or in the interpretation thereof;

(6) all other amounts payable by NFA under the Credit Agreement;

(7) all amounts payable by NFA under the terms of this Mortgage (including but not limited to reimbursement for advancements made by the Bank under this Mortgage) and any other security agreements, pledge agreements or other documents now or hereafter evidencing or securing NFA's performance of its obligations under the Credit Agreement;

(8) any obligations resulting from any renewal, extension or amendment of, or any substitute for, the Letter of Credit, whether or not the Stated Amount (as such term is defined in the Letter of Credit) of the Letter of Credit is increased thereby; and

(9) all renewals and extensions of any or all of the obligations of NFA described above, whether or not any renewal or extension agreement is executed in connection therewith.

Permitted Encumbrances shall mean the liens and encumbrances described in Exhibit E attached hereto.

Project shall mean (i) the Project Site, (ii) the Project Improvements and all other buildings, structures and improvements now or hereafter located on the Project Site, and (iii) the Project Equipment.

Project Equipment shall have meaning stated in the granting clause of Article 2 entitled "Project Equipment".

Project Improvements shall have the meaning stated in the granting clause of Article 2 entitled "Project Improvements and Other Buildings on Project Site".

Project Revenues shall have the meaning stated in the granting clause of Article 2 entitled "Project Revenues and Lease Agreement".

Project Site shall have the meaning stated in the granting clause of Article 2 entitled "Project Site".

Real Property shall mean all real property and interests therein (including the Project Site) mortgaged pursuant to, or otherwise subject to the lien of, this Mortgage.

Rents shall have the meaning stated in the granting clause of Article 2 entitled "Leases and Rents".

Special Funds shall mean all funds and accounts established pursuant to the Indenture, including without limitation the Bond Fund, the Bond Purchase Fund and the Construction Fund established pursuant to the Indenture.

Trustee shall mean AmSouth Bank N.A., a national banking association with its principal place of business in Birmingham, Alabama, in its capacity as trustee under the Indenture, and its successors and assigns.

SECTION 1.02 Effect of Headings and Table of Contents

The article and section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 1.03 Date of Mortgage

The date of this Mortgage is intended as and for a date for the convenient identification of this Mortgage and is not intended to indicate that this Mortgage was executed and delivered on said date.

SECTION 1.04 Separability Clause

If any provision in this Mortgage shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 1.05 Governing Law

This Mortgage shall be construed in accordance with and governed by the laws of the State of Alabama.

SECTION 1.06 Counterparts

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed an original, but all such counterparts shall together constitute but one and the same instrument.

ARTICLE 2

Granting Clauses

To secure the Obligations and the performance and observance of all covenants and agreements contained in the Credit Agreement and this Mortgage, the Mortgagors do hereby grant, bargain, sell and convey to the Bank, its successors and assigns forever, the following property and interests in property, and do hereby grant to the Bank a security interest in said property and interests in property:

I.

Project Site

The real property and interests therein described in Exhibit A attached hereto, together with all easements, permits, licenses, rights-of-way, contracts, leases, tenements, hereditaments, appurtenances, rights, privileges and immunities pertaining or applicable to said real property and interests therein (herein referred to as the "Project Site").

II.

**Project Improvements and Other
Buildings on Project Site**

The buildings, structures and improvements to be constructed on the Project Site pursuant to Article 3 of the Lease Agreement (herein referred to as the "Project Improvements"), and all other buildings, structures and improvements now or hereafter located on the Project Site.

III.

Project Equipment

The personal property and fixtures described in Exhibit B attached hereto and all other personal property and fixtures acquired or to be acquired by the Issuer with proceeds of the Bonds, including all substitutions and replacements for such personal property and fixtures and the proceeds thereof (herein referred to as the "Project Equipment").

IV.

Project Revenues and Lease Agreement

All payments by NFA pursuant to the Lease Agreement and all other revenues, rentals and receipts derived by the Issuer from the leasing or sale of the Project (herein referred to as "Project Revenues"), together with all rights, powers, privileges, options and other benefits of the Issuer under the Lease Agreement; provided, however, that:

(1) Project Revenues shall not include (i) payments to be made directly to the Issuer pursuant to Section 4.03(a)(3) of the Lease Agreement, (ii) indemnity payments pursuant to Section 7.09 of the Lease Agreement, or (iii) any payments similar to the foregoing to be made by another lessee pursuant to any lease entered into by the Issuer with respect to the Project;

(2) the Issuer shall retain the right to receive notices or other communications to be sent to it under the Lease Agreement;

(3) nothing contained in this clause shall impair, diminish or otherwise affect the Issuer's obligations under the Lease Agreement or impose any of such obligations on the Trustee; and

(4) the rights of the Bank with respect to the Project Revenues and Lease Agreement shall be subject and subordinate to the rights of the Trustee and Bondholders with respect to such property and rights, and until the Bonds are Fully Paid (within the meaning of the Indenture), all payments to be made to the Trustee pursuant to the Lease Agreement shall be received by the Trustee and applied by it as provided in the Indenture.

V.

Special Funds Under Indenture

Money and investments from time to time on deposit in, or forming a part of, the Special Funds established under the Indenture; provided, however, that unless and until the Bonds are Fully Paid (within the meaning of the Indenture), money and investments in the Special Funds shall be applied as provided in the Indenture.

VI.

Leasehold Estate of NFA in Project

NFA's leasehold estate and all other right, title and interest of NFA under and pursuant to the Lease Agreement, together with all the rights, privileges and options set forth therein (including but not limited to the options set forth in Article 9 of the Lease Agreement).

VII.

Construction Documents

All right, title and interest of the Mortgagors in and to the Construction Documents; provided, however, that so long as no Event of Default exists, the Mortgagors may, in their own name, exercise any right or privilege granted to the Mortgagors by the Construction Documents.

VIII.

NFA's Other Equipment

All personal property and fixtures now owned by NFA, or in which NFA has any interest, that are located on the Real Property or in the Buildings or that are used or useful solely in connection with the business of NFA conducted at the Real Property, including without limitation the personal property and fixtures described in Exhibit C attached hereto, and all substitutions and replacements for such personal property and fixtures and the proceeds thereof.

IX.

Condemnation Awards and Insurance Proceeds

All awards or payments, including all interest thereon, together with the right to receive the same, that may be made to the Issuer or NFA with respect to the Real Property, Buildings and Equipment, as a result of the exercise of the right of eminent domain (herein referred to as "Condemnation Awards"), and all right, title and interest of the Issuer or NFA in and to any policies of insurance (and the proceeds thereof) with respect to any damage to or destruction of such property.

X.

Leases and Rents

(a) All written or oral leases or subleases or other agreements for the use or occupancy of all or any portion of the Real Property, Buildings and Equipment with respect to which NFA is the lessor or sublessor, including without limitation the existing leases and subleases described in Exhibit D attached hereto, and any and all extensions and renewals thereof, now or hereafter existing (collectively, the "Leases");

(b) Any and all guaranties of performance by lessees or sublessees under the Leases;

(c) The immediate and continuing right to collect and receive all the rents, income, receipts, revenues, issues and profits now due or that may hereafter become due or to which NFA may now be or may hereafter (including during the period of redemption, if any) become entitled to demand or claim, arising or issuing from or out of the Leases or from or out of such property, or any part thereof, including but not limited to minimum rents, additional rents, percentage rents, common area maintenance charges, parking charges, tax and insurance premium contributions, liquidated damages upon default, the premium payable by any lessee or sublessee upon the exercise of any cancellation privilege provided for in any of the Leases, and all proceeds payable under any policy of insurance covering loss of rents resulting from untenability caused by destruction or damage to such property, together with any and all rights and claims of any kind that NFA may have against any such lessee or sublessee under the Leases or against any sub-sublessees or occupants of such property, all such moneys, rights and claims described in this subparagraph (c) being hereinafter referred to as the "Rents"; provided, however, that so long as no Event of Default exists under this Mortgage, NFA shall have the right under a license granted hereby (but limited as provided in Section 8.07 below) to collect, receive and retain the Rents (but not prior to accrual thereof); and

(d) Any award, dividend or other payment made hereafter to NFA in any court procedure involving any of the lessees or sublessees under the Leases in any bankruptcy, insolvency or reorganization proceeding in any state or federal court and any and all payments

made by lessees or sublessees in lieu of rent, NFA hereby appointing the Bank as its irrevocable attorney-in-fact to appear in any action and collect any such award, dividend or other payment.

XI.

Any and all other real or personal property of every kind and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred to the Bank as and for additional security hereunder by the Mortgagors, or either of them, or by anyone on behalf of, or with the written consent of, the Mortgagors, or either of them.

All of the property described in the foregoing Granting Clauses is herein sometimes together referred to as the "Collateral."

TO HAVE AND TO HOLD the Collateral, together with all the rights, privileges and appurtenances thereunto belonging, unto the Bank, its successors and assigns, forever.

SUBJECT, HOWEVER, to Permitted Encumbrances, which are described in Exhibit E to this Mortgage.

ARTICLE 3

Representations and Warranties

To induce the Bank to enter into the Credit Agreement and to issue the Letter of Credit, the Mortgagors represent and warrant that:

(1) **Valid Title, etc.** The Issuer is lawfully seized of an indefeasible estate in fee simple in and to, and good title to, the Project; NFA is lawfully seized of a valid leasehold estate, under the terms of the Lease Agreement, in the Project; NFA has good title to the Equipment described in Exhibit C hereto; the Mortgagors have the right to mortgage, and grant a security interest in, the Collateral; the Collateral is subject to no liens, encumbrances or security interests other than Permitted Encumbrances; and the Mortgagors will forever warrant and defend the title to the Collateral unto the Bank against the claims of all persons whomsoever, except those claiming under Permitted Encumbrances. It is expressly understood and agreed that, with respect to the Project Revenues, the Lease Agreement and the Special Funds, the lien and security interest created by this Mortgage is junior and subordinate to the lien and security interest created by the Indenture.

(2) **Compliance by Issuer with Terms of Lease Agreement and Indenture.** The Issuer shall comply, fully and faithfully, with all of its obligations under the Lease Agreement and Indenture. If the Issuer shall fail or refuse to do so, the Bank may, but shall not be required to, perform any or all of such obligations of the Issuer under the Lease Agreement and Indenture, including, but not limited to, the payment of any or all sums due from the Issuer

thereunder. Any sums so paid by the Bank shall constitute part of the Obligations and shall be secured hereby.

(3) **Maintenance of Lien Priority.** The Mortgagors shall take all steps necessary to preserve and protect the validity and priority of the lien on and security interest in the Collateral created hereby. The Mortgagors shall execute, acknowledge and deliver such additional instruments as the Bank may deem necessary in order to preserve, protect, continue, extend or maintain the lien and security interest created hereby as a lien on and security interest in the Collateral, subject only to Permitted Encumbrances, except as otherwise permitted under the terms of this Mortgage. All costs and expenses incurred in connection with the protection, preservation, continuation, extension or maintaining of the lien and security interest hereby created shall be paid by NFA.

ARTICLE 4

Covenants of NFA

SECTION 4.01 Payment of Taxes and Other Assessments

NFA will pay or cause to be paid all taxes, assessments and other governmental charges imposed or levied upon the Collateral or on the interests created by this Mortgage or with respect to the filing of this Mortgage, and at least 10 days before said taxes, assessments and other governmental charges are due, NFA will deliver receipts therefor to the Bank or, in the case of mortgage filing privilege taxes, pay to the Bank an amount equal to such taxes. NFA may, at its own expense, in good faith contest any such taxes, assessments and other governmental charges and, in the event of any such contest, may permit the taxes, assessments or other governmental charges so contested to remain unpaid during the period of such contest and any appeal therefrom, provided that during such period enforcement of such contested items shall be effectively stayed.

SECTION 4.02 Insurance

(a) NFA shall obtain and maintain insurance against liability for bodily injury and property damage and against loss or damage by fire and other hazards and casualties arising or occurring with respect to the Real Property, Buildings and Equipment, with such commercially reasonable limits and coverage as the Bank may from time to time require, and in any event including:

(1) until such time as the construction of the Project Improvements has been completed, builder's risk insurance with respect to all parts of the Project affected or involved in such construction (including any equipment or other personal property so affected or involved) to such extent as is necessary to provide for full payment of the costs of restoring or replacing the property damaged or destroyed or, if insurance to such extent is not available, to the extent of the full insurable value of such parts of the Project;

(2) workmen's compensation insurance covering all persons involved in the construction of the Project Improvements or the installation of the Project Equipment and all employees of NFA to the extent required by law;

(3) insurance against loss or damage to the Real Property, Buildings and Equipment by fire, lightning, water and wind, with uniform standard extended coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at the time in use in the State of Alabama, to the extent of the full insurable value of such property, but in any event not less than the Credit Amount (as defined in the Credit Agreement); provided, however, that NFA shall not be required to maintain such insurance to the extent that such risks or hazards are insured against by the insurance required by paragraph (1) of this subsection (a);

(4) rental or business interruption insurance in amounts sufficient to pay to the Bank, during any period of up to 1 year in which the Real Property, Buildings and Equipment may be damaged or destroyed, all amounts required by this Mortgage and the Credit Agreement;

(5) steam boiler, machinery and other similar insurance of the types and in amounts not less than customarily carried by persons owning or operating like properties;

(6) if any part of the Real Property, Buildings or Equipment is located in a flood hazard area designated as such under the national flood insurance program, flood insurance to the extent of the maximum limit of coverage made available with respect to such property under such program; and

(7) insurance against liability for bodily injury to or death of persons and for damage to or loss of property occurring on or about the Real Property, Buildings and Equipment, or in any way related to the use, occupancy or operation of the Real Property, Buildings and Equipment, with a minimum limit of \$1,000,000 for death of or bodily injury to any one person, all death and bodily injury claims resulting from any one accident, and for property damage.

(b) All such policies of casualty insurance shall be in such companies with a Best rating of single A or better or as shall be otherwise satisfactory to the Bank and shall name the Bank as a named insured and provide that any losses payable thereunder shall (pursuant to loss payable clauses, in form and content acceptable to the Bank, to be attached to each policy) be payable to the Bank, and provide that the insurance provided thereby, as to the interest of the Bank, shall not be invalidated by any act or neglect of the Mortgagors, nor by the commencing of any proceedings by or against any of the Mortgagors in bankruptcy, insolvency, receivership or any other proceedings for the relief of a debtor, nor by any foreclosure, repossession or other proceedings relating to the property insured, nor by any occupation of such property or the use of such property for purposes more hazardous than permitted in the policy.

(c) NFA shall furnish to the Bank insurance certificates, in form and substance satisfactory to the Bank, evidencing compliance by it with the terms of this Section and, upon the request of the Bank at any time, NFA shall furnish the Bank with photostatic copies of the policies required by the terms of this Section. NFA will cause each insurer under each of the policies to agree (either by endorsement upon such policy or by letter addressed to the Bank) to give the Bank at least 10 days' prior written notice of the cancellation of such policies in whole or in part or the lapse of any coverage thereunder.

(d) The Mortgagors agree that they will not take any action or fail to take any action which action or inaction would result in the invalidation of any insurance policy required hereunder. Prior to the date the premiums on each such policy or policies shall become due and payable, NFA shall furnish to the Bank evidence of the payment of such premiums.

(e) With respect to all such casualty insurance, the Bank is hereby authorized, but not required, on behalf of the Mortgagors and in consultation with the Mortgagors as the Bank deems necessary, to collect for, adjust or compromise any losses under any such insurance policies and to apply the loss proceeds (less expenses of collection) as follows:

(1) if the balance of the loss proceeds (less expenses of collection) does not exceed the sum of \$500,000, such proceeds shall be paid to NFA and shall be applied, at its option, to the redemption of the Bonds or to the restoration or replacement of the property affected; or

(2) if the balance of the loss proceeds (less expenses of collection) exceeds the sum of \$500,000, such proceeds shall, at the option of the Bank, be (i) applied to the payment of the Obligations in such amounts and priority as the Bank shall determine in its sole discretion, or (ii) held as a reserve against the Obligations, or (iii) applied to the repair and/or restoration of the Collateral, all without affecting the lien of this Mortgage.

The Bank shall not be held responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure. In case of a sale pursuant to the foreclosure provisions hereof, or any conveyance of all or any part of the Real Property, Buildings or Equipment in extinguishment of the Obligations, complete title to all insurance policies on the Collateral and the unearned premiums with respect thereto shall pass to and vest in the purchaser or grantee of such property.

SECTION 4.03 Condemnation Awards

The entire proceeds of any Condemnation Award shall be paid to the Bank and, after first applying such award to the payment of all costs and expenses (including attorneys' fees) reasonably incurred by the Bank in the collection thereof, the balance of such Condemnation Award shall be applied as follows:

(1) if the balance of the Condemnation Award does not exceed the sum of \$500,000, then such Condemnation Award shall be paid to NFA and shall be applied, at its option, to the redemption of the Bonds or to the restoration or replacement of the property affected; or

(2) if the balance of the Condemnation Award exceeds the sum of \$500,000, such Condemnation Award shall, at the option of the Bank, be (i) applied to the payment of the Obligations in such amounts and priority as the Bank shall determine in its sole discretion, or (ii) held as a reserve against the Obligations, or (iii) applied to the repair and/or restoration of the Collateral, all without affecting the lien of this Mortgage.

SECTION 4.04 Waste, Demolition, Alteration or Replacement

NFA will cause the Real Property, Buildings and Equipment and every part thereof to be maintained, preserved and kept in safe and good repair, working order and condition (reasonable wear and tear excepted), will not commit or permit waste thereon, will not remove, demolish or materially alter the design or structural character of any of the Buildings without the express prior written consent of the Bank, will comply with all laws and regulations of any governmental authority affecting the Real Property, Buildings and Equipment and the manner and use of the same, and will from time to time make all necessary and proper repairs, renewals, additions and restorations thereto so that the value and efficient use thereof shall be preserved and maintained, reasonable wear and tear excepted.

SECTION 4.05 Sale or Disposition of Equipment; Equipment not Subject to Security Interest to be Tagged

(a) Except as permitted by Section 4.02 of the Credit Agreement, NFA will not sell or otherwise dispose of any of the Equipment without the prior written consent of the Bank and unless the same is immediately replaced with like property of at least equal value and utility.

(b) The lien and security interest created by this Mortgage shall not extend to personal property or fixtures acquired by NFA after the delivery of this Agreement unless such personal property or fixtures constitute a replacement or substitution for the personal property or fixtures described in Granting Clauses III and VIII of Article 2 or Exhibits B and C. Any such after-acquired personal property and fixtures not subject to the lien and security interest of this Mortgage (herein referred to as "Excluded Equipment") must be conspicuously marked with a permanent tag or marker affixed by NFA. Once each year, beginning on June 1, 1993 and on each June 1 thereafter, NFA shall deliver to the Bank a reasonably specific description of each item of after-acquired property that NFA claims is Excluded Equipment. In addition, at the request of the Bank, NFA shall deliver to the Bank a reasonably specific description of each item of personal property and fixtures acquired after the delivery of this Mortgage that is subject to the lien and security interest of this Mortgage.

SECTION 4.06 Compliance by NFA with Terms of Lease

NFA shall comply, fully and faithfully, with all of its obligations under the Lease Agreement, so as to keep the Lease Agreement in full force and effect. If NFA fails or refuses to do so, the Bank may, but shall not be required to, after giving notice to NFA and providing a reasonable opportunity to cure (without regard, however, to any grace periods provided under the Lease Agreement), perform any and all of such obligations of NFA under the Lease Agreement, including but not limited to the payment of any or all rent and other sums due from NFA thereunder; provided, however, that the prior notice and cure provisions set forth in this Section shall not apply in the event an emergency situation exists. Any rent or other sums so paid by the Bank shall constitute part of the Obligations and shall be secured hereby.

SECTION 4.07 Covenants Regarding Leases and Rents

NFA covenants and agrees that:

(1) It will observe, perform and discharge all material obligations, covenants and warranties provided for under the terms of the Leases to be kept, observed and performed by it, and give prompt notice to the Bank if it fails to observe, perform and discharge same.

(2) It will use reasonable efforts to enforce or secure the performance of each and every material obligation, term, covenant, condition and agreement to be performed by any lessee or sublessee under the terms of the Leases.

(3) It will appear in and defend any action or proceeding arising under, occurring out of, or in any manner connected with the Leases or the obligations, duties or liabilities of NFA and any lessee or sublessee thereunder, and, upon request by the Bank to do so in the name and on behalf of the Bank but at the expense of NFA, and pay all costs and expenses of the Bank, including reasonable attorneys' fees, in any such action or proceeding in which the Bank may appear.

(4) It will not receive or collect any Rents from any present or future lessee or sublessee for a period of more than 1 month in advance, or pledge, transfer, mortgage or otherwise encumber or assign future payments of the Rents, unless any such pledge, transfer, mortgage, encumbrance or assignment shall be junior to the lien hereof.

(5) It will not, except with the prior written consent of the Bank, waive, excuse, condone, discount, set off, compromise, or in any manner release or discharge any lessee or sublessee of and from any obligations, covenants, conditions and agreements by said lessee or sublessee to be kept, observed and performed, including the obligation to pay rent in the manner and at the place and time specified in any Lease.

(6) It will not cancel, terminate or consent to any surrender of any Lease, or modify or in any way alter the terms thereof without, in each such instance, the prior written consent of the Bank.

(7) It will, promptly upon the execution by NFA of any future Lease, (i) furnish the Bank with the name and address of the lessee or sublessee thereunder, the term of such Lease and a description of the premises covered thereby and, upon request of the Bank, a copy of such Lease, and (ii) execute all such further assignments of such Lease and the Rents therefrom as the Bank may require to further effectuate this instrument.

(8) It will pay over to the Bank immediately upon receipt any and all sums received by NFA as creditor with respect to an assignment for the benefit of creditors in bankruptcy, reorganization, arrangement, insolvency, dissolution or receivership proceedings relative to any tenant or subtenant of NFA of a portion of the Real Property, or as payment, premium or other consideration in connection with the cancellation or modification of any Lease, whereupon the Bank shall apply any funds so received to the payment of the Obligations in such priority and amounts as the Bank shall elect.

SECTION 4.08 Hazardous Materials and Related Matters

(a) NFA represents and warrants that to its knowledge it is currently in compliance with, and covenants and agrees that it and all other persons who manage, use, operate or occupy the Real Property, Buildings and Equipment shall comply with, all federal, state and local laws, regulations and orders regulating health, safety and environmental matters, including without limitation air pollution, soil and water pollution and the use, generation, storage, handling or disposal of hazardous material (defined below in this Section).

(b) NFA shall not generate, handle, use, store, treat, discharge, release or dispose of any hazardous material at the Real Property without the express written approval of the Bank, except for such materials related to the current business of NFA or described in the Phase I study delivered to the Bank in connection with the issuance of the Bonds.

(c) Bank shall have the right at any time to conduct an environmental audit of the Real Property, and NFA agrees to cooperate in the conduct of such audit.

(d) NFA agrees to indemnify and hold harmless Bank from and against all losses, liabilities, penalties, claims and other costs of any kind or of any nature (including without limitation the fees and expenses of counsel for the Bank) which may at any time be imposed upon, incurred by or asserted against Bank in connection with or arising from or out of the breach of any warranty, covenant or agreement or the inaccuracy of any representation contained in this Section. The covenant of indemnification contained in this Section shall survive the payment of the Obligations.

(e) For purposes of this Section the term "hazardous material" shall mean any hazardous, toxic or dangerous waste, substance or material defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation and Liability Act of the United States Congress, or in any other law, regulation or order, now or hereafter in effect, of any governmental authority regulating, or imposing liability or standards of conduct relating to, any hazardous, toxic or dangerous waste, substance or material.

ARTICLE 5

Transfer of, or Liens on, Collateral

SECTION 5.01 Prohibition Against Transfers and Liens

The Mortgagors covenant and agree that they will not, without the express prior written consent of the Bank, sell, transfer, convey or otherwise dispose of, or create, or permit or suffer to exist, any lien, security interest or other encumbrance (other than Permitted Encumbrances) on, all or any part of the Collateral (including without limitation any Leases and Rents) or any interests therein, it being expressly understood and agreed that a violation by the Mortgagors or either of them of the provisions of this Article 5 shall constitute an Event of Default under this Mortgage. Except as permitted by Section 4.02 of the Credit Agreement, any sale, transfer, conveyance, other disposition or act of creating, permitting or suffering to exist any lien, security interest or other encumbrance in violation of this Article 5 shall be null, void and of no effect.

ARTICLE 6

Defeasance

If (i) NFA shall pay in full and discharge all the Obligations; and (ii) the Mortgagors shall then have kept and performed each and every obligation, covenant, duty, condition and agreement herein or in the Credit Agreement (or both) imposed on or agreed to by them; and (iii) the Letter of Credit shall then be terminated; then this Mortgage and the grants and conveyances contained herein shall become null and void, and the Collateral shall revert to the Mortgagors, and the entire estate, right, title and interest of the Bank shall thereupon cease; and the Bank shall, upon the request of the Mortgagors and at the cost and expense of NFA, deliver to the Mortgagors proper instruments acknowledging satisfaction of this instrument and terminating all financing statements filed in connection herewith; otherwise, this Mortgage shall remain in full force and effect. Notwithstanding anything to the contrary contained in this Article 6 or elsewhere in this Mortgage, it is expressly understood and agreed that, although there may be from time to time occasions when no Obligations shall be outstanding, this Mortgage and the lien thereof and security interests created thereby shall nevertheless remain in full force and effect, and none of the estate, right, title and interest of the Bank passing by this Mortgage shall divest nor shall the Collateral revert to the Mortgagors, so long as any one or more or all of the following circumstances exist:

- (1) the Bank has any obligation to issue the Letter of Credit; or
- (2) the Letter of Credit has been issued and is outstanding; or
- (3) any Obligations are outstanding.

ARTICLE 7

Events of Default

SECTION 7.01 Events of Default

Any one or more of the following shall constitute an event of default (an "Event of Default") under this Mortgage (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- (1) default in the performance, or breach, of any covenant, condition or agreement on the part of the Mortgagors contained in Sections 4.04, 4.07 or 4.08, and the continuance of such default or breach for a period of 10 days after there has been given, by registered or certified mail, to the Mortgagors by the Bank a written notice specifying such notice or breach and requiring it to be remedied and stating that such notice is a "notice of default" hereunder; or
- (2) default in the performance, or breach, of any covenant, condition or agreement on the part of the Mortgagors contained in Sections 4.01, 4.02, 4.05, or 5.01, in each case which default or breach shall be continuing; or
- (3) default in the performance, or breach, of any covenant or warranty of the Mortgagors in this Agreement (other than a covenant or warranty, a default in the performance or breach of which is elsewhere in this Section specifically dealt with), and the continuance of such default or breach for a period of 45 days after there has been given, by registered or certified mail, to the Mortgagors by the Bank a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "notice of default" hereunder; or
- (4) the occurrence of an event of default, as therein defined, under any other Financing Document and the expiration of the applicable grace period, if any, specified therein; or
- (5) the interest of the Bank in the Collateral shall become endangered by reason of the enforcement of any prior lien or encumbrance thereon (other than the lien of the Indenture with respect to the Project Revenues, the Lease Agreement and the Special Funds); or
- (6) the lien or security interest created by this Mortgage is invalid or unenforceable as to any part of the Obligations or is invalid or unenforceable as to any part of the Collateral and NFA does not promptly provide to the Bank replacement collateral, acceptable to the Bank in its sole discretion, for the portion or portions of the Collateral so affected.

ARTICLE 8

Rights of Bank Upon Default

SECTION 8.01 Acceleration of Indebtedness, etc.

If an Event of Default exists, the Bank may notify the Trustee that an event of default, as therein defined, has occurred and is continuing under the Credit Agreement (it being understood that the occurrence of an Event of Default hereunder shall constitute an event of default under the Credit Agreement) and may, by notice to the Mortgagors, effective upon dispatch, declare all of the Obligations, including but not limited to the obligation of NFA to reimburse the Bank under the Credit Agreement, to be forthwith due and payable, whereupon all the Obligations shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Mortgagors, and the Bank may immediately enforce payment of all such amounts and exercise any or all of its rights and remedies under this Mortgage and the Credit Agreement.

SECTION 8.02 Operation of Property by Bank

In addition to all other rights herein and in the Credit Agreement conferred on the Bank, if an Event of Default exists, the Bank (or any person, firm or corporation designated by the Bank) may, but shall not be obligated to, enter upon and take possession of any or all of the Real Property, Buildings and Equipment, exclude the Mortgagors therefrom, and hold, use, administer, manage and operate the same to the extent that the Mortgagors could do so, without any liability to the Mortgagors resulting therefrom; and the Bank may collect, receive and receipt for all proceeds accruing from such operation and management, make repairs and purchase needed additional property, and exercise every power, right and privilege of the Mortgagors with respect to such property.

SECTION 8.03 Judicial Proceedings; Right to Receiver

If an Event of Default exists, the Bank, in lieu of or in addition to exercising the power of sale hereinafter given, may proceed by suit for a foreclosure of its lien on and security interest in the Collateral, to sue NFA for damages on account of or arising out of said default or breach, or to sue the Mortgagors or any of them for specific performance of any provision contained herein, or to enforce any other appropriate legal or equitable right or remedy, whether under this Mortgage, the Credit Agreement or otherwise. The Bank shall be entitled, as a matter of right, upon bill filed or other proper legal proceedings being commenced for the foreclosure of this Mortgage, to the appointment by any competent court or tribunal, without notice to the Mortgagors or any other party, of a receiver of the rents, issues and profits of the Collateral, with power to lease and control the Collateral and with such other powers as may be deemed necessary.

SECTION 8.04 Foreclosure Sale

(a) This Mortgage shall be subject to foreclosure and may be foreclosed as now provided by law in case of past due mortgages, and the Bank shall be authorized, at its option, whether or not possession of the property affected is taken, after giving 21 days' notice by publication once a week for 3 consecutive weeks of the time, place and terms of each such sale by publication in some newspaper published in Shelby County, Alabama, to sell the Real Property, Buildings or Equipment (or such part or parts thereof as the Bank may from time to time elect to sell) in front of the courthouse door of such county, at public outcry, to the highest bidder for cash.

(b) The Bank, its successors and assigns, may bid at any sale or sales had under the terms of this Mortgage and may purchase the property involved, or any part thereof, if the highest bidder therefor. The purchaser at any such sale or sales shall be under no obligation to see to the proper application of the purchase money.

(c) At any foreclosure sale any part or all of the Real Property, Buildings or Equipment may be offered for sale in parcels or en masse for one total price, the proceeds of any such sale en masse to be accounted for in one account without distinction between the items included therein or without assigning to them any proportion of such proceeds, the Mortgagors hereby waiving the application of any doctrine of marshalling or like proceeding. If the Bank, in the exercise of the power of sale herein given, elects to sell the Collateral in parts or parcels, sales thereof may be held from time to time, and the power of sale granted herein shall not be fully exercised until all of the Real Property, Buildings and Equipment not previously sold shall have been sold or all the Obligations shall have been paid in full.

(d) The Mortgagors hereby waive any equitable rights otherwise available to any of them with respect to marshalling of assets hereunder, so as to require separate sales of the fee estate in the Project and the leasehold estate therein or to require the Bank to exhaust its remedies against either the fee estate or the leasehold estate before proceeding against the other; and the Mortgagors hereby expressly consent to and authorize, at the option of the Bank, the sale, either separately or together, of the fee estate and leasehold estate, or otherwise the merger, prior to sale, of the leasehold estate into the fee estate in order that the fee estate may be sold free and clear of the leasehold estate. Without in any way limiting the generality of the foregoing provisions of this Section, it is expressly agreed that the Bank may, at its option, sell the leasehold estate of NFA under the Lease Agreement separately from the remainder of the Real Property, Buildings and Equipment.

SECTION 8.05 Rights Under Uniform Commercial Code

The Bank shall have and may exercise with respect to any or all of the Collateral all rights, remedies and powers of a secured party under the Alabama Uniform Commercial Code with reference to the Collateral, including without limitation the right and power to sell at public or private sale or sales or otherwise dispose of, lease or utilize the Collateral and any part or parts thereof in any manner, to the fullest extent authorized or permitted under the Alabama

Uniform Commercial Code after default hereunder, without regard to preservation of Collateral or its value and without the necessity of a court order. The Bank shall have, among other rights, the right to take possession of the Collateral and to enter upon any premises where the same may be situated for the purpose of repossessing the same without being guilty of trespass and without liability for damages occasioned thereby and to take any action deemed appropriate or desirable by the Bank, at its option and in its sole discretion, to repair, restore or otherwise prepare the Collateral for sale or lease or other use or disposition. To the extent permitted by law, the Mortgagors expressly waive any notice of sale or any other disposition of the Collateral and any rights or remedies of the Bank with respect to, and the formalities prescribed by law relative to, the sale or disposition of the Collateral or to the exercise of any other right or remedy of the Bank existing after default. To the extent that such notice is required and cannot be waived, the Mortgagors agree that if such notice is given to the Mortgagors in accordance with the provisions of Section 9.08 below, at least 5 days before the time of the sale or other disposition, such notice shall be deemed reasonable and shall fully satisfy any requirement for giving said notice.

SECTION 8.06 Conveyance After Sale

The Mortgagors hereby authorize and empower the Bank or the auctioneer at any foreclosure sale had hereunder, for and in the name of the Mortgagors, to execute and deliver to the purchaser or purchasers of any of the Collateral sold at foreclosure good and sufficient deeds of conveyance or bills of sale thereto.

SECTION 8.07 Rents and Leases

(a) If an Event of Default exists, the Bank, at its option, shall have the right, power and authority to exercise and enforce any or all of the following rights and remedies with respect to Rents and Leases:

(1) to terminate the license granted to NFA in Article 2 to collect the Rents, and, without taking possession, in the Bank's own name to demand, collect, receive, sue for, attach and levy the Rents, to give proper receipts, releases and acquittances therefor, and after deducting all necessary and reasonable costs and expenses of collection, including reasonable attorney's fees, to apply the net proceeds thereof to the Obligations in such order and amounts as the Bank may choose (or hold the same in a reserve as security for the Obligations);

(2) without regard to the adequacy of the security, with or without any action or proceeding, through any person or by agent, or by a receiver to be appointed by court, to enter upon, take possession of, manage and operate the Real Property, Buildings and Equipment or any part thereof for the account of the Mortgagors, make, modify, force, cancel or accept surrender of any Lease, remove and evict any lessee or sublessee, increase or reduce rents, decorate, clean and make repairs, and otherwise do any act or incur any cost or expense the Bank shall deem proper to protect the security hereof, as fully and to the same extent as the Mortgagors could do if in possession, and in such

event to apply any funds so collected to the operation and management of the property affected (including payment of reasonable management, brokerage and attorney's fees) and payment of the Obligations in such order and amounts as the Bank may choose (or hold the same in reserve as security for the Obligations); and

(3) to take whatever legal proceedings may appear necessary or desirable to enforce any obligation or covenant or agreement of the Mortgagors under this Mortgage with respect to the Rents and Leases.

(b) The collection of the Rents and application thereof (or holding thereof in reserve) as aforesaid or the entry upon and taking possession of the Real Property, Buildings or Collateral or any part thereof shall not waive, modify or affect any notice of default under this Mortgage, or invalidate any act done pursuant to such notice, and the enforcement of such right or remedy by the Bank, once exercised, shall continue for so long as the Bank shall elect, notwithstanding that the collection and application as aforesaid of the Rents may have cured the original default. If the Bank shall thereafter elect to discontinue the exercise of any such right or remedy, the same or any other right or remedy hereunder may be reasserted at any time and from time to time following any subsequent Event of Default.

SECTION 8.08 Application of Proceeds

All payments then held or thereafter received by the Bank as proceeds of the Collateral, as well as any and all amounts realized by the Bank in connection with the enforcement of any right or remedy under or with respect to this Mortgage, shall be applied by the Bank as follows:

(1) to reimburse the Bank for any payments made by the Bank under the Letter of Credit, to accrued but unpaid commissions, fees, costs and charges under the Credit Agreement, and to the payment of all costs and expenses of any kind then or thereafter at any time reasonably incurred by the Bank in exercising its rights under this Mortgage and under the Credit Agreement or otherwise reasonably incurred by the Bank in collecting or enforcing payment of the Obligations, as well as to the payment of any other amount then or thereafter at any time owing by NFA to the Bank under the Credit Agreement or under this Mortgage, all in such priority as among such principal, interest, costs, fees, expenses and other amounts as the Bank shall elect;

(2) any balance remaining after payment in full of all amounts referred to in paragraph (1) above shall be applied by the Bank to any other Obligations then owing by NFA to the Bank;

(3) any balance remaining after payment in full of all amounts referred to in paragraphs (1) and (2) above shall be held by the Bank as a cash collateral reserve against the making of any payment under the Letter of Credit (if then outstanding); and

(4) any balance remaining after payment in full of all amounts referred to in paragraphs (1), (2) and (3) above shall be paid by the Bank to the Mortgagors or to whoever else may then be legally entitled thereto.

SECTION 8.09 Multiple Sales

The Bank shall have the option to proceed with foreclosure, either through the courts or by proceeding with foreclosure as provided for in this Mortgage, but without declaring all of the Obligations due. Any such sale may be made subject to the unmatured part of the Obligations, and such sale, if so made, shall not in any manner affect the unmatured part of the Obligations, but as to such unmatured part of the Obligations this Mortgage shall remain in full force and effect as though no sale had been made under the provisions of this Section. Several sales may be made under the provisions of this Section without exhausting the right of sale for any remaining part of the Obligations whether then matured or unmatured, the purpose hereof being to provide for a foreclosure and sale of the Collateral for any matured part of the Obligations without exhausting any power of foreclosure and the power to sell the Collateral for any other part of the Obligations, whether matured at the time or subsequently maturing.

SECTION 8.10 Waiver of Appraisement Laws

The Mortgagors waive, to the fullest extent specifically permitted by law, the benefit of all laws now existing or hereafter enacted providing for (i) any appraisement before sale of any portion of the Collateral (commonly known as appraisement laws) or (ii) any extension of time for the enforcement of the collection of the Obligations or any creation or extension of a period of redemption from any sale made in collecting the Obligations (commonly known as stay laws and redemption laws).

SECTION 8.11 Prerequisites of Sales

In case of any sale of the Collateral as authorized by this Article 8, all prerequisites to the sale shall be presumed to have been performed, and in any conveyance given hereunder all statements of facts, or other recitals therein made, as to the nonpayment of any of the Obligations or as to the advertisement of sale, or the time, place and manner of sale, or as to any other fact or thing, shall be taken in all courts of law or equity as prima facie evidence that the facts so stated or recited are true.

ARTICLE 9

Miscellaneous Provisions

SECTION 9.01 Waiver, Election, etc.

The exercise by the Bank of any option given under the terms of this Mortgage shall not be considered as a waiver of the right to exercise any other option given herein, and the filing of a suit to foreclose the lien and security interest granted by this Mortgage, either on any

matured portion of the Obligations or for the whole of the Obligations, shall not be considered an election so as to preclude foreclosure under power of sale after a dismissal of the suit; nor shall the publication of notices for foreclosure preclude the prosecution of a later suit thereon. No failure or delay on the part of the Bank in exercising any right, power or remedy under this Mortgage shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder or thereunder. The remedies provided in this Mortgage and in the Credit Agreement are cumulative and not exclusive of any remedies provided by law. No amendment, modification, termination or waiver of any provisions of this Mortgage or the Credit Agreement, nor consent to any departure by the Mortgagors therefrom, shall be effective unless the same shall be in writing and signed by an executive officer of the Bank, and then such waiver of consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on the Mortgagors or any of them in any case shall by itself entitle the Mortgagors or any of them to any other or further notice or demand in similar or other circumstances.

SECTION 9.02 Landlord-Tenant Relationship

Any sale of the Collateral under this Mortgage shall, without further notice, create the relationship of landlord and tenant at sufferance between the purchaser and the Mortgagors.

SECTION 9.03 Construction of Mortgage

This Mortgage may be construed as a mortgage, chattel mortgage, conveyance, assignment, security agreement, pledge, financing statement, hypothecation or contract, or any one or more of them, in order fully to effectuate the lien hereof and security interest created hereby and the purposes and agreements herein set forth.

SECTION 9.04 Application of Payments

If the lien or the security interest created by this Mortgage is invalid or unenforceable as to any part of the Obligations or is invalid or unenforceable as to any part of the Collateral, the unsecured or partially secured portion of the Obligations shall be completely paid prior to the payment of the remaining and secured or partially secured portion of the Obligations, and all payments made on the Obligations, whether voluntary or under foreclosure or other enforcement action or procedures, shall be considered to have been first paid on and applied to the full payment of that portion of the Obligations that is not secured or not fully secured by the lien or security interest created hereby.

SECTION 9.05 Advances by Bank

If the Mortgagors shall fail to comply with the provisions hereof with respect to the securing of insurance, the payment of taxes, assessments and other charges, the keeping of the Collateral in repair, or any other term or covenant herein contained, the Bank may (but shall not be required to) after giving notice to NFA and providing a reasonable opportunity to cure make

advances to perform the same (unless an emergency situation exists), and where necessary enter or take possession of the Collateral for the purpose of performing any such term or covenant. NFA agrees to repay all sums advanced upon demand, with interest from the date such advances are made, at the rate provided in Section 2.06 of the Credit Agreement (to the fullest extent permitted by applicable law), and all sums so advanced, with interest, shall be secured hereby.

SECTION 9.06 Release or Extension by Bank

The Bank, without notice, may release any part of the Collateral or any person liable for the Obligations without in any way affecting the rights of the Bank hereunder as to any part of the Collateral not expressly released and may agree with any party with an interest in the Collateral to extend the time for payment of all or any part of the Obligations or to waive the prompt and full performance of any term, condition or covenant of this Mortgage or the Credit Agreement.

SECTION 9.07 Partial Payments

Acceptance by the Bank of any payment of less than the amount due on the Obligations shall be deemed acceptance on account only, and the failure of NFA to pay the entire amount then due shall be and continue to constitute an Event of Default, and at any time thereafter and until the entire amount due on the Obligations has been paid, the Bank shall be entitled to exercise all rights conferred on it by the terms of this Mortgage in case of the existence of an Event of Default.

SECTION 9.08 Notices

(a) Any request, demand, authorization, direction, notice, consent, or other document provided or permitted by this Mortgage to be made upon, given or furnished to, or filed with, the Issuer, NFA or the Bank shall be sufficient for every purpose hereunder if in writing and (except as otherwise provided in this Mortgage) either (i) delivered personally to the party or, if such party is not an individual, to an officer, director or other legal representative of the party to whom the same is directed at the hand delivery address specified below, or (ii) mailed by first-class, registered or certified mail, return receipt requested, postage prepaid and addressed as specified below. The hand delivery address and mailing address for the parties are as follows:

Issuer

By hand:

Linda T. Humber
Secretary of The Industrial Development Board
of the City of Columbiana
City Hall
Columbiana, Alabama 35051

By facsimile:

(205) 669-5811

NFA

By hand:

George McDonough
Treasurer
NFA Corporation
c/o Elastic Corporation of America, an
operating division of NFA Corp.
455 Highway 70
Columbiana, Alabama 35051

By facsimile:

(205) 669-4202

David Casty
Chairman of the Board
NFA Corporation
400 Eastern Avenue
Chelsea, Massachusetts 02150

By facsimile:

(617) 884-6437

with a copy to:

Robert Rosen
Lane & Altman
101 Federal Street
Boston, Massachusetts 02110

By facsimile:

(617) 345-0400

Bank

By hand:

Robert Nesbitt
Vice President
AmSouth Bank N.A.
Upper Lobby, AmSouth-Sonat Tower
Birmingham, Alabama 35203

By mail:

Post Office Box 11007
Birmingham, Alabama 35288

By facsimile:

(205) 326-5210

Any of such parties may change the address for receiving any such notice or other document by giving notice to the other parties named in this Section.

(b) Any such notice or other document shall be deemed delivered when actually received by the party to whom directed (or, if such party is not an individual, to an officer, director or other legal representative of the party) at the address specified pursuant to this Section, or, if sent by mail, 3 days after such notice or document is deposited in the United States mail, addressed as provided above.

SECTION 9.09 Limitation of Liability

The covenants and agreements contained in this Mortgage do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the general credit of the Issuer, and in the event of a breach of any such covenant or agreement, no personal or pecuniary liability or charge payable directly or indirectly from the general assets or revenues

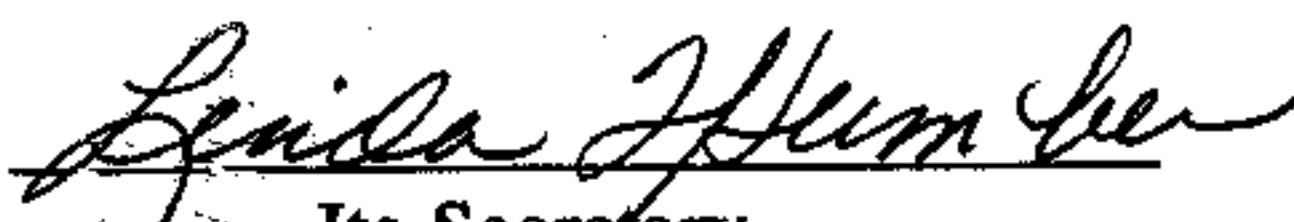
of the Issuer (other than the Issuer's interest in the Collateral) shall arise therefrom. Nothing contained in this Section, however, shall relieve the Issuer from the observance and performance of the covenants and agreements on its part contained herein. The Obligations shall never constitute an indebtedness of the City of Columbiana within the meaning of any constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the City of Columbiana or a charge against its general credit or taxing powers.

IN WITNESS WHEREOF, the Issuer and NFA have caused this instrument to be duly executed and their respective corporate seals to be hereunto affixed and attested.

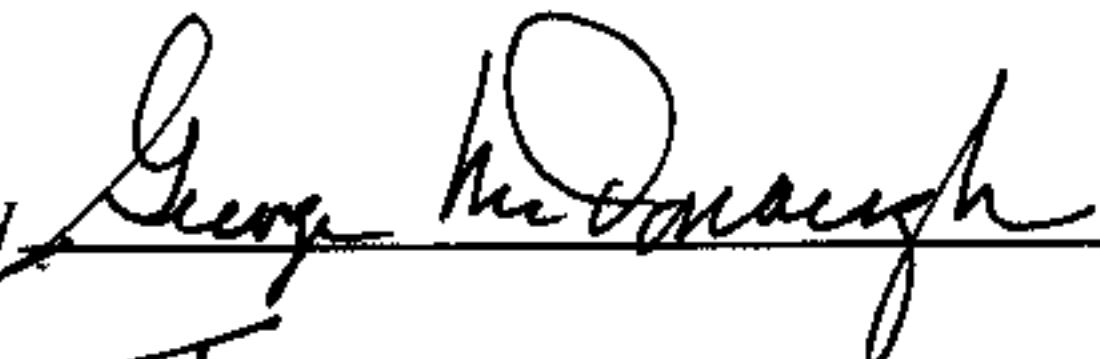
THE INDUSTRIAL DEVELOPMENT
BOARD OF THE CITY OF
COLUMBIANA

By 
Chairman of its Board of Directors

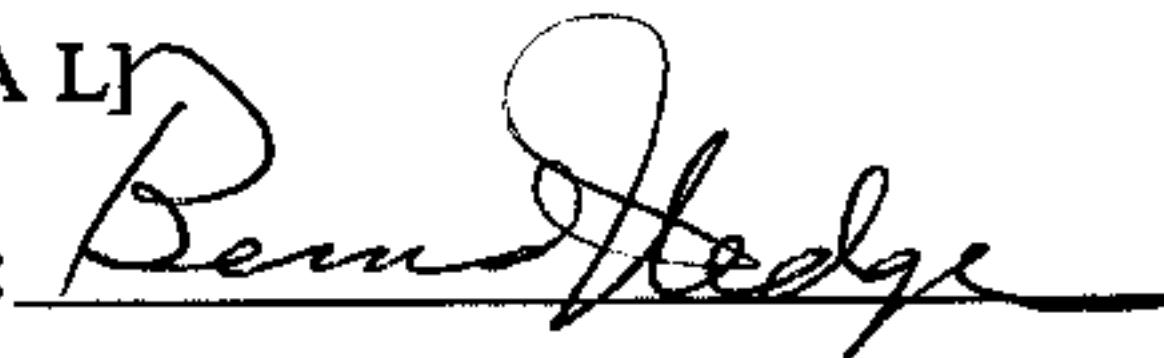
[S E A L]

Attest: 
Its Secretary

NFA CORP.

By 
Title: Treasurer

[S E A L]

Attest: 
Title: ASSISTANT CLERK

This instrument was prepared by:

J. Kris Lowry
Maynard, Cooper, Frierson
& Gale, P.C.
1901 Sixth Avenue North
Suite 2400 AmSouth/Harbert Plaza
Birmingham, Alabama 35203-2602
(205) 254-1000

STATE OF ALABAMA

SHELBY COUNTY

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that George Bentley, whose name as Chairman of the Board of Directors of The Industrial Development Board of the City of Columbiana, a public corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, 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 the 26th day of June, 1992.

Patricia S. Henning
Notary Public

[NOTARIAL SEAL]

My Commission Expires October 28, 1992
My commission expires: _____

STATE OF ALABAMA

Jefferson COUNTY

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that George McDonough, whose name as Treasurer of NFA Corp., a corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, 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 the 29th day of June, 1992.

Karen L. Williams
Notary Public

[NOTARIAL SEAL]

My commission expires: 4-25-93

EXHIBIT A

Description of Project Site

The following described real estate situated in Shelby County, Alabama:

PARCEL ONE:

Commence at the Northeast corner of Section 27, Township 21 South, Range 1 West; thence run in a Southerly direction along the East line of Section 27 for a distance of 1488.68 feet to a point on the South right of way of Alabama Highway Number 70; thence turn an angle to the right of 77 degrees 41 minutes 41 seconds and run in a Southwesterly direction along the South right of way line of Alabama Highway Number 70 for a distance of 21.78 feet to the point of beginning; from the point of beginning thus obtained turn an angle to the right of 6 degrees 56 minutes 50 seconds and continue in a Southwest direction along the South right of way of Alabama Highway Number 70 for a distance of 292.20 feet to the intersection of the Southeast right of way of the Southern Railroad; thence turn an angle to the left of 28 degrees 48 minutes 17 seconds and run in a Southwest direction along the Southeast right of way of the Southern Railroad for a distance of 296.60 feet; thence turn an angle to the left of 55 degrees 45 minutes 23 seconds and run in a Southerly direction for a distance of 268.26 feet; thence turn an angle to the left of 90 degrees 00 minutes and run in an Easterly direction for a distance of 536.07 feet; thence turn an angle to the left of 90 degrees 00 minutes and run in a Northerly direction for a distance of 462.86 feet to the point of beginning.

According to survey of Jimmy A. Gay, RLS #8759, dated June 27, 1991.

PARCEL TWO:

Commence at the northeast corner of Section 27, Township 21 South, Range 1 West. Thence run south along the east line of said Section 27 for a distance of 1488.68 feet to the point of beginning. From the point of beginning thus obtained, thence turn an angle to the right of 77 degrees 41 minutes 41 seconds and run in a southwesterly direction along the southern right-of-way of Alabama Highway 70 for a distance of 21.78 feet, thence turn an interior angle to the right of 102 degrees 23 minutes 10 seconds and run in a southerly direction for a distance of 530.26 feet; thence turn an interior angle to the right of 76 degrees 42 minutes 43 seconds and run in a northeasterly direction for a distance of 283.37 feet; thence turn an interior angle to the right of 101 degrees 45 minutes 18 seconds and run in a northerly direction for a distance of 524.69 feet to a point on the south right-of-way of Alabama Highway 70; thence turn an interior angle to the right of 78 degrees 17 minutes 58 seconds and run in a southwesterly direction along said right-of-way for a distance of 124.95 feet; thence turn an interior angle to the right of 180 degrees 50 minutes 51 seconds and run in a southwesterly direction along said right-of-way for a distance of 121.69 feet to the point of beginning. Situated in Shelby County, Alabama.

According to survey of Jimmy A. Gay, RLS #8759, dated June 27, 1991.

PARCEL THREE:

Commence at the NE corner of Section 27, Township 21 South, Range 1 West; thence proceed in a Southerly direction along the East boundary of said Section for a distance of 849.40 feet to the point of intersection with the NW right of way line of Industrial Road; thence turn an angle of 55 degrees 51 minutes to the right and run along said right of way for a distance of 132.92 feet to the point of beginning of the parcel of land herein described; thence continue in the same direction along said right of way for a distance of 251.83 feet to a point; thence proceed along a curve to the left (concave Southeasterly and having a radius of 435.14 feet), continuing along said right of way for an arc distance of 110.30 feet to a point; thence turn an angle of 101 degrees 55 minutes 24 seconds to the right, from a tangent to the curve, and run for a distance of 272 feet to a point; thence turn an angle of 33 degrees 59 minutes 11 seconds to the right and run for a distance of 90.30 feet to a point; thence turn an angle of 2 degrees 00 minutes 01 seconds to the right and run for a distance of 60.10 feet to a point; thence turn an angle of 2 degrees 11 minutes 16 seconds to the right and run for a distance of 225.50 feet to a point; thence turn an angle of 24 degrees 28 minutes 56 seconds to the right and proceed along a curve to the right (concave Southeasterly and having a radius of 354.41 feet) for an arc distance of 227.60 feet to a point; thence turn an angle of 15 degrees 20 minutes 00 seconds to the right from a tangent to the curve, and run for a distance of 40.10 feet to a point; thence turn an angle of 4 degrees 56 minutes 28 seconds to the right and run for a distance of 125.74 feet to a point; thence turn an angle of 10 degrees 43 minutes 03 seconds to the right and run for a distance of 117.09 feet to a point; thence turn an angle of 86 degrees 17 minutes 55 seconds to the right and run for a distance of 121.72 feet to a point; thence turn an angle of 90 degrees 00 minutes 00 seconds to the left and run for a distance of 16.00 feet to a point; thence turn an angle of 90 degrees 00 minutes 00 seconds to the right and run for a distance of 434.03 feet to the point of beginning, said property lying in the NE 1/4 of Section 27, Township 21 South, Range 1 West.

Situated in Shelby County, Alabama.

EXHIBIT B

Description of Project Equipment

New Equipment

Weaveing

Looms and Supporting Equipment

Mini-Jacs

Knitting

Knitting Machines and Supporting Equipment

Warping

Creels

Finishing

Dyeing Equipment

Covered Rubber

Warpers

EXHIBIT C

Description of NFA's Other Equipment

Existing Equipment

Weaveing

- Looms - NF 6/50
- Looms - 12 OMM
- Lycra Drive Units
- Conversion Kits
- Misc. Small Tools
- Humidification
- Lighting
- Chain Hoists

Knitting

- Knitting Machines Comez 13
- Filling Guides
- Conversion Kits
- Humidification
- Chain Extension Boxes
- Softwear Computer

Warping

- Beam Racks
- Static Eliminator
- Lighting

Finishing

- # 5 Wiring
- # 4 Conical Rollers
- Steam Generator
- Exhaust System
- Lighting

Putup

- Spoolers

Covered Rubber

- Spools
- Covering Machines
- Beam Racks
- Bobbin Winder

Buggies
Lighting
Bobbin Winder 32 Position
Silicone Department
Silicone Machines
Accumulators
Silicone Expansion

Maintenance
Lathe

Warehouse
Scale

Administration
Computer Memory Upgrade

Equipment
Fork Lifts
Knit Takeaways
Kniters
Looms
Rubber Warper
Finishing Machines
Yarn Warper
Relocation of Equipment
Weave Racks
Modify Finishers

NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Handling Equipment	Forklift Hyster w/squeeze jaws, 3,000 lbs. capacity, propane	A10D1635E	1
Handling Equipment	Hand truck		5
Handling Equipment	Pallet jack		1
Fork Lift	by Baker (electric) Mdl. FTD 040, 5000 lbs. capacity	U-1916-A-1642	1
Battery Charger	by Baker, Mdl. Auto 1000	HR-96199-1-01	1
Yarn Skeiner	Table model by Scott		1
Scale	by General (platform type) Mdl. Econo-weigh, 5000 lbs. capacity w/digital read out		1

NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Warper	J. Muller for 30"x21" beams w/press roller, auto-doffing, static eliminator, oscillating device. sig-sag reed, 1991	N/A	1
Warper	Liba, Mdl. 23, 30" 0 x 21" press roller, auto-doffing, static eliminator, oscillating device, sig-sag reed, reconditioned 1989	3078 3070 3071	3
Warper	Reiner, 30" 0 x 21", press roller morse speed control, v-reed, static eliminator	548	1
Warper	Chase machine, 1989, w/press- roller for beams 16" 0 x 7 1/4"	9176	1
Warper	Reiner (rebuilt by McCoy Ellison) 30" 0 x 21", press-roller missing, v-reed, oscillating device, static eliminator	8W-10	1
Creel	Mayer, 300-end w/stop motion, extra heavy-duty, 3-post tensions with static eliminators on each level (row), by Static Inc.		1
Creel	Reiner, Mdl. 12, 240-end w/elect- ronic stop motion, heavy-duty, 3-post tension		2

M NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Creel	Reiner, 215-end w/stop motion heavy-duty, 3-post tension		1
Creel	Millmade, 160-end w/stop motion (CONEX type creel) heavy-duty, 3-post tension		1
Winder	Schweiter, 12-head cone to cone, 8" traverse, single-end, oiling device	1002-65	1
Beams	Tricot beams, 21" 0 x 21", 18 1/2" & 19" traverse, heavy-duty, 72 lbs.		858
Beams	Tricot beams, 21" 0 x 21", 18 1/2" & 19" traverse, Lt., 35 lbs.		137
Beams	Tricot beams, 21" 0 x 21", medium weight, 18 1/2 & 19" traverse 50 lbs.		68
Beams	Tricot beams, 30" 0 x 21", (18 1/2" & 19" traverse) Lt., 100 lbs.		384
Beams	Tricot beams, 14" 0 x 21", (19" traverse), Lt.		136
Hoist	Yale 1/2 ton electric w/rail, budgit 1 ton manual w/rail,		3
Humidification	by Austin Co., Mdl. I		1

D. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Miscellaneous	Spare part room contents	asst'd	
Material Handling	Handtrucks	11	
Storage Racks	Beam storage racks		

NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Winder	OMM, 52-head "spooler", 4 end-up, w/2-pin tension, 1987, 4-cone and trap tensions	33520152	1
Winder	OMM, vertical 20-head "spooler"		1
Winder	Leesona, 12-head #50, 4 end-up 1 1/2 I/D x 5 1/2 L, gain gear drive	G-96829-34 G-96859-64	1
Winder	OMM, "spooler", 32 & 20-position, 1982/1	35200010 35320149	2
Warper	OMM covered rubber w/positive feed creel 90 & 98-end, 1966	0-1247 0-1246	2
Rubber Covering Machine	Arnold, 100 end, 17", with 2 splitters, w/lycra feed, with package take-up	3892 3790 3906 3907	4
Rubber Covering Machine	Arnold, 100 end, 17", w/2 splitters, w/package take-up	3869 3707 3708 3791 3879	5
Rubber Covering Machine	H. Arnold, 100 end, 17", w/lycra feed, with package take-up	3619 3882	2

EM NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Rubber Covering Machine	H. Arnold, 80 end, 17", w/2 splitters, w/lycra feed, with package take-up	3700 N/A 3391 N/A 3699 N/A 2040 N/A 1574 N/A	10
Rubber Covering Machine	H. Arnold, 80 end, 17", w/2 splitters, w/package take-up	2436	1
Rubber Covering Machine	H. Arnold, 80 end, 17", with lycra feed, w/package take-up	N/A N/A N/A N/A N/A	3
Rubber Covering Machine	H. Arnold, 40 pos., 17" w/lycra and package take-up		2
Rubber Covering Machine	OMM w/double covering, vertical type w/lycra feed & package take-up. 192 pos (single), 1990	03431005 03431006	2
Rubber Covering Machine	Spools, aluminum 3" 0 x 6" (5 1/2 traverse)		800
Rubber Covering Machines	Spools, aluminum 4 1/2" 0 x 6" (5 1/2 traverse)		12000
Racks	Portable spool-racks, 208 pins 220 pins	new type old type	38 34
Buggies	Large type		13
Buggies	Short type		96
Splitters	East-Hampton rubber splitter		1

NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Hoist	Budget 1/4 ton w/12 ft. rail		1
Hoist	Yale 1/2 ton w/20 ft. rail		1
Material Handling	Handtrucks		11

NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Needle Looms	Miller NF 42 6/27, 16 of 20 harness frames incorporated, all looms with lockstitch and 3-shift pick counters. Some looms equipped with slow-motion drive, double take-down rollers, new adjustable belt filling feed system, vacuum and blowers.	81.09.595-L 87.02.376-A 101.253-A 81.08.278-G 82.10.043-D 81.09.505-O 87.02.376-E 101.253 B 87.02.376-D 81.08.445-B 81.10.162-F 82.10.048-G 82.10.043-A 101.253-D 87.02.376-M 87.02.376-L 81.02.188-C 81.09.505-Y 81.09.505-K 007.020-A 81.09.505-G 82.08.449-K 81.50.002-A 81.04.036-M 81.02.188-A 82.08.449-O 81.09.505-I 81.09.505-Q 81.08.278-A 87.02.376-A	30

NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Needle Looms	Muller MF 42 6/27-2, double deck 12 spaces, 16 of 20 harness frames incorporated, all looms with lockstitch and 3-shift pick counters. Some looms equipped with slow-motion drive, double take-down rollers, new adjustable belt filling feed system, vacuum and blowers.	101.250-A 81.09.595-P 81.09.505-B 83.07.981-B 101.252-B 87.02.376-K 81.09.505-C 82.10.043-E 81.10.162-A 81.10.162-H 81.09.505-T 81.10.162-N 81.09.505-U 87.02.376-F 82.08.449-D 81.08.278-B 81.10.162-K 82.10.043-C 81.08.278-F 81.10.162-E 87.02.376-I	21

NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Needle Looms	Muller MF 42 6/27, 16 of 20 harness frames incorporated, all looms with lockstitch and 3-shift pick counters. Some looms equipped with slow-motion drive, double take-down rollers, new adjustable belt filling feed system, vacuum and blowers.	81.08.278-C 81.09.505-M 81.02.188-B 81.50.002-B 81.09.269-Z 101.253-C 82.08.449-C 81.08.445-C 81.09.505-F 82.08.449-F 81.09.505-X 83.07.981-A	12
Needle Looms	Muller MF 42 4/45 16 of 20 harness frames incorporated, all looms with lockstitch and 3-shift pick counters. Some looms equipped with slow-motion drive, double take-down rollers, new adjustable belt filling feed system, vacuum and blowers.	81.09.505-M 101.251-A 81.10.162-P 87.02.376-B 81.05.543-D 81.09.505-E	6
Needle Looms	Muller MF 42 2/84, all with slow motion drive double take-down rolls lock stitch, 3-shift pick counters, adjustable filling feed system	81.10.162-L 81.08.277-P 81.09.505-V 81.08.278-H	4

NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Needle Looms	Muller NF 53 8/27, 16 of 20 harness frames incorporated, all looms with lockstitch and 3-shift pick counter. Some looms equipped with slow-motion drive, double take-down rollers, new adjustable belt filling feed system, vacuum and blowers.	82.02.415-F 82.02.415-D	2
Needle Looms	Muller NFN 53 8/27, 12 of 20 harness frames incorporated, lock stitch, positive bare rubber feeds, Mudata 2	88.03.276-C	1
Needle Looms	Muller NFN 42 8/27, 12 of 20 harness frames incorporated, lock stitch, positive bare rubber feeds, Mudata 2	90.01.967-A	1
Needle Looms	Muller NFN 53 6/45, 16 of 20 harness frames incorporated, all looms with lockstitch and 3-shift pick counter. Some looms equipped with slow-motion drive, double take-down rollers, new adjustable belt filling feed system, vacuum and blowers, Mutata 2	88.03.276-E 88.03.276-A 88.03.276-F 88.03.276-D 88.03.276-B	5
Needle Looms	Muller NFN 53 6/24, 12 of 20 harness frames incorporated, lock stitch, positive bare rubber feeds, mudata 2	90.02.502-A	1
Needle Looms	Muller NF 53 EIS 6/54, 28 hooks & 12 harness frames incorp., lock stitch 3-shift pick counter, slow-motion drive, blower & vacuum, adjustable belt filling feed system, dbl. take-down rollers	87.02.774-A 87.02.375-A	2

NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Needle Looms	Muller NF 53 ELS 6/54, 12 hooks & 12 harness frames incorp., lock stitch, 3-shift pick counter, slow-motion drive blower & vacuum, adjustable belt filling feed system, double take-down rollers	87.02.375-B 87.02.771-D 87.02.375-D 87.02.771-B 87.02.502-A 87.02.771-C 87.02.375-C 87.02.502-C 83.03.211-A 87.02.502-B	10
Needle Looms	Muller NFREQ-42, 4/55, 20 of 20 harness frames incorporated, electronic pattern card reading mechanism, belt filling feed system	86.01.350-B 86.01.350-A 85.01.336-A	3
Needle Looms	Muller NFJM-53 6/45, 32 hooks and 12 harness frames incorporated, lock stitch, 3-shift pick counter, slow-motion drive blower & vacuum, adjustable belt filling feed system double take-down rollers	88.03.273-D 88.03.274-C 88.03.273-B 88.03.273-C 88.03.274-A 88.03.274-D 88.03.273-A	7
Needle Looms	Muller NFJM-53 2/84, 32 hooks and 12 harness frames incorporated, lock stitch, 3-shift pick counter, slow-motion drive blower & vacuum, adjustable belt filling feed system double take-down rollers, Mudata 2	88.03.274-B 88.03.275-B 88.03.275-A	3

NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Needle Looms	Muller NF 53 6/45, 16 of 20 harness frames incorporated, all looms with lockstitch and 3-shift pick counter. Some looms equipped with slow-motion drive, double take-down rollers, new adjustable belt filling feed system, vacuum and blowers.	82.02.415-C 82.02.415-E 82.02.415-H	3
Needle Looms	OMM, MX 6/55, 16 harness, adjustable filling feed, double filling insert, fillatic production computer, double roll positive bare rubber feed, lock stitch	48090872 48160875 48090855 48090856 48090857	5
Gudgens	Beam-holders w/brake flange		585
Humidification	The Austin Co., System II		1
Moist	Amerion Monorail, 1 ton each w/Yale hoist, electric (new)		4
Material Handling	Barrel truck		1
Material Handling	Hand trucks		3
Material Handling	Pallet jack		1
Material Handling	Beam lift portable		1
Beam racks	Multi-beam set-up w/tension device & bearings		117

NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Knitting Machines	Lamb, 4 needle, Mdl. 2NBA/2-TB	N/A	49
Knitting Machine	COMEX 408 Futura, chain extension, auto stop-motion, 30" bed, positive rubber feed system	13118	24
	408 Futura, 1990, 5/8 bars, 15 ga.	N/A	
	408 Futura, 1990, 5/8 bars, 20 ga.	N/A	
	408 Futura, 1990, 5/8 bars, 20 ga.	N/A	
	408 Futura, 1990, 5/8 bars, 20 ga.	N/A	
	408 Futura, 1990, 5/8 bars, 14 ga.	N/A	
	408 Futura, 1990, 5/8 bars, 14 ga.	N/A	
	408 Futura, 1990, 5/8 bars, 14 ga.	N/A	
	408 Futura, 1990, 5/8 bars, 14 ga.	N/A	
	408 Futura, 1990, 5/8 bars, 14 ga.	N/A	
	408 Futura, 1990, 5/8 bars, 14 ga.	N/A	
	408 Futura, 1990, 5/8 bars, 15 ga.	13049	
	408 Futura, 1990, 5/8 bars, 14 ga.	13214	
	408 Futura, 1990, 5/8 bars, 14 ga.	13051	
	408 Futura, 1990, 3/8 bars, 14 ga.	13053	
	408 Futura, 1990, 8/8 bars, 15 ga.	13120	
	408 Futura, 1990, 5/8 bars, 14 ga.	13655	
	408 Futura, 1990, 8/8 bars, 15 ga.	13117	
	408 Futura, 1990, 8/8 bars, 15 ga.	13116	
	408 Futura, 1990, 5/8 bars, 14 ga.	13050	
	408 Futura, 1990, 8/8 bars, 15 ga.	13048	
	408 Futura, 1990, 8/8 bars, 15 ga.	13119	
	408 Futura, 1990, 5/8 bars, 14 ga.	13211	
	408 Futura, 1989, 8/8 bars, 20 ga.	12617	
	408 Futura, 1989, 8/8 bars, 20 ga.	12185	
	408 Futura, 1990, 5/8 bars, 20 ga.	13662	

NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Knitting Machines			
	COMES 608 Positive, 14 & 20 ga.	11369	2
	1986/7, 5 of 8 bars incorporated	10952	
	480 end yarn creel, heavy-duty and		
	240 end positive feed rubber (latex)		
	creels, double rubber feed system		
Knitting Machines			
	MULLER RB, 14 gauge, 1983-87, 3 of 8	86.01.336-A	8
	bars incorporated, 3-shift pick clocks,	84.00.547-A	
	double bare, rubber feed system, 400-	86.01.336-K	
	480 end yarn creel, heavy-duty and	81.10.113-A	
	192-240 end positive feed rubber	84.00.548-A	
	(latex) creels, double rubber feed	87.01.255-C	
	system	83.08.457-A	
		83.08.812-B	
Knitting Machines			
	MULLER RD, 14 gauge, 1987/88, 3 of 8	87.01.255-G	8
	bars incorporated, mudata 2, double	87.01.255-A	
	bare rubber feed system, 400-480 end	87.01.255-H	
	yarn creel, heavy-duty and 192-240 end	87.01.255-F	
	positive feed rubber (latex) creels,	88.02.549-H	
	double rubber feed system	87.01.255-E	
		88.02.549-C	
		88.02.545-G	

4 NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Knitting Machines	MULLER RC 6/800, 14 gauge, 1985/6 3 of 6 bars incorporated, 400-480 end yarn creel, heavy-duty and 192-240 end positive feed rubber (latex) creels, double rubber feed system	86.02.357-D 86.02.357-H 85.02.828-A 85.02.828-F 85.02.828-G 88.02.828-L 86.01.335-C 86.01.335-B 85.02.828-I 85.02.828-C 86.02.357-C 86.02.357-A 86.01.335-H 86.01.335-I 86.01.335-H	15
Pestooner	Mfg. by ECA, 48-position, w/Morse variable speed control	N/A	8
Pestooner	Mageba, 2-arm, 3" jute, Mdl. LM-2 1983 w/controls, traverse, start stop, table up/down, yd./meter counter	19345	1
Pestooner	Mageba, 2-arm, 3" jute, Mdl. LM-2 1985	21670	1
Pestooner	Marshall Williams, 1982, 4-arm, 2" jute, w/Fincor controls, steam units	015	1
Inspection	LINDLY automatic inspection, Mdl. 1210 6-head, photo-electric with elastic feed	23 29 51 107	4

NO.	EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
	Sewing Machines	Morrow, Md1. 3 DW-2 w/table, portable foot pedal control	184718 126217 183622 153267 194269	5
	Sewing Machines	Morrow, Md1. DW-C/DW-1/DW w/table, portable, foot pedal control	192119 195178 197148	3
	Material Handling	Forklift, Hyster, w/squeeze clamp propane, 2,000 lbs capacity	N/A	1
	Material Handling	Forklift, Baker FTD-030, electric 3,000 lbs. capacity	M1831-5132	1
	Material Handling	Forklift, Datson, L. Propane 3,200 lbs. capacity	CPF02A 25V	1
	Material Handling	Forklift, Hyster, 3,350 lbs. capacity, 272" fork height	C-138D02083J	1
	Material Handling	Battery charger by Exide	HR-68505	2
	Material Handling	Hand trucks		14
	Material Handling	Carts		5
	Material Handling	Pallet jacks, forklift, 5,000 lbs cap.		2
	Material Handling	Box staplers by Container Corp.		4

4 NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Scale	Hove Richardson, 500 lbs capacity in floor, mdl. 1271		1
Scale	by Pelouse, Mdl. 1060, 60 lbs capacity		2
Scale	General Electric, 400 lbs capacity portable, digital readout, 515-P-DC	601110 601109	2
Storage Racks	by Uniform Load, uprights, 36"W x 18' H		60
Storage Racks	by Uniform Load, beams 2 1/4" x 5 1/4" x 96" L		33
Air Compressor	Portable, 1.5 HP	N/A	1
Air Compressor	Joy, 60 HP, 1988	216892	1
Put-Up	Tape dispensers, Mdl. 555L	52559 62247	2
Put-Up	Blockers, 2 positions	194269 153267 183622	3
Put-Up	Spooler by RUF, 8 x 10 single-arm		1
Humidification	Complete system w/water filtering		1

NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Creels for Yarn	420-464 ends, by Talladega Machine for crochet knitters & motorized take- away system w/Morse control		41
Creels for Yarn	200-360 ends, by Talladega Machine for crochet knitters & motorized take-away system, with Morse control		
Creels for Rubber	192-350 ends, positive driven, by Talladega Machine for crochet knitters		31
Creels for Rubber	Positive driven 270 ends for lycra positive driven 168 ends for lycra positive driven 45 ends for lycra positive driven 20 ends for lycra		4
Creels for Rubber	48 ends 64 ends 16 ends		7
Machine Shop	Heavy-duty band saw Drill press Grinder Arc-welder by Miller Butane welder Hydraulic press, 35 ton by Wright Welding table, heavy-duty Parts bin Step ladder, 10 steps, heavy-duty Assorted tools Assorted spare parts		1 1 1 1 1 1 1 1 1 1 asst'd asst'd

I NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Loaders			
3 + 4 stop			38
9 stop			1

NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Finishing Machine	MAGEBA, 8' width, 1984, 2-can 32" 0 x 150" L, steam, 85 PSI 3270, Mdl. 123-21, with infrared pre-dry, w/60 gallon mixing tank & mixer, ECA Mfg. take-out system	19966	1
Finishing Machine	Millmade, 50" width, padder 1 steel & 1 rubber, 12" 0 rolls, infrared pre-dryer w/16 rows, 2 sets of dry cans 50 & 60 PSI, teflon coated, ECA Mfg. take-away system, 1 120 gal. kettle with mixer		1
Dyeline	MAGEBA pad steam, 625mm, 3-roll dye pad, 45m steamer, 2 washboxes w/jets enclosed, 4 washboxes open, each washbox w/2-roll nip. 3 x 2 dry cans 32" x 50", 84 PSI, w/nips at each drying section, take-away, finishing padder. 3 60-gal. kettles w/mixers.	33-1220-1-E (1985)	1
Dyeline	MAGEBA pad steam, 625mm, double dye padder, 90 yds. steamer, 6 wash- boxes, 1 closed w/jet spray & 5 open tanks, all with nips, 3 x 2 McCoy Ellison drying cylinders 31" 0 x 78" L, HP, 2 100-gal. kettles & 1 50-gal. kettle w/mixers	33-0222-1-6	1

M NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Dyeline	MAGEBA, pad/steam, 200mm, 1971 w/60 yds. steamer, 3-roll dye paddler, 3 wash boxes with 2-roll nips, 2- cylinder drying 30" x 60" steam by Westpoint 72 PSI		1
Scale	-Pitney Bowes, Mdl. 3770 w/digital readout -Toledo, portable, 225 lbs. capacity Mdl. 31-1821-OJ -Startorius electronic, w/digital readout & print out -Fairbanks Morse floor, 500 lbs. cap. -Dial-O-House, Mdl. 310 gr. -Toledo, Mdl. 8430 w/digital readout, capacity 6 x -11 lbs.	700 712	1 1 1 1 2 1
Air Compressor	Gardner Denver, Mdl. electra saver 50 HP, 1988 & 1990	M-31339 M-22282	2
Laboratory	-McBeth color meter, Model 1500 -McBeth color eye -Epson printer -McBeth spectra light (day, HOR, CWF, (UV), w/everex PC-comp. & color monitor -Wash fastner tester, AHIBA, polymat Mdl. PM-100, w/electronic control 1989 -Hotplate by Corning, Mdl. Stirren -Fabric stiffness tester, Mdl. DPP-50	MC 1500 MC 1500 B KX-P1080I 88088/20	1 1 1 1 1 1 1
Material Handling	Pallet jacks & hand trucks		asst'd

EM NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
. Pull Down	NAGEBA		1
. Mixing Tank	w/mixer		1

NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Printers	Bates, TP-13, MTPR, 16" belt #5151001, w/s ribbon guides, take-away & let-off	133 135	2
Printer	H.T.P. machine (no tag) 72" belt		1
Material Handling	Hand truck		5
Spooler	by Talladega Mach. Co., 2-position 15" 0 x 16" 10		1
Steam Cleaner	by Electro-Steam Generator Co. Mdl. LB-20	30484	1
Humidifier			4
Eye Wash	by Haws		1
Hot Plate	by Capitol, Mdl. Rangette, 2-position		1
Silicone Machine	by Sodemeter, Mdl. Enduction V-3 4-spaces, with accumulator (air- drying), roll-up device, silicone pumps by Rexson	12680490 12670490	2
Silicone Machine	by Talladega Machine Company		1
Silicone Machine	by Talladega Machine Company sample machine		1

NO.	EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Spoolers	Mageba MRU-1EG2, 1985, 2-spindle w/pre-feed	22.176/249 22.176/250	2	
Spoolers	Mageba, EMR-C, 1990, 2-spindle w/pre-feed	28.581/317 28.581/318	2	
Spoolers	ECA Mfg.		1	
Spoolers	Chase Mach. Co., Mdl. 4 PLCW, 4-spindle w/Browning speed control (1989)	9286-01-989	1	
Sewing Machines	Singer Union Special		23 7	
Inspection	ECA Mfg. inspection table		7	
Inspection	Lindly automatic tape inspection model 1210, photo electric	35 37 89 91 156 157 188	4 3	
Pestooner	Mageba, 2-arm, Mdl. LM-2, 1986/2	22.882-1 22.882-8	2	
Pestooner	ECA Mfg., single-arm		1	
Pestooner	H. Affupper BLA-B, 1988	869-324 869-328	2	

NO.	EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
	Festooner	Marshall Williams MNF-4, 2" jute 1989/1990	NFO-089 NFO-008	2
	Prefeed	Sodemotex (for dyeline), Mdl. Donneur 12-B, 12 positions 1990	12770990	1
	Cutters	Ace, hot-knife, 10", C-230-WSWR Ace, cold-knife, 4", SC-720-WP	13691 12 689	2
	Packing	Signode film-wrapping machine ELP-8705		1
	Scales	Toledo, portable, 500 lbs. capacity #2182 Statmons #105	25103 027878-4	2
	Scales	General Electric, Mdl. PSLC-2 100 lbs. capacity, kg/lbs	810129 010242 010241 002002 008060	5
	Scales	Avenger, series 3000 w/printer		1
	Scales	General Electronics, Mdl. Porta-tronics 800, 1000 lbs capacity, portable	104059	1
	Scales	Ohaus, Mdl. Dial-O-Grain, 3100 gr.		1
	Compressor	Ingersol Rand, Mdl. 7T-T307-172TM 30 HP (located in the cut-off area)	30T323689	1

NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
	Material Handling	Pallet jacks, hydraulic, handtrucks etc.	assorted

NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Needle Loom	Muller, NFJM 53, 2/84, double fill feed & take-down w/rubber feed, 96 hooks, new fill feed system	88.03.376-A	1
Needle Looms	Muller NF-42, 4/45, 16 harness beltfeed, lockstitch, double take-down rollers	101.252.H 81.06.686-T 81.06.278-E	3
Needle Looms	Muller NF-42, 1 6/27 & 2 x 2/84 16 harness beltfeed, lock stitch, double take-down rollers, slow motion (1)	82.08.449-A 81.50.002-D	3
Needle Loom	Muller NF-53, 2/84 ELS, 28 hooks & 12 harness incorp. double filling insert	87.02.504-B	1
Knitting Machine	COMEZ, Mdl. 407-MICRON, 8 bar capacity 20 gauge w/60 E position rubber feed	10904	1
Knitting Machines	COMEZ, Mdl. 408, Futura, 8-bars, long extension chain, 14 gauge, 1990, double feed system	13052	1
	COMEZ, Mdl. 620-fantasy-BL, 8 bars, w/computer program, 15 ga. double-feed system	11217	1
Knitting Machines	Lamb, 4-needle, Mdl. 2NBA/2-TB	A-1250 A-1342	2

ITEM NO.	EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
	Knitting Machines	Muller, Mdl. RB, 8 bars incorporated	84.00.548-O	4
		14" knitting bed, w/positive bare	84.00.547-D	
		rubber feed, beam & yarn creel	84.00.549-B	
			84.00.549-D	
	Card Cutter	Staubli card punch machine, manual, 28 books, w/table	21794	1
	Miscellaneous	Hoist w/rail by Hollywood ACE, 1 ton, manual		1
		Muller ELS patterning controller		
		Muller muload		
	Racks	Warp beam racks		7
	Creels	240-end knitting creels		8
	Spooler	RUF single spindle		1
	Quality Control	Scope Swift w/3 lenses Scope Swift w/2 lenses		2
	Scales	Dial-O-Gram, Mdl. 310 gr.		3
	Scales	Mdl. 1060, 60 lbs. capacity		1
	Material Handling	Hand truck		1

NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Testing Equipment	Precision scientific oven, Mdl. 605-A, 0-500°, air vol. control	16-1613AC7	1
	Dianolight, 1978, daylight & Tungsten, & UV	64475-03-12	1
	Scott brake tester DH-2, 0-100 lbs w/graphics	27934	1
	Zwick elongation universal tester model 1425-01, w/printer for Zwick & computer MT 804, w/control chart recorder 1107.129/6 w/Volmer transformer TSA-0.8	98666	1
	Ohaus electronic scale, 310 gm, model E 400	2298	1
	Scientech 3320	2063	1
	Fischer John melting point apparatus		1
	Whirlpool washer w/automatic temp. control		1
	Whirlpool dryer, heavy-duty, 2-cycle Mdl. LE 3000XP		1
	Ohaus dial-o-gram 600, w/A-F color range Mdl. 3081, capacity 610 gr.		1

NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Testing Equipment continued:			
	Union Spec. sewing machine table mounted.		1
	Hotplate, portable electric, 2 position by Capitol, 825 watt speed burner, Mdl. Rangette		1
	Scott tester 1P-2, w/auto return, w/graphic plate	C-222	1

NO.	EQUIPMENT	DESCRIPTION	SERIAL #.	QTY
	Conversion Kits	New, for 6 spc. D.D. looms		12
	Splitters	for bare rubber		18
	Lycra Feed	incomplete condition		2
	Positive Rubber-Feed	for rubber & lycra packages, 48 pos. + 270 positions		2
	Winder	OMM, horizontal spooling, single-end 20 positions		1
	Beam Lift	Portable & manual new		1
	Machine Shop Equip.	Tools, drill press, grinder, arc welder, band saw, lathe by Dashin Champion, milling machine by Cincinnati, Mdl. Toolmaster		asst'd
	Knitters	by COMEX, Mdl. 805, 20 gauge	06778 07478	2
	Looms	Muller MBTR	904-073-A&B	2
	Loom	Muller MCR 2/130	711-603-C	1
	Loom	Muller MC 2/110	736-875-B	1
	Loom	Muller MCR 1/365 with filling accumulator and roll-up device	82-11-009-A	1

APPRAISAL

NO.	EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Loom		Muller NFR 42 6/27, with double filling insert and with double take-down system	81-10-162-C	1
Loom		Muller NFR 4/54 w/dbl. filling insert w/dbl. take-down system	86.00.895-A	1
Looms		OMM, Mdl. MX 4/80, w/16 harness dbl. fill-insert, w/OMM prod. computer		7

IN NO. EQUIPMENT

DESCRIPTION SERIAL NO. QTY

Tools & Equipment 12" lathe, 36" bed by Republic 1

Floor drill press, 1" by Jet 1

4,000 lb. mobile crane 1

2" rigid pipe threader w/all accessories 1

Hydraulic presses by Southern 2

Metal band saws 2

Oxygen/acetylene torches 2

AC/DC welding machines, 2

DC ARC-Welder by Miller, Mdl. Millermatic 200 1

Bench grinders 3

Table saw by Craftsman, Mdl. Contractor 1

Table drill presses 2

Table vises 4

55-gallon wet/dry vacuums 2

1/2" drills 4

7 1/2" skill saws 2

IN NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Tools & Equipment continued:	Jig saw		1
	Mida saw (table model)		1
	Router		1
	Parts cleaner		1
	Reciprocal saw		1
	Impact drills		2
	Hand tools: saws, wrenches, cutters, etc.		ass'd
	In-floor scale by Howe		1
	Clo for Mageba finishing machine (new)		5
	12' fiberglass ladder		1
	10' wooden ladder		1
	8' fiberglass ladder		1
	6' fiberglass ladder		1
	Honeywell combustion analyser		1
	3-phase watt meter		1

NO.	EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
	Computers	Terminals, 5291-2, IBM 5360		24
		Printers, 4214, IBM 5360		9
		Remote controllers, 5295, IBM 5360		3
		IBM PC-2, computer, monitor, keyboard		3
		IBM PC-AT, w/monitor & keyboard		3
		Panasonic Business Partner 286, w/monitor & printer		3
		Kaypro PC w/keyboard & monitor		1
		AST computer w/monitor & keyboard		1
		Epson printers		3
		NBC printer		2
		Mitsubishi monitor		2
		Legitronic printer		2
		Printronic printers		2
	Copiers	Xerox 2830, 1040		4
	FAX Machines	Pitney Bowes, Mdl. 800		2

ITEM NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Typewriters	IBM Selectric II		
	IBM Selectric III		4
Miscellaneous	Executive desks		4
	Secretarial desks		
	1,2,4, & 5-drawer file cabinets & bookshelves		
	Chairs		
	Conference table w/chairs		
	Shredder		4
	Metal cabinets		
	Postage machine w/auto-feed		
	Onouse scales & postage scale		
	Telephone System	Complete, w/paging system	

NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Tools & Equipment	Lathe, milling machine, etc.		asst'd
Scale	Toledo, 75 lbs. capacity		
Inspection Machine	Web-inspector by LINDLY, Mdl. 1210E		

NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Miscellaneous	Mageba drying oven CM-15018 1979, 24" w.	31-0606-1-6	1
	Datson forklift, 5,000 lb. cap. 1976, Mdl. 502-515	174	1
	Pallet jack - 4,500 lbs. Interhorn	K40565	1
	Pallet jack - 5,500 lbs. Monarch	DM 0022	1
	Comex knitter P.B. 800	04240	1
	Positive feed covered rubber unit, 98 ends (actual 60 x 2 incomplete) 6 1/4" roller length, 4-5 diameter		1
	Mercedes truck w/cab		1
	Dodge Ram pick-up, 1987		1
	Computer components: 3 IBM monitors #5251 w/keyboard 1 IBM #5211 printer 1 IBM #5340 computer #44577		asst'd
	Dock plate - aluminum		1
	Steam can 30" diameter x 60" F, 56 PSI, 1960		1
	Lathe by Reed Prentice Corp.	19968	1

NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Printers	Heat transfer printer by Gesaner Mdl. 60 (located at Guy Equip., Sylacauga)	RPS-417	1

NO. EQUIPMENT	DESCRIPTION	SERIAL NO.	QTY
Knitter	Fitter, Mdl. S-080, 14 gauge	0511	1
Knitters	Cones, Mdl. S05, 15 gauge	6492 6563	2
Blocker	TEMA fully automated Mdl. AVNE 100/600, 1988	141	1
Dyeline	by Mageba, old, w/2 roll dye padder 4" diameter rolls x 8" face and compensator (comp. not being used), double pass through, radiant heat pre- dryer, 220 volt, controls - 0-100 degrees, heaters on/off, preheat, rotation on/off, with 4 steam drying cylinders (2 x 2 units) 31" diameter x 25" face, 3 ATU (45 PSI); 2 cylinder 1965, 2 cylinder 1969.		1
Dyeline	by Mageba, built 1969 with -2 roll dye padder, 8" width single pass -4 steam drying cylinders by Greenville Steel, 1981 -50 PSI, 30" diameter x 30" face, bad teflon -2 roll take-away	3-101-185	1

NO. EQUIPMENT	DESCRIPTION	SERIAL NO	QTY
Dyeline Padder	by Birch Brothers, dry stack, by Morrison with: -3 roll dye padder 6" diameter x 40" face -2-rolls rubber, 1 roll stainless steel -1 jacketed dye-kettle, 50 gallon 125 PSI rated & LUKDE mixer -8 cylinder drying stack vertical, 23" diameter x 30" face, 60 PSI with v-belt cog drive	58671	1
Boiler	by Hydro Steam Industries, Inc., Electric Mdl. STR 1652-7-4C, 1980 year built-NB 3128 Specifications: -max 72 KW output -245 lbs/hour -rated 87 amp. -480 volt, 3-phase, 60 Hz		1
Boiler	by Williams & Davis, gas, built 1980 Specifications: -15 HP -630,000 BTU -preheat & feed water tank -120 volt, single phase motor control		1
Crochet Machines	CONEX, Mdl. PB 800, 14 gauge incomplete	03821 03823 02799	3

EXHIBIT D

Description of Existing Leases

None.

EXHIBIT E

Permitted Encumbrances

1. The Lease Agreement.
2. The Lien for ad valorem taxes (if any) on the Collateral so long as such taxes are not delinquent.
3. The exceptions set forth in Schedule B-2 of the mortgagee's title insurance policy issued or to be issued pursuant to that certain Commitment to issue Title Insurance No. V-6405 prepared by Lawyers Title Insurance Corporation, having an effective date of June 29, 1992, at 8:00 a.m., to the extent only that such exceptions refer expressly to instruments recorded against, or otherwise specifically affect, the Project and not to any general, standard or similar exceptions that may appear in said policy.
4. Liens for taxes, assessments or other governmental charges or levies which are not delinquent or which are being contested in good faith by appropriate proceedings.
5. Deposits under workmen's compensation, unemployment insurance, social security laws or similar legislation.
6. Materialmen's, mechanic's, workmen's, repairmen's, or other similar Liens arising in the ordinary course of business securing payments which are not delinquent or which are being contested in good faith by appropriate proceedings.
7. Liens created by or existing from any litigation, legal proceeding or judgment which is currently being contested in good faith by appropriate proceedings, provided that execution thereon is effectively stayed, and pledges or deposits to secure, or in lieu of, any surety, stay or appeal bond with respect to any such litigation, legal proceeding or judgment.

Inst # 1992-12551
06/29/1992-12551
04:05 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
083 MCD 212.50
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