

Birmingham, Alabama

**TO BE FILED IN THE REAL PROPERTY RECORDS
OF SHELBY COUNTY, ALABAMA**

FINANCING STATEMENT

This Financing Statement is presented to a Filing Officer for filing pursuant to the Texas Uniform Commercial Code.

1. The name and address of the debtor ("Debtor") is:

Pier Group, Inc.
c/o Price & Marshall, Inc.
Two Penn Plaza
Suite 1585
New York, New York 10121-1585

2. The name and address of the secured party ("Secured Party") is:

First Interstate Bank of Texas, N.A., as Agent
309 West Seventh Street, Suite 1100
Fort Worth, Texas 76102

3. This Financing Statement covers the following types of collateral ("Collateral"):

(a) All of the right, title and interest of Debtor in and to all (i) materials, supplies, equipment, apparatus and other items now or hereafter attached to, installed on or in the lot, piece or parcel of land more particularly described on Exhibit "A", attached hereto and made a part hereof for all purposes (the "Land"), or which in any manner are deemed to be fixtures attached to the Land under the laws of the State of Alabama (including the Uniform Commercial Code) and all tangible and intangible personal property attached to, installed on or placed or used on or within, in connection with or acquired for such attachment, installation, placement or use, or which arises out of the development, improvement, financing, leasing, operation or use of, the Real Property (as hereinafter defined), the fixtures or any other goods located on or in the Real Property (as hereinafter defined), and additions thereto and substitutions or replacements thereof, including, but not limited to, all screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture and furnishings, heating, lighting, plumbing, ventilating, air conditioning, refrigerating, incinerator and/or compacting and elevator plants, stoves, ranges, vacuum cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, appliances, equipment, fittings and fixtures, and the trade

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name, good will and books and records relating to the business operated on the Real Property (as hereinafter defined), (ii) inventory, goods, consumer goods, crops, growing crops, farm products, vegetation (including, but not limited to, plants, flowers, trees and bushes), contract rights, plans and specifications, surveys, bank deposits, accounts, chattel paper, instruments, money, general intangibles, documents, and other tangible and intangible personal property, acquired, obtained or arising in connection with the Real Property (as hereinafter defined), and (iii) all additions, accessions, accessories, amendments and modifications thereto, extensions, renewals, enlargements and proceeds thereof, substitutions therefor, and income and profits arising or derived therefrom (all fixtures and other personal property, both tangible and intangible, described in this subparagraph (a) are herein collectively referred to as the "Personalty").

(b) Any and all buildings, structures, open parking areas and other improvements, and any and all accessions, additions, replacements, substitutions or alterations thereof or appurtenances thereto, now or at any time hereafter situated, placed or constructed upon the Land or any part thereof and improvements (collectively, together with all building equipment, the "Improvements"), and all of Debtor's right, title and interest, if any, in and to the streets and roads abutting the Land to the center lines thereof, strips and gores within or adjoining the Land, the air space and right to use said air space above the Land, all rights of ingress and egress by motor vehicles to parking facilities on or within the Land, all easements now or hereafter affecting the Land or the Improvements, and all royalties and rights pertaining to the use and enjoyment of the Land or the Improvements, including, without limitation, alley, drainage, crop, timber, agricultural, horticultural, mineral, water, oil and gas rights (the Land and the Improvements are sometimes herein collectively referred to as the "Real Property").

(c) All of the rights, benefits, privileges and interests of the Debtor under that certain Lease Agreement (the "Tenant Lease") executed by and between Debtor, as lessor, and Pier 1 Imports (U.S.), Inc., as lessee, together with all other leases, lettings and licenses of the Real Property, or any part thereof, and all right, title and interest of Debtor thereunder, including, without limitation, cash and securities deposited thereunder, the right to receive and collect the rents, issues and profits payable thereunder (the "Rents"), and the right to enforce, whether by action at law or in equity or by other means, all provisions, covenants and agreements thereof, together with any amendments or supplements thereto and any lease agreement pertaining to the Real Property now or hereafter entered into by Debtor with respect to the Real Property, including, without limitation, (i) all amounts payable to Debtor thereunder; (ii) all damages and other amounts payable to Debtor in the event of any expiration or termination of any lease or by operation of law or

otherwise; and (iii) all rights, claims, powers, privileges and remedies of Debtor, whether arising by statute or at law or in equity or otherwise, consequent on any failure on the part of any party to perform or comply with any term of any lease covered hereby (all leasehold estates and interests, leases, lettings and licenses, and all rights, claims, privileges and remedies related thereto, and all other rights and interests covered by this subparagraph (c), are herein collectively called the "Leases").

(d) All unearned premiums accrued, accruing or to accrue under insurance policies now or hereafter obtained by Debtor and all proceeds of the conversion, voluntary or involuntary, of the Real Property, or any part thereof, into cash or liquidated claims, including, without limitation, proceeds of hazard and title insurance and all awards and compensation heretofore and hereafter made to the present and all subsequent owners of the Real Property or any easement therein, including, but not limited to, awards for any change of grade of streets (all premiums, awards and other rights and interests covered by this subparagraph (d) are herein collectively called the "Premiums and Awards").

(e) All rights, privileges, tenements, hereditaments, rights-of-way, easements, appendages, and appurtenances in any way appertaining to the Real Property, and all rights, titles and interests of Debtor in and to any streets, ways, alleys, strips or gores of land adjoining the Land or any part thereof, which Debtor now owns or at any time hereafter acquires; all plans and specifications for the Improvements; all contracts and subcontracts relating to the Improvements; all deposits (including tenant security deposits), funds, accounts, contract rights, instruments, documents, general intangibles (including trademarks, service marks, trade names and symbols used in connection with the Mortgaged Properties (as hereinafter defined); all permits, licenses, franchises, certificates and other rights and privileges obtained in connection with the Mortgaged Properties; and all other interests of every kind and character which Debtor now has or any time hereafter acquires in or with respect to the above-described real and personal property and all property which is used or useful in connection therewith, including rights of ingress and egress, easements, licenses and all reversionary rights and interests of Debtor with respect to such property (all such rights and interests being herein called the "Rights and Appurtenances").

(f) All rights, titles and interests of Debtor in and to all extensions, improvements, betterments, renewals, substitutions and replacements of, and any additions and appurtenances to, the Real Property, hereafter acquired by or released to Debtor or constructed, assembled or placed by Debtor on the Real Property, the Improvements (the Improvements, the Personalty, the Leases, the Premiums and Awards, the Rights and Appurtenances and all

other rights, titles and interests described above, are herein collectively called the "Mortgaged Properties").

Debtor:

PIER GROUP, INC.,
a Delaware corporation

By: G. Michael Tilton
G. Michael Tilton, President

F-0056218.01

EXHIBIT "A"

PARCEL I

Lot D-1 of PIER I IMPORTS SURVEY, as recorded in Map Book 21, page 13, in the office of the Judge of Probate of Shelby County, Alabama.

Situated in the Southeast 1/4 of the Southeast 1/4 of Section 36, Township 18 South, Range 2 West, Shelby County, Alabama and being more particularly described as follows:

Commence at the Southeast corner of said 1/4-1/4 section and run north along the east line of said 1/4-1/4 section 876.66 feet to the Southeast corner of INVERNESS CORNERS OUTPARCEL "D"; thence 90 degrees 00 minutes 00 seconds left and run westerly for 152.80 feet to the P.O.B. of the parcel herein described; thence continue along the last stated course for 17.14 feet; thence 118 degrees 57 minutes 14 seconds right and run northeasterly for 74.30 feet to the beginning of a curve to the left, said curve having a radius of 30.00 feet and subtending a central angle of 90 degrees 00 minutes 00 seconds; thence run northwesterly along the arc of said curve for 47.12 feet to the end of said curve; thence at tangent to said curve run northwesterly 191.11 feet to point on a curve on the back of curb of INVERNESS CORNERS ACCESS DRIVE; said curve having a radius of 100.00 feet and a central angle of 21 degrees 23 minutes 43 seconds; thence run northwesterly along said back of curb and arc of curve 37.34 feet to the Point of Tangent; thence run northeasterly along said back of curb 110.82 feet to a Point on Curve on the southwesterly right of way of U.S. Highway No. 280, said curve having a radius of 3474.05 feet and a central angle of 04 degrees 00 minutes 46 seconds; thence right 89 degrees 21 minutes 54 seconds to the tangent of said curve and run southeasterly along said southwesterly right of way and arc of curve 243.31 feet to a point on said curve; said point being 32.39 feet as measured along the arc of said curve west of the east line of said 1/4-1/4 section line; thence 94 degrees 38 minutes 52 seconds right from tangent of said curve and run southwesterly for 254.51 feet to the Point of Beginning.

PARCEL II

Perpetual and non-exclusive easement for access on an over the site development; use of parking facilities and through all common areas and private use areas, for purposes of ingress and egress to the adjacent shopping center appurtenant to Parcel I all as created by that certain Reciprocal Easement Agreement dated the 30 day of April, 1996 by and between Metropolitan Life Insurance Company and Pier Group, Inc. as recorded in Instrument 1996, Page 14793, in the Office of the Judge of Probate of Shelby County, Alabama.

PARCEL III

Non-Exclusive Easement for access as set forth in instrument dated 26 day of April, 1996 by and between Metropolitan Life Insurance Company and Pier Group, Inc. recorded in Instrument 1996, Page 14794, in the Office of the Judge of Probate of Shelby County, Alabama.

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