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MORTGAGE, ASSIGNMENT OF LEASES
AND SECURITY AGREEMENT

Dated September 1, 1996

from

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF PELHAM

and

PELHAM INDUSTRIAL ENTERPRISES, L.L.C.

to

FIRST COMMERCIAL BANK

Inst # 1996-38136

Inst # 1996-38136

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SHELBY COUNTY JUDGE OF PROBATE
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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 as of September 1, 1996 is entered into by THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF PELHAM, a public corporation under the laws of Alabama, and PELHAM INDUSTRIAL ENTERPRISES, L.L.C., an Alabama limited liability company, for the benefit of FIRST COMMERCIAL BANK, a state banking corporation with its principal place of business in Birmingham, Alabama.

Recitals

The Industrial Development Board of the City of Pelham (the "Issuer") has agreed with Pelham Industrial Enterprises, L.L.C. (the "User") to finance the acquisition and construction of a building or buildings as a warehouse and distribution center on real property located in the City of Pelham (such real property, and the building or buildings being herein together called the "1996 Project").

The Issuer and the User have also agreed to refinance the Issuer's \$1,675,000 Industrial Development Revenue Bond (Pelham Industrial Enterprises, L.L.C., Phase FIVE Project) dated September 15, 1995 (the "1995 Bond"), which was issued to finance the construction of warehouse and distribution facilities on the real property described in the Mortgage and Indenture of the Issuer dated as of September 1, 1995 (the "1995 Mortgage") (the said facilities and real property being herein together called the "1995 Project").

The Issuer has duly authorized the creation, execution and delivery of its \$3,250,000 aggregate principal amount of Adjustable/Fixed Rate Industrial Development Revenue Bonds, Series 1996 (Pelham Industrial Enterprises, L.L.C. Fifth Project) (the "Bonds") pursuant to a Trust Indenture dated as of September 1, 1996 (the "Indenture"). The proceeds of the Bonds will be used to fund the cost of the 1996 Project, to refund the 1995 Bond, and to pay expenses of issuance of the Bonds.

Simultaneously with the delivery of the Indenture the Issuer and the User have entered into a Lease Agreement dated as of September 1, 1996 (the "Lease Agreement"), whereby the Issuer has leased the 1996 Project and the 1995 Project (together, the "Project") to the User and the User has agreed 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.

The Bonds shall be limited obligations of the Issuer payable solely out of the rentals payable by the User pursuant to the Lease Agreement and any other revenues, rentals or receipts derived by the Issuer from the leasing or sale of the Project (the "Lease Revenues").

As security for the payment of Debt Service on the Bonds, the members of the User will enter into a Guaranty Agreement dated as of September 1, 1996 (the "Bond Guaranty") in favor of the Trustee, whereby they will guarantee payment when due of Debt Service on the Bonds, to the extent stated in the Bond Guaranty.

As additional security for the payment of the Bonds, Columbus Bank and Trust Company (in its capacity as issuer of the initial letter of credit referred to below, the "Credit Obligor") will issue an irrevocable letter of credit in favor of the Trustee in the amount of (i) the aggregate principal amount of the Bonds, to enable the Trustee to pay the principal amount of the Bonds when due and to pay the principal portion of the purchase price of Bonds tendered (or deemed tendered) for purchase, plus (ii) interest on the Bonds for a period of 105 days at the rate of 12% per annum, to enable the Trustee to pay interest on the Bonds when due and to pay the interest portion of the purchase price of Bonds tendered (or deemed tendered) for purchase. The initial letter of credit to be delivered to the Trustee and any substitute letter of credit delivered to the Trustee pursuant to the Indenture are herein referred to as the "Letter of Credit".

The initial Letter of Credit will be issued by the Credit Obligor pursuant to a Reimbursement Agreement dated as of September 1, 1996 (the "Reimbursement Agreement") between the Credit Obligor and First Commercial Bank, an Alabama banking corporation (the "Reimbursement Bank") which provides for the reimbursement of the Credit Obligor by the Reimbursement Bank for all amounts drawn under the Letter of Credit and for the exercise of certain rights by the Credit Obligor under the Indenture only at the direction or with the consent of the Reimbursement Bank as long as the Reimbursement Bank is not in default under the Reimbursement Agreement. Pursuant to a Credit Agreement dated as of September 1, 1996 between the Reimbursement Bank and the User (the "Credit Agreement") the User shall in turn reimburse the Reimbursement Bank for all amounts paid thereby under the Reimbursement Agreement.

As security for the User's obligations under the Credit Agreement, the members of the User (the "Guarantors"), will enter into a Credit Guaranty Agreement dated as of September 1, 1996 (the "Credit Guaranty") in favor of the Reimbursement Bank, whereby the Guarantors will guarantee payment when due of all indebtedness or obligations of the User to the Reimbursement Bank under the Credit Agreement, to the extent stated in the Credit Guaranty.

As additional security for the User's obligations under the Credit Agreement, the User and the Issuer shall execute a Mortgage, Assignment of Leases and Security Agreement dated as of September 1, 1996 (the "Mortgage") in favor of the Reimbursement Bank, whereby the Reimbursement Bank will be granted a mortgage, assignment and pledge of, and security interest in, the Project, the rights of the Issuer and the User under the Lease Agreement, the Lease Revenues, and certain other collateral.

The Credit Agreement provides that as a condition precedent to the issuance of the Letter of Credit the User and the Issuer must execute and deliver this Mortgage to the Reimbursement Bank.

NOW, THEREFORE, in consideration of the foregoing recitals and to induce the Reimbursement Bank to enter into the Credit Agreement and to execute the Reimbursement Agreement, issue the Letter of Credit, and to secure the prompt payment of all amounts due under the Reimbursement Agreement and this Mortgage, and also to secure the full and complete performance of each and every obligation, covenant, duty and agreement of the Issuer and the User contained in this Mortgage and 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 and words connoting one gender shall refer to all genders.

(2) 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.

(3) 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.

(4) The term "Person" shall include any individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization and any government or any agency or political subdivision thereof.

Bonds shall mean the \$3,250,000 aggregate principal amount of Adjustable/Fixed Rate Industrial Development Revenue Bonds, Series 1996 (Pelham Industrial Enterprises, L.L.C. Fifth Project), issued by the Issuer pursuant to the Indenture.

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

Condemnation Awards shall have the meaning stated in the third Granting Clause of Article 2.

Credit Agreement shall mean that certain Credit Agreement dated as of September 1, 1996 between the User and the Reimbursement Bank, including any amendments or supplements to such instrument entered into pursuant to the applicable provisions thereof.

Credit Amount shall mean the maximum amount available to be drawn under the Letter of Credit, as reduced from time to time and reinstated from time to time pursuant to the terms and conditions of the Letter of Credit.

Credit Guaranty shall mean that certain Credit Guaranty Agreement dated as of September 1, 1996, executed by the Guarantors in favor of the Reimbursement Bank, including any amendments or supplements to such instrument entered into pursuant to the applicable provisions thereof.

Credit Obligor shall mean Columbus Bank and Trust Company, a state banking corporation under the laws of Georgia with its principal place of business in Columbus, Georgia, and its successors and assigns.

Environmental Agreement shall mean the Environmental Indemnity Agreement of even date herewith between the User and its members and the Reimbursement Bank which deals with the obligations of the User and its members regarding the existence or the nonexistence of hazardous or toxic materials on or about the Project Sites.

Event of Default shall have the meanings stated in Article 7. An Event of Default shall "exist" if an Event of Default shall have occurred and be continuing.

Financing Documents shall mean (1) the Indenture, (2) the Lease Agreement, (3) the Credit Agreement, (4) this Mortgage, (5) the Credit Guaranty, (6) the Bond Guaranty, (7) the Reimbursement Agreement, and (8) the Environmental Agreement.

Guarantors shall mean Charles H. Stephens, Marc A. Eason, David Bunkin and Marvin R. Engel.

Indenture shall mean that certain Trust Indenture dated as of September 1, 1996 between the Issuer and the Trustee, including any amendments or supplements to such instrument from time to time entered into pursuant to the applicable provisions thereof.

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

Lease Agreement means the Lease Agreement between the Issuer and the User dated as of September 1, 1996, and all amendments and supplements thereto pursuant to the applicable provisions thereof and of the Indenture.

Leases shall have the meaning stated in the fifth Granting Clause of Article 2.

Letter of Credit shall mean the letter of credit with respect to the Bonds to be issued by the Credit Obligor in favor of the Trustee pursuant to the Reimbursement Agreement.

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.

1995 Bond shall mean the Issuer's \$1,675,000 Industrial Development Revenue Bond (Pelham Industrial Enterprises, L.L.C., Phase FIVE Project).

1995 Mortgage shall mean the Mortgage and Indenture dated as of September 1, 1995 of the Issuer pursuant to which the 1995 Bond was issued.

1995 Project shall mean the 1995 Project Site, and all buildings, structures, fixtures and improvements thereon, but not including any equipment, furniture or machinery owned by a subtenant of the User.

1995 Project Site shall mean the real property described in Part 1 of Exhibit A hereto.

1996 Project shall mean the 1996 Project Site, and all buildings, structures, fixtures and improvements thereon, but not including any equipment, furniture or machinery owned by a subtenant of the User.

1996 Project Site shall mean the real property described in Part 2 of Exhibit A hereto.

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 Reimbursement Bank under the Reimbursement Agreement;

(3) all interest on late payments 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 the User under the Credit Agreement as reimbursement of increased cost to the Reimbursement Bank caused by changes in laws or regulations or in the interpretation thereof;

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

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

(8) all renewals and extensions of any or all the obligations of the User described in paragraphs (1) through (7) above (including without limitation any renewal or extension of, and any substitute for, the Letter of Credit), whether or not any renewal or extension agreement is executed in connection therewith; and

(9) all amounts payable by the User under the Environmental Agreement.

Permitted Encumbrances shall mean restrictions, exceptions, reservations, conditions, limitations, interests and other matters that are identified in Exhibit B to this Mortgage.

Personal Property and Fixtures shall mean all personal property and fixtures constituting part of the Collateral.

Project, without other identifying words, shall mean both the 1995 Project and the 1996 Project.

Project Sites shall have the meaning stated in the first Granting Clause of Article 2.

Qualified Investments shall mean: (1) Federal Securities, (2) an interest in any trust or fund that invests solely in Federal Securities, (3) a certificate of deposit or time deposit issued by any bank organized under the laws of the United States or any state thereof (including without limitation the Trustee), provided that (i) such bank has capital, surplus and undivided profits of not less than \$50,000,000, (ii) such deposit is insured by the Federal Deposit Insurance Corporation, or (iii) such deposit is collaterally secured by the issuing bank by pledging Federal Securities having a market value (exclusive of accrued interest) not less than the face amount of such certificate, less the amount of such deposit insured by the Federal Deposit Insurance Corporation, and (4) a repurchase agreement with respect to Federal Securities, provided that the Federal Securities subject to such repurchase agreement are held by or under the control of the Trustee free and clear of third-party liens.

Reimbursement Agreement shall mean that certain Reimbursement Agreement dated as of September 1, 1996 between the Credit Obligor and the Reimbursement Bank.

Reimbursement Bank shall mean First Commercial Bank, an Alabama banking corporation, and its successors and assigns.

Rents shall have the meaning stated in the fifth Granting Clause of Article 2.

Special Funds shall mean all funds and accounts established pursuant to the Indenture.

Trustee shall mean AmSouth Bank of Alabama, a state banking corporation under the laws of the State of Alabama, and its successors and assigns as trustee under the Indenture.

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

The Issuer and the User have bargained and sold and hereby grant, bargain, sell, transfer, assign, set-over and convey to the Reimbursement Bank, its successors and assigns, the property and interests in property described in the following Granting Clauses, and the Issuer and the User have granted and do hereby grant to the Reimbursement Bank a security interest in said property and interests in property:

I.

(Project Sites and Buildings)

The real property and interests therein described in Part 3 of 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, together with all buildings, structures and improvements now or hereafter located on such real property (herein referred to as the "Project Sites").

II.

(Personal Property and Fixtures)

All personal property and fixtures described in Exhibit C attached hereto and all other personal property and fixtures (i) acquired by the Issuer or the User with proceeds of the Bonds or (ii) located on the Project Sites in which the Issuer or the User has any interest, including all substitutions and

replacements for such personal property and fixtures and the proceeds thereof.

III.

(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 the User with respect to the Collateral as a result of the exercise of the right of eminent domain, any damage to or destruction of the Collateral or any part thereof, or any other injury to or decrease in the value of the Collateral (herein referred to as "Condemnation Awards"), and all right, title and interest of the Issuer or the User in and to any policies of insurance (and the proceeds thereof) with respect to any damage to or destruction of the Collateral.

IV.

(Special Funds)

Money and investments from time to time on deposit in, or forming a part of, the funds and accounts established under the Indenture, subject to the prior lien of the Indenture with respect to the Special Funds and the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

V.

(Leases and Rents)

(a) All written or oral leases or other agreements for the use or occupancy of all or any portion of the Collateral with respect to which the Issuer or the User is the lessor and any and all extensions and renewals thereof, now or hereafter existing (collectively, the "Leases");

(b) Any and all guaranties by any Person of performance by lessees 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 the Issuer or the User 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 the Collateral, or any part thereof, including but not limited to minimum rents, additional rents, percentage rents, common area maintenance charges, assessments, parking charges, tax and insurance premium contributions, liquidated damages upon default, the premium payable by any lessee 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 the Collateral, together with any and all rights and claims of any kind that the User may have against any such lessee under any of the Leases or against any sublessees or occupants of the Collateral, 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 has occurred under this Mortgage, the User shall have the right under a license granted hereby (but limited as provided in Section 8.07) to collect, receive and retain the Rents (but not prior to accrual thereof); and

(d) Any award, dividend or other payment made hereafter to the User in any court procedure involving any of the lessees under the Leases or any guarantor thereof in any bankruptcy, insolvency or reorganization proceeding in any state or federal court and any and all payments made by lessees or guarantors in lieu of rent, the User hereby appointing the Reimbursement Bank as the User's irrevocable attorney-in-fact to appear in any action and collect any such award, dividend or other payment.

VI.

(Lease Agreement and Rights Thereunder)

The User's leasehold estate and all other right, title and interest of the User under and pursuant to the Lease Agreement, together with all the rights, privileges and options set forth therein, and the rights of the Issuer under and pursuant to the Lease Agreement, all lease rentals, revenues and receipts derived by the Issuer from the leasing or sale of the Project, including without limitation all rentals, revenues and receipts to be received by the Issuer under and pursuant to the Lease Agreement, subject, however, to the prior right of the Trustee to all such lease rentals, revenues and receipts so long as there is no Event of Default existing hereunder.

VII.

(Other)

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 Reimbursement Bank as and for additional security hereunder by the Issuer or the User or by anyone in the behalf of, or with the written consent of, the Issuer or the User.

All of the property described in the foregoing Granting Clauses I through VII, both inclusive, 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 Reimbursement Bank, its successors and assigns, forever.

ARTICLE 3

Representations and Warranties

To induce the Reimbursement Bank to enter into the Credit Agreement and to cause the Credit Obligor to issue the Letter of Credit, the Issuer and the User 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 Sites; the Issuer and the User have a good right to sell and mortgage, and the Issuer and the User have a good right to grant a security interest in, the Collateral; the Collateral is subject to no liens, encumbrances or security interests other than Permitted Encumbrances; and the Issuer and the User will forever warrant and defend the title to the Collateral unto the Reimbursement 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 Special Funds, the lien created by this Mortgage is junior and subordinate to the lien created by the Indenture.

(2) Maintenance of Lien Priority. The Issuer and the User shall take all steps necessary to preserve and protect the validity and priority of the liens on and security interest in the Collateral created hereby. The Issuer and the User shall execute, acknowledge and deliver such additional instruments as the Reimbursement 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 liens and security interests hereby created shall be paid by the User.

(3) Toxic or Hazardous Substances. No toxic or hazardous substances (including without limitation asbestos) have been located, stored or dumped on the Project Sites, or used in connection with, or in the construction or operation of the Project, or any part thereof.

ARTICLE 4

Covenants of User

SECTION 4.01 Payment of Taxes and Other Assessments

The User will pay or cause to be paid all taxes, assessments and other governmental, municipal or other public dues, charges, fines or impositions imposed or levied upon the Collateral or on the interests created by this Mortgage or with respect to the filing of this Mortgage, and any tax or excise on rents or other tax, however described, assessed or levied by any state, federal or local taxing authority as a substitute, in whole or in part, for taxes assessed or imposed on the Collateral or on the lien and other interests created by this Mortgage, and at least 10 days before said taxes, assessments and other governmental charges are due, the User will deliver receipts therefor to the Reimbursement Bank or, in the case of mortgage filing privilege taxes, pay to the Reimbursement Bank an amount equal to the taxes. The User 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. If any tax or assessment is levied, assessed or imposed by any governmental authority on the Reimbursement Bank as a legal holder of any of the Obligations or any interest in this Mortgage (other than federal and state income taxes), then unless all such taxes and assessments are paid by the User promptly after they become due and payable but in any event before they become delinquent (and in the opinion of counsel for the Reimbursement Bank, such payment by the User is lawful and does not place the Reimbursement Bank in violation of any law), the Reimbursement Bank may, at its option, declare the existence of an Event of Default under this Mortgage.

SECTION 4.02 Insurance

(a) The User shall keep or cause to be kept the Collateral insured against loss or damage by fire, windstorm, extended coverage perils, vandalism, malicious mischief and such other hazards, casualties or other contingencies as from time to time may be required by the Reimbursement Bank (including but not limited to builder's risk during the period of construction of the 1996 Project), in such amounts, in such manner and in such companies as the Reimbursement Bank may reasonably approve, including but not limited to all insurance required to be maintained under the terms of the Lease Agreement. All such policies shall name the Reimbursement 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 Reimbursement Bank, to be attached to each policy) be payable to the Reimbursement Bank, and provide that the insurance provided thereby, as to the interest of the Reimbursement Bank, shall not be invalidated by any act or neglect of the User, nor by the commencing of any proceedings by or against the User 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. The User shall furnish to the Reimbursement Bank insurance certificates, in form and substance satisfactory to the Reimbursement Bank, evidencing compliance by the User with the terms of this Section and, upon the request of the Reimbursement Bank at any time, the User shall furnish the Reimbursement Bank with photostatic copies of the policies required by the terms of this Section. The User will cause each insurer under each of the policies to agree (either by endorsement upon such policy or by letter addressed to the Reimbursement Bank) to give the Reimbursement Bank at least 30 days' prior written notice of the cancellation of such policies in whole or in part or the lapse of any coverage thereunder. The User agrees that it 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. At least 10 days prior to the date the premiums on each such policy or policies shall become due and payable, the User shall furnish to the Reimbursement Bank evidence of the payment of such premiums.

(b) If the Project or any part thereof is damaged or destroyed by fire or other casualty, the User shall, as promptly as practicable, repair, rebuild, restore or replace the property damaged or destroyed (herein referred to as the "Restoration Work"). If the amount of loss proceeds of insurance on the Project available to pay the costs of such Restoration Work is not sufficient for such purpose, the User shall complete the Restoration Work at its own expense.

(c) If the loss proceeds from insurance payable with respect to any casualty are not greater than 15% of the principal amount of the Bonds then Outstanding, such loss proceeds shall be payable to the User and shall be applied by the User either to pay the costs of the Restoration Work or to redeem Bonds.

(d) If the loss proceeds from insurance payable with respect to any casualty are greater than 15% of the principal amount of the Bonds then Outstanding, such loss proceeds shall be paid to the Reimbursement Bank and, after first applying such loss proceeds to the payment of all costs and expenses (including attorneys' fees) reasonably incurred by the Reimbursement Bank in obtaining such loss proceeds, shall, at the option of the User, be applied to pay the costs of the

Restoration Work or to redeem Bonds, or held as a reserve against the Obligations.

SECTION 4.03 Condemnation Awards

The entire proceeds of any Condemnation Award shall be paid to the Reimbursement Bank and, after first applying such award to the payment of all costs and expenses (including attorneys' fees) reasonably incurred by the Reimbursement Bank in the collection thereof, the Reimbursement Bank may, at its option, apply the balance to the payment of the Obligations in any order and whether or not then due, or hold such balance as a reserve against the Obligations, or apply such balance to the restoration or replacement of the Collateral, or release such balance to the User. No such application, holding in reserve or release shall cure or waive any default of the User.

SECTION 4.04 Waste, Demolition, Alteration or Replacement

The User will cause the Collateral and every part thereof to be maintained, preserved and kept in safe and good repair, working order and condition, will not commit or permit waste thereon, will not remove, demolish or materially alter the design or structural character of any building now or hereafter erected on the Project Sites without the express prior written consent of the Reimbursement Bank, will comply with all laws and regulations of any governmental authority with reference to the Collateral 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. The User agrees not to remove any of the fixtures or personal property included in the Collateral unless (i) the same is immediately replaced with like property of at least equal value and utility and (ii) if the book value of the fixtures or personal property to be removed, when added to the book value of all other fixtures or personal property removed in the same calendar year exceeds \$10,000, the User obtains the prior written consent of the Reimbursement Bank.

SECTION 4.05 Compliance by User with Terms of Other Financing Documents

The Issuer and the User shall comply, fully and faithfully, with all of their respective obligations under the other Financing Documents. If the User fails or refuses to do so, the Reimbursement Bank may, but shall not be required to, perform any and all of such obligations of the User under the other Financing Documents, including but not limited to the payment of any or all sums due from the User thereunder. Any sums so paid by the Reimbursement Bank shall constitute part of the Obligations and shall be secured hereby.

ARTICLE 5

Transfer of, or Liens on, Collateral

The User covenants and agrees that it will not, without the express prior written consent of the Reimbursement 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 but not limited to any Leases and Rents) or any interests therein, it being expressly understood and agreed that a violation by the User of the provisions of this Article 5 shall constitute an Event of Default under this Mortgage. 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. Nothing contained in this Article shall be construed to prohibit any transfer of an interest in the User (such transfers being governed by clause (3) of Article 7).

ARTICLE 6

Defeasance

If (i) the User shall pay in full and discharge all the Obligations; and (ii) the User 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 it; 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 Issuer and the User, and the entire estate, right, title and interest of the Reimbursement Bank shall thereupon cease; and the Reimbursement Bank shall, upon the request of the User and at the User's cost and expense, deliver to the Issuer and the User 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 hereof and security interest created hereby shall nevertheless remain in full force and effect, and none of the estate, right, title and interest of the Reimbursement Bank passing by this Mortgage shall divest nor shall the Collateral revert to the Issuer and the User, so long as any one or more or all of the following circumstances exist:

- (1) the Reimbursement Bank has any obligation to cause the Credit Obligor to issue the Letter of Credit; or

(2) the Letter of Credit has been issued and is outstanding; or

(3) any Obligations are outstanding; or

(4) the Reimbursement Bank shall have any further obligations to the Credit Obligor under the Reimbursement Agreement.

ARTICLE 7

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 User contained in Sections 4.01 or 4.02 or Article 5 and the continuation of such default for a period of 5 days after such default or breach; or

(2) default in the performance, or breach, of any covenant or warranty of the Issuer or the User in this Mortgage (other than a covenant or warranty, a default in the performance or breach of which is elsewhere in this Article specifically dealt with), and the continuance of such default or breach for a period of 30 days after there has been given, by registered or certified mail, to the Issuer and the User by the Reimbursement 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

(3) any of the Guarantors shall cease (except by reason of death) to be a member of the User without the prior written consent of the Reimbursement Bank, which consent (i) shall not be unreasonably withheld and (ii) if given, shall not diminish, release or impair in any respect such Guarantor's obligations under the Credit Guaranty; or

(4) the filing of a petition in bankruptcy (or other commencement of a bankruptcy or similar proceeding) by or against the User under any applicable bankruptcy, insolvency, reorganization, or similar law, now or hereafter in effect; or

(5) any representation or warranty made by the Issuer or the User herein or in any document, instrument or certificate furnished to the Reimbursement Bank in connection with the issuance of the Letter of Credit or the consummation of the transactions contemplated by the Financing Documents shall at any time prove to have been false or incorrect in any material respect as of the time made; or

(6) 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

(7) the rendering against the User of a final judgment, decree or order for the payment of money in excess of \$100,000 and the continuance of such judgment, decree or order unsatisfied and in effect for any period of 30 consecutive days without a stay of execution; or

(8) a default under any bond, debenture, note or other evidence of indebtedness of the User in excess of \$100,000 or under any indenture or other instrument under which any such evidence of indebtedness has been issued or by which it is governed and the expiration of the applicable period of grace, if any, specified in such evidence of indebtedness, indenture or other instrument; provided, however, that, if such default under such evidence of indebtedness, indenture or other instrument shall be cured by the User, or be waived by the holder of such indebtedness, in each case as may be permitted by such evidence of indebtedness, indenture or other instrument, then the Event of Default hereunder by reason of such default shall be deemed likewise to have been thereupon cured or waived; or

(9) the interest of the Reimbursement Bank in the Collateral shall become endangered by reason of the enforcement of any prior lien or encumbrance thereon (other than Permitted Encumbrances or the lien of the Indenture with respect to the Special Funds); or

(10) the lien or security interest created by this Mortgage is invalid or unenforceable as to any material part of the Obligations or is invalid or unenforceable as to any material part of the Collateral.

ARTICLE 8

Rights of Reimbursement Bank Upon Default

SECTION 8.01 Acceleration of Indebtedness, etc.

If an Event of Default exists, the Reimbursement Bank may notify the Trustee that an event of default, as therein defined, under the Credit Agreement has occurred and is continuing (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 User, effective upon dispatch, declare all of the Obligations, including but not limited to the obligation of the User to reimburse the Reimbursement 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 User, and the Reimbursement 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 Collateral by Reimbursement Bank

In addition to all other rights herein and in the Credit Agreement conferred on the Reimbursement Bank, if an Event of Default exists, the Reimbursement Bank (or any Person designated by the Reimbursement Bank) may, but shall not be obligated to, enter upon and take possession of any or all of the Collateral, exclude the User therefrom, and hold, use, administer, manage and operate the same to the extent that the User could do so, without any liability to the User resulting therefrom; and the Reimbursement 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 User with respect to the Collateral.

SECTION 8.03 Judicial Proceedings; Right to Receiver

If an Event of Default exists, the Reimbursement 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 the User for damages on account of or arising out of said default or breach, or to sue the User 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 Reimbursement 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 of any

competent court or tribunal, with notice to the User but not to 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, subject to the rights of the Trustee under the Indenture.

SECTION 8.04 Foreclosure Sale

This Mortgage shall be subject to foreclosure and may be foreclosed as now provided by law in case of past due mortgages, and the Reimbursement Bank shall be authorized, at its option, whether or not possession of the Collateral is taken, after giving 21 days' notice by publication once a week for three 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 Collateral (or such part or parts thereof as the Reimbursement 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. The Reimbursement Bank, its successors and assigns, may bid at any sale or sales had under the terms of the Mortgage and may purchase the Collateral, 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. At any foreclosure sale any part or all of the Collateral, real, personal or mixed, 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 User hereby waiving the application of any doctrine of marshalling or like proceeding. If the Reimbursement 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 Collateral not previously sold shall have been sold or all the Obligations shall have been paid in full. The User hereby waives any equitable rights otherwise available to it with respect to marshalling of assets hereunder.

SECTION 8.05 Personal Property and Fixtures

(a) The Reimbursement Bank shall have and may exercise with respect to any or all of the Personal Property and Fixtures all rights, remedies and powers of a mortgagee under Alabama law or a secured party under the Alabama Uniform Commercial Code with reference to the Personal Property and Fixtures or any other items in which a security interest has been granted herein, including without limitation the right and power to sell at public or private sale or sales or otherwise dispose of, lease or utilize the Personal Property and Fixtures 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 the Personal Property and Fixtures or their value and without the necessity of a court order. The Reimbursement Bank shall have, among other rights, the right to take possession of the Personal Property and Fixtures 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 Reimbursement Bank, at its option and in its sole discretion, to repair, restore or otherwise prepare the Personal Property and Fixtures for sale or lease or other use or disposition. To the extent permitted by law, the User expressly waives any notice of sale or any other disposition of the Personal Property and Fixtures and any rights or remedies of the Reimbursement Bank with respect to, and the formalities prescribed by law relative to, the sale or disposition of the Personal Property and Fixtures or to the exercise of any other right or remedy of the Reimbursement Bank existing after default. To the extent that such notice is required and cannot be waived, the User agrees that if such notice is given to the User in accordance with the provisions of Section 9.08, 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.

(b) The Issuer and the User agree that the Reimbursement Bank may sell or dispose of the Personal Property and Fixtures in accordance with the rights and remedies granted under this Mortgage with respect to the real property covered hereby. The Issuer and the User hereby grant to the Reimbursement Bank the right, at its option after an Event of Default, to transfer at any time to itself or its nominee the Personal Property and Fixtures or any part thereof and to receive the monies, income, proceeds and benefits attributable to the same and to hold the same as additional Collateral or to apply it on the Obligations in such order and manner as the Reimbursement Bank may elect. The Issuer and the User covenant and agree that all recitals in any instrument transferring, assigning, leasing or making other disposition of the Personal Property and Fixtures or any part thereof shall be full proof of the matters stated therein, and no other proof shall be required to establish the legal propriety of the sale or other action taken by the Reimbursement Bank and that all prerequisites of sale shall be presumed conclusively to have been performed or to have occurred.

SECTION 8.06 Conveyance After Sale

The Issuer and the User hereby authorize and empower the Reimbursement Bank or the auctioneer at any foreclosure sale had hereunder, for and in the name of the Issuer and the User, 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 Reimbursement 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 the Rents and the Leases):

(1) to terminate the license granted to the User in Article 2 to collect the Rents, and, without taking possession, in the Reimbursement 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 Reimbursement 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 a court, to enter upon, take possession of, manage and operate the Collateral or any part thereof for the account of the Issuer and the User, make, modify, force, cancel or accept surrender of any sublease, remove and evict any sublessee, increase or reduce rents, decorate, clean and make repairs, and otherwise do any act or incur any cost or expenses the Reimbursement Bank shall deem proper to protect the security hereof, as fully and to the same extent as the Issuer or the User could do if in possession, and in such event to apply any funds so collected to the operation and management of the Collateral (including payment of reasonable management, brokerage and attorney's fees) and payment of the Obligations in such order and amounts as the Reimbursement Bank may choose (or hold the same in reserve as security for the Obligations);

(3) to take whatever legal proceedings may appear necessary or desirable to enforce any obligation or covenant or agreement of the Issuer and the User under this Mortgage.

(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 Collateral or both shall not cure or waive any default or 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 Reimbursement Bank, once exercised, shall

continue for so long as the Reimbursement Bank shall elect, notwithstanding that the collection and application aforesaid of the Rents may have cured the original default. If the Reimbursement 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 default.

SECTION 8.08 Application of Proceeds

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

(1) to reimburse the Reimbursement Bank for any payments made to the Credit Obligor under the Reimbursement Agreement, 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 Reimbursement Bank in exercising its rights under this Mortgage and under the Credit Agreement or otherwise reasonably incurred by the Reimbursement 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 the User to the Reimbursement 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 Reimbursement Bank shall elect;

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

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

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

SECTION 8.09 Multiple Sales

The Reimbursement 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 Issuer and the User waive, to the fullest extent 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).

ARTICLE 9

Miscellaneous Provisions

SECTION 9.01 Waiver, Election, etc.

The exercise by the Reimbursement 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 Reimbursement 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 User therefrom, shall be effective unless the same shall be in writing and signed by an executive officer of the Reimbursement 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 User in any case shall entitle the User 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 at such sale and the User.

SECTION 9.03 Enforceability

If any provision of this Mortgage is now or at any time hereafter becomes invalid or unenforceable, the other provisions hereof shall remain in full force and effect, and the remaining provisions hereof shall be construed in favor of the Reimbursement Bank to effectuate the provisions hereof.

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 Reimbursement Bank

If the User 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 Reimbursement Bank may (but shall not be required to) make advances to perform the same, and where necessary enter or take possession of the Collateral for the purpose of performing any such term or covenant. The User 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 Reimbursement Bank

The Reimbursement 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 Reimbursement 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 Reimbursement Bank of any payment of less than the amount due on the Obligations shall be deemed acceptance on account only, and the failure of the User 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 Reimbursement 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 Addresses for 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, the User or the Reimbursement 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, member, partner or other legal representative of the party to whom the same is directed, or (ii) mailed by certified mail, postage prepaid and addressed as follows:

(1) if to the User, at 119 Hillsdale Road, Birmingham, Alabama 35213, Attention: David Bunkin; and

(2) if to the Reimbursement Bank, at P. O. Box 11746, Birmingham, Alabama 35202-1746, Attention: Commercial Loan Department; and

(3) if to the Issuer, at City Hall, P. O. Box 1419, Pelham, Alabama 35124, Attention: Chairman.

The User and the Reimbursement Bank may specify a different address for the receipt of such documents by mail by giving notice of the change in address to the other party identified in this subsection.

(b) Any such notice or other document shall be deemed to be received (i) as of the date delivered, if delivered personally in accordance with subsection (a) of this Section, or (ii) as of 3 days after the date deposited in the mail, if mailed in accordance with subsection (a) of this Section.

SECTION 9.09 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 9.10 Limitation of Rights

No recourse shall be had for the payment of the principal of, premium (if any), or interest on the Bonds or for any claims based thereon or upon any obligation, covenant or agreement herein contained, against any incorporator of the Issuer, or against any past, present or future officer, employee or member of the board of directors of the Issuer or any successor corporation, as such, either directly or through the Issuer or any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporators, officers, employees or directors of the Issuer as such is hereby expressly waived and released as a condition of and in consideration for the execution of this instrument by the Issuer and the issuance of the Bonds.

SECTION 9.11 Cooperation with User

The Issuer will cooperate with the User to the end that construction of the 1996 Project may be completed and the Project may be subleased by the User in the most successful and productive manner possible.

SECTION 9.12 Collection and Disposition of Revenues and Receipts

The Issuer will promptly collect or cause to be collected all revenues and receipts derived from the leasing or sale of the Project by the Issuer as the same become due and will cause all such revenues and receipts as collected to be paid over to and deposited with the Trustee for disposition in accordance with and as provided in the Indenture and this Mortgage.

SECTION 9.13 Issuer to Keep Project Leased

The Issuer will keep the Project leased to a tenant or tenants qualified under the Enabling Law at all times for a rent sufficient to pay the installments of principal and interest on the Bonds as the same mature and come due, and also, unless leased under an agreement requiring the lessee to take out, maintain and pay for adequate and proper insurance of the Project and requiring the lessee to keep and maintain the Project in good repair and operating condition, sufficient also to pay the cost of such insurance and such maintenance and repair. Should there be a default under the Lease Agreement with the result that the right of possession of the Project under the Lease Agreement is returned to the Issuer, the Issuer shall fully cooperate with the Reimbursement Bank and shall diligently proceed in good faith and use its best efforts to secure another qualified tenant or tenants for the Project to the end that at all times sufficient revenues and receipts will be derived from the Project promptly to meet and pay the installments of principal and interest on the Bonds as the same become due and payable, as well as covering the cost of maintaining and insuring the Project. Nothing herein, however, shall be construed as requiring the Issuer to operate the Project.

IN WITNESS WHEREOF, the Issuer and the User have caused this instrument to be executed in their respective names, the Issuer has caused its corporate seal to be hereunto affixed and attested, all by their duly authorized officers or members, and the parties have caused this instrument to be dated as of September 1, 1996.


THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF PELHAM

By 
Chairman of its Board of
Directors

S E A L

Attest: 
Its Secretary

PELHAM INDUSTRIAL ENTERPRISES, L.L.C.

By 
A Member

[Signature continued on next page]

By *John A. [Signature]*
A Member

By *Wendell [Signature]*
A Member

By *Charles H. [Signature]*
A Member

STATE OF ALABAMA
SHELBY COUNTY

I, Robert H. Ableson, a Notary Public in and for said County in said State, hereby certify that Daniel M. Spitler, whose name as Chairman of the Board of Directors of The Industrial Development Board of the City of Pelham, a public corporation, is signed to the foregoing Mortgage, Assignment of Leases and Security Agreement 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 this the 16th day of November, 1996.

Robert H. Ableson

Notary Public

NOTARIAL SEAL

My commission expires: 12-30-98

STATE OF ALABAMA
JEFFERSON COUNTY

I, Charles L. Greenhaw, a Notary Public in and for said County in said State, hereby certify that Marvin R. Engel, Marc A. Eason and David Bunkin, whose names as members of Pelham Industrial Enterprises, L.L.C., an Alabama limited liability company, are signed to the foregoing Mortgage, Assignment of Leases and Security Agreement, and who are known to me, each acknowledged before me on this day that, being informed of the contents of said instrument, he, as such member and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand this the 15th day of November, 1996.

Charles L. Greenhaw

Notary Public

NOTARIAL SEAL

My commission expires: 2-10-2000

STATE OF ALABAMA
JEFFERSON COUNTY

I, Carol S. Greenhaw, a Notary Public in and for said County in said State, hereby certify that Charles H. Stephens, whose name as a member of Pelham Industrial Enterprises, L.L.C., an Alabama limited liability company, is signed to the foregoing Mortgage, Assignment of Leases and Security Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such member and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand this the 15th day of November 1996.

Carol S. Greenhaw
Notary Public

NOTARIAL SEAL

My commission expires: 7-10-2000

This instrument was prepared by:

R. H. Walston
Walston, Stabler, Wells,
Anderson & Bains
505 20th Street North
Suite 500
Birmingham, Alabama 35203
(205) 251-9600

EXHIBIT A

Project Sites

Part of Block 2 of Cahaba Valley Park North as recorded in Map Book 13 page 140, in the Office of the Judge of Probate, Shelby County, Alabama, being more particularly described as follows: Commence at the centerline intersection point of the intersection of Cahaba Valley Parkway (Sta. 47 + 73.41) and Cahaba Valley Circle (Sta. 0 + 00); thence run East along the centerline of said Cahaba Valley Parkway for 18.72 feet; thence 90 deg. 00 min. 00 sec. left and run Northerly for 30.00 feet to a point on the North right of way line of Cahaba Valley Parkway, said point being the Southeast corner of the Rainbow Technology site and the point of beginning of the property herein described; thence run North along the last stated course and along the east property line of Rainbow Technology site for 345.16 feet to a point on the North boundary line of Block 2 of Cahaba Valley Park North, said point also being on the South line of a 50 foot wide Alabama Power Company right of way; thence 78 deg. 21 min. 58 sec. right and run Northeasterly along said boundary line and along the said right of way line for 636.76 feet to a point on the West right of way line of Cahaba Valley Parkway North; thence 103 deg. 17 min. 19 sec. right and run South along said right of way line for 425.19 feet to the beginning of a curve to the right, said curve subtending a central angle of 88 deg. 20 min. 43 sec. and having a radius of 50.00 feet; thence run Southwesterly along the arc of said curve and along said right of way line for 77.09 feet to the end of said curve, and to a point on the North right of way line of Cahaba Valley Parkway; thence at tangent to said curve run West along said right of way line for 561.42 feet to the point of beginning; being situated in Shelby County, Alabama.

EXHIBIT A

PART 1

DESCRIPTION OF PROPERTY SURVEYED AND SHOWN HEREON: PART OF BLOCK 4 OF CAHABA VALLEY PARK NORTH AS RECORDED IN MAP BOOK 13, PAGE 140, IN THE PROBATE OFFICE OF SHELBY COUNTY, ALABAMA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE CENTERLINE POINT OF CAHABA VALLEY PARKWAY (STATION 47+73.41) AND CAHABA VALLEY CIRCLE (STATION 0+00); THENCE RUN EAST ALONG THE CENTERLINE OF SAID CAHABA VALLEY PARKWAY FOR 345.00 FEET; THENCE 90°-00'-00" RIGHT AND RUN SOUTHERLY FOR 30 FEET TO A POINT ON THE NORTH LINE OF SAID CAHABA VALLEY PARKWAY, SAID POINT BEING THE N.E. CORNER OF THE CAHABA VALLEY BUSINESS PARK PHASE III SITE AND THE POINT OF BEGINNING OF THE PROPERTY HEREIN DESCRIBED; THENCE CONTINUE SOUTH ALONG THE LAST STATED COURSE FOR 537.78 FEET TO A POINT ON THE NORTHERLY LINE OF THE WALKER DRUG SITE; THENCE 115°-28'-21" LEFT AND RUN NORTHEASTERLY ALONG SAID WALKER DRUG PROPERTY LINE FOR 340.12 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF CAHABA VALLEY PARKWAY, SAID POINT BEING ON A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 1,419.64 FEET AND SUBTENDING A CENTRAL ANGLE OF 13°-00'-08"; THENCE 75°-52'-30" LEFT TO BECOME TANGENT TO SAID CURVE AND RUN NORTHERLY ALONG THE ARC OF SAID CURVE AND ALONG SAID RIGHT OF WAY LINE FOR 322.16 FEET TO THE END OF SAID CURVE; THENCE AT TANGENT TO SAID CURVE RUN NORTHERLY FOR 19.75 FEET TO THE BEGINNING OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 50.00 FEET AND SUBTENDING A CENTRAL ANGLE OF 91°-39'-17"; THENCE RUN NORTHWESTERLY ALONG THE ARC OF SAID CURVE AND ALONG SAID RIGHT OF WAY LINE FOR 79.98 FEET TO THE END OF SAID CURVE; THENCE AT TANGENT TO SAID CURVE RUN WESTERLY ALONG THE SOUTHERLY RIGHT OF WAY LINE OF SAID CAHABA VALLEY PARKWAY FOR 230.51 FEET TO THE POINT OF BEGINNING. SAID PARCEL CONTAINS 133,942.67 SQUARE FEET, MORE OR LESS, OR 3.07 ACRES, MORE OR LESS.

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EXHIBIT A

Part 2

DESCRIPTION OF CAHABA VALLEY BUSINESS PARK PHASE III AND PHASE IV:

PART OF BLOCK 4 OF CAHABA VALLEY PARK NORTH AS RECORDED IN MAP BOOK 13, PAGE 140, IN THE PROBATE OFFICE OF SHELBY COUNTY, ALABAMA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE CENTERLINE POINT OF CAHABA VALLEY PARKWAY (STATION 47 + 73.41) AND CAHABA VALLEY CIRCLE (STATION 0 + 00); THENCE RUN EASTERLY ALONG THE CENTERLINE OF SAID CAHABA VALLEY PARKWAY FOR 345.00 FEET TO A POINT; THENCE 90°-00'-00" RIGHT AND RUN SOUTHERLY FOR 80.00 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF CAHABA VALLEY PARKWAY, SAID POINT BEING THE N.E. CORNER OF CAHABA VALLEY BUSINESS PARK, PHASE III AND THE N.W. CORNER OF CAHABA VALLEY BUSINESS PARK, PHASE IV, SAID POINT ALSO BEING THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED; THENCE 90°-00'-00" LEFT AND RUN EASTERLY ALONG THE SOUTH RIGHT OF WAY LINE OF CAHABA VALLEY PARKWAY FOR 230.51 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 50.00 FEET AND SUBTENDING A CENTRAL ANGLE OF 91°-39'-17"; THENCE RUN SOUTHEASTERLY ALONG THE ARC OF SAID CURVE AND ALONG THE RIGHT OF WAY LINE OF CAHABA VALLEY PARKWAY FOR 79.98 FEET TO THE END OF SAID CURVE; THENCE AT TANGENT TO SAID CURVE RUN SOUTHERLY ALONG THE WEST RIGHT OF WAY LINE OF CAHABA VALLEY PARKWAY FOR 19.75 FEET TO THE BEGINNING OF A CURVE TO THE LEFT; SAID CURVE HAVING A RADIUS OF 1,419.84 FEET AND SUBTENDING A CENTRAL ANGLE OF 13°-00'-08"; THENCE RUN SOUTHEASTERLY ALONG THE ARC OF SAID CURVE AND ALONG THE WESTERLY RIGHT OF WAY LINE OF CAHABA VALLEY PARKWAY FOR 322.18 FEET TO THE END OF SAID CURVE AND TO THE N.E. CORNER OF THE WALKER DRUG SITE; THENCE FROM TANGENT OF SAID CURVE 75°-52'-30" RIGHT AND RUN SOUTHWESTERLY ALONG THE NORTHERLY LINE OF SAID WALKER DRUG SITE FOR 340.12 FEET TO THE S.W. CORNER OF CAHABA VALLEY BUSINESS PARK PHASE III AND THE S.E. CORNER OF CAHABA VALLEY BUSINESS PARK PHASE IV; THENCE CONTINUE SOUTHWESTERLY ALONG THE LAST STATED COURSE AND ALONG THE NORTHERLY LINE OF SAID WALKER DRUG SITE FOR 249.65 FEET TO THE S.W. CORNER OF CAHABA VALLEY BUSINESS PARK PHASE III; THENCE 90°-00'-00" RIGHT AND RUN NORTHWESTERLY FOR 283.31 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF CAHABA VALLEY CIRCLE, SAID POINT BEING ON A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 228.01 FEET AND SUBTENDING A CENTRAL ANGLE OF 30°-49'-35"; THENCE TURN AN ANGLE TO THE RIGHT OF 56°-17'-56" TO BECOME TANGENT TO SAID CURVE; THENCE RUN ALONG THE ARC OF SAID CURVE AND THE EASTERLY RIGHT OF WAY LINE OF CAHABA VALLEY CIRCLE FOR 122.87 FEET TO THE END OF SAID CURVE; THENCE AT TANGENT TO SAID CURVE RUN NORTHERLY ALONG THE EASTERLY RIGHT OF WAY LINE OF CAHABA VALLEY CIRCLE FOR 222.54 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 50.00 FEET AND SUBTENDING A CENTRAL ANGLE OF 90°-00'-00"; THENCE RUN ALONG THE ARC OF SAID CURVE SAID CURVE AND THE EASTERLY RIGHT OF WAY LINE OF CAHABA VALLEY CIRCLE FOR 78.54 FEET TO THE END OF SAID CURVE, SAID POINT BEING AT THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF CAHABA VALLEY CIRCLE AND THE SOUTH RIGHT OF WAY LINE OF CAHABA VALLEY PARKWAY; THENCE AT TANGENT TO SAID CURVE RUN EASTERLY ALONG THE SOUTH RIGHT OF WAY LINE OF CAHABA VALLEY PARKWAY FOR 265.00 FEET TO THE POINT OF BEGINNING.

EXHIBIT B
Permitted Encumbrances

EXHIBIT B

(Items 1-5 apply to Phase III)

1. Public easements as shown by recorded plat, including a 12 foot slope easement along the Southeasterly side of property as shown on survey by Joseph A. Miller dated October 18, 1996.
2. Transmission Line Permit(s) to Alabama Power Company as shown by instrument(s) recorded in Deed Book 101 pages 520 and 521; Deed Book 113 page 281 and Deed Book 145 page 378 in Probate Office.
3. Title to all minerals within and underlying the premises, together with all mining rights and other rights, privileges and immunities relating thereto, including rights set out in Deed Book 5 page 706 in Probate Office.
4. Lease Agreement dated September 1, 1996, by and between The Industrial Development Board of the City of Pelham, and Pelham Industrial Enterprises, L. L. C., to be recorded in the Probate Office.
(Also applies to Phase IV.)
5. Declaration of Protective Covenants for Cahaba Valley Park North, as set out in Real 268 page 140 and which have been amended from time to time as parcels are sold, the same being amended by:
 - (i). Declaration of Restrictive Covenants in connection with sale to Taco Bell recorded in Real 325 page 929.
 - (ii). Restrictive Covenants in connection with sale to Camps, Inc. as recorded in Real 290 page 386.
 - (iii). Restrictive Covenants in connection with sale to Pelham Motel Investments, Inc. recorded in Inst. #1992-15856.
 - (iv). Restrictive Covenants in connection with sale to the Baptist Medical Centers, as recorded in Inst. #1993-25691.

(Items 6 through 9 apply to Phase IV.)

6. Public easements as shown by recorded plat, including a 12 foot slope easement along the Southeasterly side of property as shown on survey by Joseph A. Miller dated October 18, 1996.
7. Transmission Line Permit(s) to Alabama Power Company as shown by instrument(s) recorded in Deed Book 101 pages 520 and 521; Deed Book 113 page 281 and Deed Book 145 page 378 in Probate Office.
8. Title to all minerals within and underlying the premises, together with all mining rights and other rights, privileges and immunities relating thereto, including rights set out in Deed Book 5 page 706 in Probate Office.
9. Declaration of Protective Covenants for Cahaba Valley Park North, as set out in Real 268 page 140 and which have been amended from time to time as parcels are sold, the same being amended by:
 - (i). Declaration of Restrictive Covenants in connection with sale to Taco Bell recorded in Real 325 page 929.
 - (ii). Restrictive Covenants in connection with sale to Camps, Inc., as recorded in Real 290 page 386.
 - (iii). Restrictive Covenants in connection with sale to Pelham Motel Investments, Inc., recorded in Inst. #1992-15856.

EXHIBIT B

(iv). Restrictive Covenants in connection with sale to the Baptist Medical Centers, as recorded in Inst. #1993-25691.

Item 4, above applies to Phase IV and III.

10. ~~UCC-1 Financing Statement by and between Pelham Industrial Enterprises, L.L.C. and First Commercial Bank, dated September 1, 1996, recorded _____ in Probate Office.~~
(Phases III and IV)

RL

EXHIBIT C

Personal Property and Fixtures

All building materials, equipment, fixtures, supplies and fittings of every kind or character now or hereafter acquired by the Issuer or the User for the purpose of or used or useful in connection with the improvements, additions and fixtures to be constructed and installed on the 1996 Project Site pursuant to the Lease Agreement, whether such materials, equipment, fixtures, supplies and fittings are actually located on or adjacent to the 1996 Project Site or not, and whether in storage or otherwise, wheresoever the same may be located. The property included as a part of the 1996 Project shall include, without limitation, all lumber and lumber products, bricks, building stones and building blocks, sand and cement, roofing materials, paint, doors, windows, hardware, pails, wires and wiring, plumbing and plumbing fixtures, air-conditioning and heating equipment and appliances, electrical and gas equipment and appliances, in general all building material and equipment of every kind and character used or useful in connection with the construction and installation of said improvements, additions and fixtures.

Inst # 1996-38136

11/19/1996-38136
08:33 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
041 MCD 110.50