

This instrument was prepared by
and upon recordation should be
returned to:

Rex A. Palmer
Mayer, Brown & Platt
190 South LaSalle Street
Chicago, Illinois 60603

ALABAMA LEASE SUPPLEMENT
NO. ONE, MEMORANDUM OF
LEASE AND MORTGAGE

Dated as of December 31, 1996

between

SUNTRUST BANKS, INC.,
as Lessor

and

AARON RENTS, INC.
as Lessee

Pelham, Alabama Site

THE MAXIMUM PRINCIPAL INDEBTEDNESS SECURED
HEREBY SHALL NOT EXCEED \$2,029,000.00

TO THE EXTENT THIS DOCUMENT IS CONSTRUED AS A MORTGAGE OF LESSEE'S
INTEREST IN THE PROPERTY DESCRIBED HEREIN, THIS DOCUMENT IS FILED
AS, AND SHALL CONSTITUTE, A FIXTURE FILING IN ACCORDANCE WITH THE
PROVISIONS OF SECTION 7-9-402(6) OF THE CODE OF ALABAMA.

TO THE EXTENT THIS DOCUMENT IS CONSTRUED AS A MORTGAGE OF LESSEE'S
INTEREST IN THE PROPERTY DESCRIBED HEREIN, THIS DOCUMENT IS A
"CONSTRUCTION MORTGAGE" AS DEFINED IN SECTION 7-9-313(1)(C) OF THE
CODE OF ALABAMA, AND SECURES, AMONG OTHER OBLIGATIONS, AN
OBLIGATION INCURRED FOR THE CONSTRUCTION OF AN IMPROVEMENT ON LAND.

Inst # 1997-00142

01/02/1997-00142
02:24 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
C42 HOD 3/54 SC

ALABAMA LEASE SUPPLEMENT NO. ONE, MEMORANDUM OF LEASE
AND [REDACTED] MORTGAGE

THIS ALABAMA LEASE SUPPLEMENT NO. ONE, MEMORANDUM OF LEASE AND MORTGAGE (this "Lease Supplement") dated as of December 31, 1996, between SUNTRUST BANKS, INC., a Georgia corporation, whose address is 25 Park Place, Atlanta, Georgia 30303, as the lessor (the "Lessor"), and AARON RENTS, INC., a Georgia corporation, whose address is 309 East Paces Ferry Road, N.E. Atlanta, Georgia 30305, as lessee (the "Lessee").

WHEREAS Lessor is the owner of the Land described on Appendix B hereto and wishes to lease the Land together with any Building and other improvements thereon or which thereafter may be constructed thereon pursuant to the Lease to Lessee;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Definitions; Interpretation. For purposes of this Lease Supplement, capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in Appendix A to the Lease Agreement, dated as of September 20, 1996, between Lessee and Lessor; and the rules of interpretation set forth in Appendix A to the Lease, a true copy of which is attached hereto as Appendix A, shall apply to this Lease Supplement; provided, however, for purposes of this Lease Supplement "Leased Property" shall mean the Subject Property (as hereinafter defined), and the Buildings located thereon. For purposes hereof "Leased Property" excludes inventory of Lessee held by Lessee for rental or resale.

SECTION 2. The Properties. Attached hereto as Appendix B is the description of certain Land. Effective upon the execution and delivery of this Lease Supplement by Lessor and Lessee, such Land, together with any Building and other improvements thereon or which thereafter may be constructed thereon pursuant to the Lease (collectively, the "Subject Property") shall be subject to the terms and provisions of the Lease and Lessor hereby grants, conveys, transfers and assigns to Lessee those interests, rights, titles, estates, powers and privileges provided for in the Lease with respect to the Subject Property.

SECTION 3. Amendments to Lease with Respect to Subject Property. Effective upon the execution and delivery of this Lease Supplement by Lessor and Lessee, the following terms and provisions shall apply to the Lease with respect to the Subject Property:

(a) Memorandum of Lease. This Lease Supplement shall constitute a memorandum of the Lease between the Lessor and

the Lessee. The Lease is for a term of five years commencing on the date hereof, and continuing through December 31, 2001, unless sooner terminated as provided in the Lease. The Lease gives the Lessee renewal options for two additional terms of up to five years, exercisable on the terms and conditions set forth in the Lease.

(b) Grant of Mortgage. Pursuant to Article XI of the Lease, the Lessor and the Lessee intend that, for all purposes other than accounting purposes, the Lease be and the same is hereby agreed to be a Mortgage, Security Agreement and Fixture Filing ("Mortgage").

The Mortgage is made and entered into as of the date set forth first above by and between the Lessee, as mortgagor (hereinafter sometimes designated as "Mortgagor"), and the Lessor, as mortgagee (hereinafter sometimes designated as "Mortgagee").

W I T N E S S E T H:

WHEREAS, Mortgagor is indebted and obligated to Mortgagee as evidenced by the Lease of even date herewith between Mortgagor, as lessee, and Mortgagee, as lessor, and the other Operative Documents, providing for payment of the Basic Rent, the Supplemental Rent, the Funded Amounts and all other obligations described and amounts due under the Lease and other Operative Documents (collectively the "Indebtedness"); and

WHEREAS, Mortgagor desires to secure the prompt payment and performance of the Indebtedness under the Lease and the other Operative Documents.

NOW THEREFORE, to secure the performance and observance by Mortgagor of all covenants and conditions as set forth in this Mortgage and the prompt payment and performance of the Indebtedness, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Mortgagor, MORTGAGOR HEREBY GRANTS, BARGAINS, SELLS, CONVEYS, MORTGAGES, WARRANTS, CONFIRMS AND ASSIGNS UNTO MORTGAGEE, ITS SUCCESSORS AND ASSIGNS FOREVER, AND GRANTS UNTO MORTGAGEE A SECURITY INTEREST IN, all of the following:

(A) all right, title and interest of Mortgagor in and to the Land and the fee interest in the Land (if and when acquired by Mortgagor, and which shall then be deemed included in the "Land"); all right, title and interest of Mortgagor in and to all buildings, structures, Fixtures, Equipment, and other improvements of every kind existing at any time and from time to time on or under the Land, together with any and all appurtenances to such buildings, structures or improvements, including sidewalks, utility pipes, conduits and lines,

parking areas and roadways, and including all modifications, alterations, renovations, improvements and other additions to or changes in the Improvements at any time ("Improvements"); all right, title and interest of Mortgagor in and to all agreements, easements, rights of way or use, rights of ingress or egress, privileges, appurtenances, tenements, hereditaments and other rights and benefits at any time belonging or pertaining to the Land or the Improvements, including, without limitation, the use of any streets, ways, alleys, vaults or strips of land adjoining, abutting, adjacent or contiguous to the Land and all permits, licenses and rights, whether or not of record, appurtenant to the Land ("Appurtenant Rights"; the Land, Improvements, Appurtenant Rights, Fixtures and Equipment relating thereto being collectively referred to as the "Property");

(B) all the estate, right, title, claim or demand whatsoever of the Mortgagor in possession or expectancy, in and to the Property or any part thereof;

(C) all right, title and interest of the Mortgagor in and to all of the fixtures, furnishings and fittings of every kind and nature whatsoever, and all appurtenances and additions thereto and substitutions or replacements thereof (together with, in each case, attachments, components, parts and accessories) currently owned or subsequently acquired by the Mortgagor and now or subsequently attached to, or contained in or used or usable in any way in connection with any operation or letting of the Property (all of the foregoing in this paragraph (C) being referred to as the "Fixtures");

(D) all right, title and interest of the Mortgagor in and to all of the fixtures, chattels, business machines, machinery, apparatus, equipment, furnishings, fittings and articles of personal property of every kind and nature whatsoever, and all appurtenances and additions thereto and substitutions or replacements thereof (together with, in each case, attachments, components, parts and accessories) currently owned or subsequently acquired by the Mortgagor and now or subsequently attached to, or contained in or used or usable in any way in connection with any operation or letting of the Property, including but without limiting the generality of the foregoing, all screens, awnings, shades, blinds, curtains, draperies, artwork, carpets, rugs, storm doors and windows, furniture and furnishings, heating, electrical, and mechanical equipment, lighting, switchboards, plumbing ventilating, air conditioning and air-cooling apparatus, refrigerating, and incinerating equipment, escalators, refrigerators, display cases, elevators, loading and unloading equipment and systems, stoves, ranges, laundry equipment, cleaning systems (including window cleaning apparatus),

telephones, communication systems (including satellite dishes and antennae); televisions, computers, sprinkler systems and other fire prevention and extinguishing apparatus and materials, security systems, motors, engines, machinery, pipes, pumps, tanks, conduits, appliances, fittings and fixtures of every kind and description (all of the foregoing in this paragraph (D) being referred to as the "Equipment");

(E) all right, title and interest of the Mortgagor in and to all substitutes and replacements of, and all additions and improvements to, the Improvements and the Fixtures and Equipment, subsequently acquired by the Mortgagor or constructed, assembled or placed by the Mortgagor on the Land, immediately upon such acquisition, release, construction, assembling or placement, including, without imitation, any and all building materials whether stored at the Property or offsite, and, in each such case, without any further conveyance, mortgage, assignment or other act by the Mortgagor.

(F) all right, title and interest of the Mortgagor in, to and under all trade names, trademarks, logos, copyrights, good will and books and records relating to or used in connection with the operation of the Property or the Fixtures or any part thereof; and all general intangibles related to the operation of the Improvements now existing or hereafter arising;

(G) all right, title and interest of the Mortgagor in and to all unearned premiums under insurance policies now or subsequently obtained by the Mortgagor relating to the Property or the Fixtures and the Mortgagor's interest in and to all proceeds of any such insurance policies (including title insurance policies) including the right to collect and receive such proceeds; and all awards and other compensation including the interest payable thereon and the right to collect and receive the same, made to the present or any subsequent owner of the Property for the taking by eminent domain, condemnation or otherwise, of all or any part of the Property or any easement or other right therein;

(H) all right, title and interest of the Mortgagor in and to (i) all consents, licenses, building permits, certificates of occupancy and other governmental approvals relating to construction, completion, occupancy, use or operation of the Property or any part thereof and (ii) all Plans and Specifications relating to the Property;

(I) all Rent and all other rents, payments, purchase prices, receipts, revenues, issues and profits payable under

the Lease or pursuant to any other lease with respect to the Property; and

(J) all proceeds, both cash and noncash, of the foregoing;

excluding, however, all inventory of Lessee held by Lessee for rental or resale.

(All of the foregoing property and rights and interests now owned or held or subsequently acquired by Mortgagor and described in the foregoing clauses (A) through (J) are collectively referred to as the "Mortgaged Property").

To HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Mortgagee, its successors and assigns, forever, subject however, to the terms and conditions herein; provided, however, that if Mortgagor shall promptly pay or cause to be paid to Mortgagee the Indebtedness at the times and in the manner stipulated in the Lease and the Operative Documents, this Mortgage and all the properties, interests and rights hereby granted, conveyed, and assigned shall cease and be void.

In addition to all other provisions of the Lease and this Lease Supplement, Mortgagor covenants and agrees with Mortgagee as follows:

A. Mortgagor has the right to bargain and sell its interest in the Mortgaged Property in the manner and form as herein written; that the Mortgaged Property is free from all liens and encumbrances whatsoever except real estate taxes and assessments not presently due and payable, zoning laws, and easements and restrictions of record which have been disclosed to and approved by Mortgagee; and that Mortgagor will warrant and defend the Mortgaged Property with the appurtenances thereunto belonging unto Mortgagee, its successors and assigns, forever, against all claims and demands whatsoever except the above-described exceptions.

B. Mortgagor shall pay and perform all payments and obligations with respect to the Indebtedness as required by the Lease and other Operative Documents.

C. At any time and from time to time, upon the written request of Mortgagee, and at the sole expense of Mortgagor, Mortgagor will promptly and duly execute and deliver such further instruments and documents and take such further actions as Mortgagee may reasonably request for the purposes of retaining or preserving the full benefits of this Mortgage and of the rights and powers granted by this Mortgage.

D. If an Event of Default has occurred under the Lease and is continuing, Mortgagee may accelerate payment of the Indebtedness and the Mortgagee shall have all rights and remedies available to a Mortgagor under Applicable Law, including without limitation the right to foreclose this Mortgage and to receive the rents, issues and profits of the Mortgaged Property, and shall have as a matter of right, the entitlement to the appointment of receiver to enter upon and take possession of the Mortgaged Property and to collect all rents, revenues, issues, income, products and profits thereof and apply the same as the court may direct. The receiver shall have all rights and powers permitted under the laws of the State of Ohio. Mortgagee shall be entitled to the appointment of a receiver without regard to the value or adequacy of the security afforded to it by the Mortgaged Property.

E. To the fullest extent permitted by law, Mortgagor hereby waives the benefit of all appraisal, valuation, stay, extension, and reinstatement laws now or hereinafter in force and all rights of marshalling in the event of any sale of the Mortgaged Property or any interests therein.

F. If Mortgagor fails to perform or comply with any of its agreements contained herein, Mortgagee, at its option, but without any obligation so to do, may perform or comply or otherwise cause performance or compliance with any such agreement. The expenses of Mortgagee incurred in connection with actions undertaken as provided herein, together with interest thereon at a rate per annum equal to the Overdue Rate from the date of payment by Mortgagee to the date reimbursed by Mortgagor, shall be payable by Mortgagor to Mortgagee on demand.

G. Mortgagor hereby authorizes Mortgagee to file financing statements with respect to the Mortgaged Property without the signature of Mortgagor in such form and in such filing offices as Mortgagee reasonably determines appropriate to perfect the security interest of Mortgagee under this Mortgage.

H. It is the intention of the parties that this Mortgage shall constitute a security agreement and a fixture filing within the meaning of the Uniform Commercial Code of the State of Alabama. If an event of default shall occur under the Lease, then in addition to having all other rights and remedies available at law or in equity, the Mortgagee shall have all rights and remedies available to it under the Uniform Commercial Code of the State of Alabama.

I. This Mortgage is given to secure not only an existing indebtedness, but also future advances made pursuant to or as provided in the Operative Documents, whether such advances are obligatory or at the option of Mortgagee, or otherwise, to the same extent as if such future advances were made on the date of execution of this Mortgage.

J. The rights and remedies of the Mortgage as provided herein shall be cumulative and concurrent, may be pursued separately, successively or together against Mortgagor or against the Mortgaged Property, or both, in the sole discretion of the Mortgagee, and may be exercised as often as occasion therefor shall arise.

K. Mortgagee may release, regardless of consideration, any part of the security held for the repayment of the Indebtedness secured by this Mortgage without, as to the remainder of the security, in any way impairing or affecting the lien of this Mortgage or its priority over any subordinate lien.

L. It is the intention of the parties that, in addition to any other debt or obligation secured hereby, this Mortgage shall secure any unpaid balances of loan advances and other advances made pursuant to the Operative Documents. The maximum amount of unpaid Indebtedness (which shall consist of unpaid balances of loan advances and other advances under the Operative Documents made either before or after, or both before and after, this Mortgage is delivered to the Recorder for record), exclusive of interest thereon, which may be outstanding at any time under the Operative Documents is \$2,029,000.00 In addition to any other debt or obligation secured hereby, this Mortgage shall also secure unpaid balances of advances made for the payment of taxes, assessments, insurance premiums or costs incurred for the protection of the Mortgaged Property.

M. In the event the Lease is determined to be a mortgage from Lessee to Lessor, and upon the occurrence of an Event of Default under the Lease, then the following provisions shall apply:

(i) The Lessee, upon demand of the Lessor, shall forthwith surrender to the Lessor the actual possession of the Subject Property, and if and to the extent permitted by law, the Lessor or its agents may enter and take and maintain possession of all the Subject Property, together with all the documents, books, records, papers and accounts of the Lessee or then owner of the Subject Property relating only to the Subject Property and not to the business being conducted on the Subject Property.

(ii) Upon every such entering upon or taking of possession, the Lessor, as attorney-in-fact or agent of the Lessee, or in its own name as mortgagee and under the powers herein granted, may hold, store, use, operate, manage and control the Subject Property (or any portion thereof selected by Lessor) either personally or by its agents, and, from time to time (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property; (ii) insure or keep the Subject Property (or any portion thereof selected by Lessor) insured; (iii) manage and operate the Subject Property (or any portion thereof selected by Lessor) and exercise all the rights and powers of the Lessee in its name or otherwise, with respect to the same, including legal actions for the recovery of rent, legal dispossessory actions against tenants holding over and legal actions in distress of rent, and with full power and authority to cancel or terminate any lease or sublease for any cause or on any ground which would entitle the Lessee to cancel the same, and to elect to disaffirm any lease or sublease made subsequent to this Lease or subordinated to any lien created hereby; (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted the Lessor, all as the Lessor from time to time may determine to be to its best advantage; and the Lessor may collect and receive all the income, revenues, rents, issues and profits of the Subject Property (or any portion thereof selected by Lessor), including those past due as well as those accruing thereafter, and, after deducting (aa) all expenses of taking, holding, managing, and operating the Subject Property (including compensation for the services of all persons employed for such purposes); (bb) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements, and purchases and acquisitions; (cc) the cost of such insurance; (dd) such taxes, assessments and other charges prior to this Lease as the Lessor may determine to pay; (ee) other proper charges upon the Subject Property or any part hereof; and (ff) the reasonable compensation, expenses and disbursements of the attorneys and agents of the Lessor; shall apply the remainder of the moneys so received by the Lessor, first to the payment of accrued interest under the Note; second to the payment of tax deposits required hereunder or in the Loan Agreement; third to the payment of any other sums required to be paid by Lessee under this Lease or under the Loan Documents; fourth to the payment of overdue installments of principal on the Note; fifth to

the payment of any sums due under Other Indebtedness Instruments, whether principal, interest or otherwise; and the balance, if any, as otherwise required by law.

(iii) The Lessor, upon application to a court of competent jurisdiction, shall be entitled, without notice and without regard to the adequacy of any security for the indebtedness hereby secured or the solvency of any party bound for its payment, to the appointment of a receiver to take possession of and to operate the Subject Property and to collect the rents, profits, issues, royalties and revenues thereof.

(iv) The Lessee shall pay to the Lessor upon demand all costs and expenses, including receiver's fees, reasonable attorneys' fees, costs and agent's compensation, incurred pursuant to the provisions contained in this Section 4; and all such expenses shall be secured by this Lease.

(v) The Lessor may, either with or without entry or taking possession as hereinabove provided or otherwise, proceed by suit or suits at law or in equity or any other appropriate proceeding or remedy (a) to enforce payment of the Note; (b) to foreclose any mortgage created by this Lease; and (c) to pursue any other remedy available to Lessor, all as the Lessor may elect.

(vi) Lessor may sell the Subject Property to the highest bidder at public auction to be held between the hours of 11:00 a.m. and 4:00 p.m. in front of the courthouse door of the county in which the Subject Property is located, either in person or by auctioneer, after having first given notice of the time, place and terms of sale, together with a description of the property to be sold, by publication once a week for three (3) successive weeks prior to said sale in some newspaper published in said county, as may be required, and, upon payment of the purchase money, Lessor or any person conducting the sale for Lessor is authorized to execute to the purchaser at said sale a deed to the Subject Property so purchased. Lessor may bid at said sale and purchase the Subject Property, or any part thereof, if the highest bidder therefor. At the foreclosure sale the Subject Property may be offered for sale and sold as a whole without first offering it in any other manner or may be offered for sale and sold in any other manner as Lessor may elect. The provisions of Paragraph 10 of the Mortgage shall apply with respect to Lessor's enforcement of rights or interests in personal property which constitutes Subject Property hereunder.

(vii) The proceeds of any foreclosure sale, or any sale of personal property, shall be applied as follows:

(1) First, to the costs and expenses of (i) retaking, holding, storing and processing the Collateral and preparing the Collateral or the Subject Property (as the case may be) for sale, and (ii) making the sale, including a reasonable attorneys' fee for such services as may be necessary in the collection of the indebtedness secured by this Mortgage or the foreclosure of this Mortgage;

(2) Second, to the repayment of any money, with interest thereon to the date of sale at the applicable rate or rates specified in the Notes, the Mortgage, the Loan Agreement, as applicable, which Lessor may have paid, or become liable to pay, or which it may then be necessary to pay for taxes, insurance, assessments or other charges, liens, or debts as hereinabove provided, and as may be provided in the Notes or the Loan Agreement, such repayment to be applied in the manner determined by Lessor in its sole discretion;

(3) Third, to the payment of the indebtedness secured hereby, with interest to date of sale at the applicable rate or rates specified in the Notes, the Mortgage, or the Loan Agreement, as applicable, whether or not all of such indebtedness is then due; and

(4) Fourth, the balance, if any, shall be paid as provided by law.

(viii) At the option of the Lessor, the mortgage granted by this Lease may be foreclosed as provided by law or in equity, in which event a reasonable attorneys' fee shall, among other costs and expenses, be allowed and paid out of the proceeds of the sale. In the event Lessor exercises its option to foreclose the mortgage granted by this Lease in equity, Lessor may, at its option, foreclose subject to the rights of any tenants of the Subject Property, and the failure to make any such tenants parties defendants to any such foreclosure proceeding and to foreclose their rights will not be, nor be asserted to be the Lessee, a defense to any proceedings instituted by the Lessor to collect the sums secured hereby, or to collect any deficiency remaining unpaid after the foreclosure sale of the Subject Property.

(ix) Lessee waives all rights of exemption pertaining to real or personal property as to any indebtedness secured by or that may be secured by the mortgage granted by this Lease, and Lessee waives the benefit of any statute regulating the obtaining of a deficiency judgment or requiring that the value of the Subject Property be set off against any part of the indebtedness secured hereby.

SECTION 4. Ratification; Incorporation. Except as specifically modified hereby, the terms and provisions of the Lease are hereby ratified and confirmed and remain in full force and effect. The terms of the Lease (as amended by this Lease Supplement) are by this reference incorporated herein and made a part hereof.

SECTION 5. Original Lease Supplement. The single executed original of this Lease Supplement marked "THIS COUNTERPART IS THE ORIGINAL EXECUTED COUNTERPART" on the signature page thereof, and containing the receipt of the Agent therefor on or following the signature page thereof shall be the original executed counterpart of this Lease Supplement (the "Original Executed Counterpart"). To the extent that this Lease Supplement constitutes chattel paper, as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction, no security interest in this Lease Supplement may be created through the transfer or possession of any counterpart other than the Original Executed Counterpart.

SECTION 6. GOVERNING LAW. THIS LEASE SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ALABAMA. NOTWITHSTANDING THE FOREGOING, THE MASTER AGREEMENT, LOAN AGREEMENT, AND NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

SECTION 7. Interest Conveyed to Lessee. Lessor and Lessee intend that the Lease be treated, for accounting purposes, as an operating lease. For all other purposes, Lessee and Lessor intend that the transaction represented by the Lease be treated as a financing transaction; for such purposes, it is the intention of the parties hereto (i) that the Lease be treated as an open-end mortgage and security agreement, encumbering the Mortgaged Property, and that Lessee, as grantor, hereby grants to Lessor, as mortgagee and secured party, or any successor thereto, a first and paramount lien on the Mortgaged Property, (ii) that Lessor shall have, as a result of such determination, all of the rights, powers and remedies of a mortgagee available under Applicable Law to take possession of and sell (whether by foreclosure or otherwise) any Mortgaged Property, (iii) that the effective date of such open-end

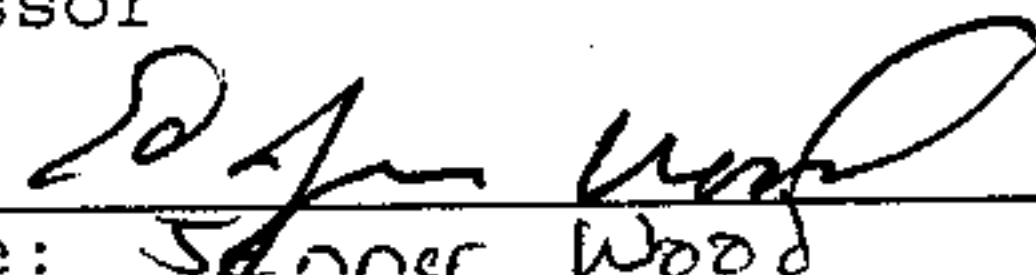
mortgage and security agreement shall be the effective date of the Lease, (iv) that the recording of this Lease Supplement shall be deemed to be the recording of such open-end mortgage and security agreement, and (v) that the obligations secured by such open-end mortgage and security agreement shall include the Funded Amounts and all Basic Rent and Supplemental Rent under the Lease and all other obligations of and amounts due from Lessee hereunder and under the Lease or any of the Operative Documents.

SECTION 8. Counterpart Execution. This Lease Supplement may be executed in any number of counterparts and by each of the parties hereto in separate counterparts, all such counterparts together constituting but one and the same instrument.

SECTION 9. Recordation. Lessor and Lessee agree that this Lease Supplement shall be recorded at Lessee's cost and expense as required under Section 17.20 of the Lease.

IN WITNESS WHEREOF, Lessee has caused this Lease Supplement and Agreement to be duly executed by an officer thereunto duly authorized as of the date and year first above writte.

SUNTRUST BANKS, INC., as the
Lessor

By: 
Name: Spencer Wood
Title: EVP

AARON RENTS, INC., as the
Lessee

By: Keith C. Groen
Name: KEITH C. GROEN
Title: V.P.

STATE OF Georgia)
COUNTY OF Fulton)

I, the undersigned Notary Public in and for said County in said State, hereby certify that Jenney Wood, whose name as EVP of SUNTRUST BANKS, INC., 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 such instrument, (s)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 27 day of December, 1996.

Chung J. Lee
Notary Public
My commission expires: 1/30/2000

[Notarial Seal]

STATE OF Georgia)
COUNTY OF Fulton)

I, the undersigned Notary Public in and for said County in said State, hereby certify that KEITH C. GRINN, whose name as V.P. Legal of AARON RENTS, INC., 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 such instrument, (s)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 26th day of December, 1996.

[Notarial Seal]

Walter Brock
Notary Public
My commission expires: 2/5/00

APPENDIX A
to
Master Agreement, Lease,
Loan Agreement, Construction Agency Agreement
and Lease Participation Agreement

DEFINITIONS AND INTERPRETATION

A. Interpretation. In each Operative Document, unless a clear contrary intention appears:

(i) the singular number includes the plural number and vice versa;

(ii) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by the Operative Documents;

(iii) reference to any gender includes each other gender;

(iv) reference to any agreement (including any Operative Document), document or instrument means such agreement, document or instrument as amended, supplemented or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms of the other Operative Documents and reference to any promissory note includes any promissory note which is an extension or renewal thereof or a substitute or replacement therefor;

(v) reference to any Applicable Law means such Applicable Law as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder and reference to any section or other provision of any Applicable Law means that provision of such Applicable Law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision;

(vi) reference in any Operative Document to any Article, Section, Appendix, Schedule or Exhibit means such Article or Section thereof or Appendix, Schedule or Exhibit thereto;

(vii) "hereunder", "hereof", "hereto" and words of similar import shall be deemed references to an Operative Document as a whole and not to any particular Article, Section or other provision hereof;

(viii) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term;

(ix) "or" is not exclusive; and

(x) relative to the determination of any period of time, "from" means "from and including" and "to" means "to but excluding".

B. Accounting Terms. In each Operative Document, unless expressly otherwise provided, accounting terms shall be construed and interpreted, and accounting determinations and computations shall be made, in accordance with GAAP.

C. Conflict in Operative Documents. If there is any conflict between any Operative Documents, such Operative Document shall be interpreted and construed, if possible, so as to avoid or minimize such conflict but, to the extent (and only to the extent) of such conflict, the Master Agreement shall prevail and control.

D. Legal Representation of the Parties. The Operative Documents were negotiated by the parties with the benefit of legal representation and any rule of construction or interpretation otherwise requiring the Operative Document to be construed or interpreted against any party shall not apply to any construction or interpretation hereof or thereof.

E. Defined Terms. Unless a clear contrary intention appears, terms defined herein have the respective indicated meanings when used in each Operative Document.

"A Loan" means the A Percentage of Loans made by Lenders pursuant to the Loan Agreement and the Master Agreement.

"A Note" is defined in Section 2.2 of the Loan Agreement.

"A Percentage" means 85%.

"Acquisition" means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of any business or division of a Person, (b) the acquisition of in excess of 50% of the capital stock, partnership interests, membership interests or equity of any Person, or otherwise causing any Person to become a Subsidiary, or (c) a merger or consolidation or any other combination with another Person (other than a Person that is a Subsidiary).

"Address" means with respect to any Person, its address set forth in Schedule 8.2 to the Master Agreement or such other address as it shall have identified to the parties to the Master Agreement in writing.

"Affected Funding Party" is defined in Section 7.5 of the Master Agreement.

"Affiliate" of any Person shall mean any other Person directly or indirectly controlling, controlled by or under common control with, such Person. For purposes of this definition, the term "control" (including the correlative meanings of the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities or by contract or otherwise, provided (but without limiting the foregoing) that no pledge of voting securities of any Person without the current, right to exercise voting rights with respect thereto shall by itself be deemed to constitute control over such Person.

"After-Tax Basis" means (a) with respect to any payment to be received by an Indemnitee (which, for purposes of this definition, shall include any Tax Indemnitee), the amount of such payment supplemented by a further payment or payments so that, after deducting from such payments the amount of all Taxes (net of any current credits, deductions or other Tax benefits arising from the payment by the Indemnitee of any amount, including Taxes, for which the payment to be received is made) imposed currently on the Indemnitee by any Governmental Authority or taxing authority with respect to such payments, the balance of such payments shall be equal to the original payment to be received and (b) with respect to any payment to be made by any Indemnitee, the amount of such payment supplemented by a further payment or payments so that, after increasing such payment by the amount of any current credits or other Tax benefits realized by the Indemnitee under the laws of any Governmental Authority or taxing authority resulting from the making of such payments, the sum of such payments (net of such credits or benefits) shall be equal to the original payment to be made; provided, however, for the purposes of this definition, and for purposes of any payment to be made to either the Lessee or an Indemnitee on an after-tax basis, it shall be assumed that (i) federal, state and local taxes are payable at the highest combined marginal federal and state statutory income tax rate (taking into account the deductibility of state income taxes for federal income tax purposes) applicable to corporations from time to time and (ii) such Indemnitee or the Lessee has sufficient income to utilize any deductions, credits (other than foreign tax credits, the use of which shall be determined on an actual basis) and

other Tax benefits arising from any payments described in clause (b) of this definition.

"Agent" means SunTrust Bank, Atlanta, a Georgia banking corporation, in its capacity as agent under the Master Agreement, the Lease Participation Agreement and the Loan Agreement.

"Alterations" means, with respect to any Leased Property, fixtures, alterations, improvements, modifications and additions to such Leased Property.

"Alternative Rate" means, for any period, an interest rate per annum equal to the rate of interest most recently announced by the Agent in Atlanta, Georgia from time to time as its prime lending rate (or other comparable reference rate) for calculating interest on certain loans, which need not be the lowest interest rate charged by such bank. If such prime lending rate or equivalent of such bank changes from time to time after the date hereof, the Alternative Rate shall be automatically increased or decreased, as the case may be, without notice to the Lessee as of the effective time of each change in such prime lending rate or equivalent.

"Applicable Law" means all existing and future applicable laws (including Environmental Laws), rules, regulations (including proposed, temporary and final income tax regulations), statutes, treaties, codes, ordinances, permits, certificates, orders and licenses of and interpretations by, any Governmental Authority, and applicable judgments, decrees, injunctions, writs, orders or like action of any court, arbitrator or other administrative, judicial or quasi-judicial tribunal or agency of competent jurisdiction (including those pertaining to health, safety or the environment (including, without limitation, wetlands) and those pertaining to the construction, use or occupancy of any Leased Property) and any restrictive covenant or deed restriction or easement of record affecting any Leased Property.

"Applicable Margin" means, with respect to all CD Rate Advances and LIBOR Advances, the relevant percentage indicated below for the Lessee's Funded Debt Ratio, as determined quarterly for the immediately preceding four fiscal quarters based upon the financial statements delivered to the Agent pursuant to Section 5.1 (a) or (b) of the Master Agreement, as the case may be, with such Applicable Margin to be effective with respect to calculations based upon the financial statements delivered pursuant to Section 5.1 (a) of the Master Agreement as of the first day of the second fiscal quarter immediately following the fiscal quarter for which such financial statements are delivered and with such Applicable Margin to be effective with respect to calculations based upon the financial statements delivered

pursuant to Section 5.1 (b) of the Master Agreement on the earlier of (y) delivery of such financial statements and (z) the date which is 90 days after the end of each fiscal year of the Lessee:

If the Lessee's Funded Debt Ratio is:	The Applicable Margin is	
	<u>LIBOR Advances</u>	<u>CD Rate Advances</u>
≥ 3.0:1.0	1.10%	1.225%
< 3.0:1.0 and ≥ 2.0:1.0	.85%	.975%
< 2.0:1.0	.60%	.725%

"Appraisal" is defined in Section 3.1 of the Master Agreement.

"Appraiser" means an MAI appraiser satisfactory to the Agent and the Lessor.

"Architect" means with respect to any Leased Property the architect engaged in connection with the construction of the related Building, who may be an employee of the General Contractor for such Leased Property.

"Architect's Agreement" means, with respect to any Leased Property, the architectural services agreement, if any, between the Lessee and the related Architect.

"Assignment of Lease and Rents" means, with respect to any Leased Property, the Assignment of Lease and Rents, dated as of the related Closing Date, from the Lessor to the Agent, substantially in the form of Exhibit B to the Master Agreement.

"Awards" means any award or payment received by or payable to the Lessor or the Lessee on account of any Condemnation or Event of Taking (less the actual costs, fees and expenses incurred in the collection thereof, for which the Person incurring the same shall be reimbursed from such award or payment).

"B Loan" means the B Percentage of Loans made by a Lender pursuant to the Loan Agreement and the Master Agreement.

"B Note" is defined in Section 2.2 of the Loan Agreement.

"B Percentage" means 15%.

"Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as amended.

"Base Term" means, with respect to any Leased Property, (a) the period commencing on the Initial Closing Date for the first parcel of Land acquired by the Lessor and ending on the fifth (5th) anniversary of such Closing Date or (b) such shorter period as may result from earlier termination of the Lease as provided therein.

"Basic Rent" means, for any Lease Term, the rent payable pursuant to Section 3.1 of the Lease, determined in accordance with the following: each installment of Basic Rent payable on any Payment Date shall be in an amount equal to the sum of (A) the aggregate amount of Lender Basic Rent payable on such Payment Date, plus (B) the aggregate amount of Lessor Basic Rent payable on such Payment Date, in each case for the Leased Property or Properties that are then subject to the Lease.

"Benefit Arrangement" means at any time an employee benefit plan within the meaning of Section 3(3) of ERISA which is not a Plan or a Multiemployer Plan and which is maintained or otherwise contributed to by any member of the ERISA Group.

"Board of Directors", with respect to a corporation, means either the Board of Directors or any duly authorized committee of that Board which pursuant to the by-laws of such corporation has the same authority as that Board as to the matter at issue.

"Building" means, with respect to any Leased Property, the buildings, structures and improvements described on Appendix B of the related Lease Supplement located or to be located on the related Land, along with all fixtures used or useful in connection with the operation of such Leased Property, including, without limitation, all furnaces, boilers, compressors, elevators, fittings, pipings, connectives, conduits, ducts, partitions, equipment and apparatus of every kind and description now or hereafter affixed or attached or used or useful in connection with the Building, all equipment financed by the Lessor and/or the Lenders and the Lease Participants and all Alterations (including all restorations, repairs, replacements and rebuilding of such buildings, improvements and structures) thereto (but in each case excluding trade fixtures financed other than by the Lessor, the Lease Participant or the Lenders).

"Business Day" means any day other than a Saturday, Sunday or other day on which banks are required or authorized to be closed for business in Atlanta, Georgia or New York, New York and, if the applicable Business Day relates to a LIBOR Advance, on which trading is not carried on by and between banks in the London interbank market.

"Casualty" means an event of damage or casualty relating to all or part of any Leased Property that does not constitute an Event of Loss.

"CD Rate" means, with respect to any Rent Period, the rate of interest, adjusted for reserves and FDIC insurance and expressed as a percentage, available at 9:00 a.m. (Atlanta, Georgia time), or as soon thereafter as practicable, on the day that is two Business Days prior to the first day of the Period, identified on the Telerate as the consensus bid rate for secondary certificates of deposit in an aggregate amount approximately comparable to the advance to which such rate is to be applicable with a maturity equal to such Period (said consensus bid rate currently being shown on page 5 of Telerate). If the foregoing rate is unavailable on Telerate for any reason, then such rate shall be determined by the Agent from the comparable rate quoted on another interest rate reporting service of recognized standing as designated by the Agent to the Lessee, the Lease Participant and the Lenders.

"CD Rate Advance" means that portion of the Funded Amount bearing interest based on the CD Rate.

"Change in Control" means (i) any person or group of persons (other than the Loudermilk Family) (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended) shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the SEC under said Act) of 50% or more in voting power of the outstanding Voting Stock of the Lessee or (ii) members of the Board of Directors of the Lessee on the date hereof, plus any additional members of such Board whose nomination for election or election to such Board is recommended or approved by the then current members of such Board or by Robert Charles Loudermilk, Sr., shall at any time fail to constitute a majority of such Board.

"Claims" means liabilities, obligations, damages, losses, demands, penalties, fines, claims, actions, suits, judgments, proceedings, settlements, utility charges, costs, expenses and disbursements (including, without limitation, reasonable legal fees and expenses) of any kind and nature whatsoever.

"Closing Date" means, with respect to each parcel of Land, the date on which such Land is acquired by the Lessor and the initial Funding occurs with respect to such Land under the Master Agreement.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commitment" means as to each Funding Party, its obligation to make Fundings as investments in each Leased Property, or to

make Loans to the Lessor, or to fund a Lease Participation as the case may be, in an aggregate amount not to exceed at any one time outstanding the amount set forth for such Funding Party on Schedule 2.2 to the Master Agreement (as it may be adjusted from time to time pursuant to Section 6 of the Master Agreement).

"Commitment Percentage" means as to any Funding Party, at a particular time, the percentage of the aggregate Commitments in effect at such time constituted by such Funding Party's Commitment, as such percentage is shown for such Funding Party on Schedule 2.2 to the Master Agreement (as it may be adjusted from time to time pursuant to Section 6 of the Master Agreement).

"Completion Date" with respect to any Leased Property means the Business Day on which the conditions specified in Section 3.5 of the Master Agreement have been satisfied with respect to such property.

"Completion Date Appraisal" with respect to any Leased Property means that appraisal, dated as of the Completion Date, delivered by the Appraiser pursuant to Section 3.5 of the Master Agreement with respect to such Leased Property.

"Condemnation" means any condemnation, requisition, confiscation, seizure or other taking or sale of the use, occupancy or title to any Leased Property or any part thereof in, by or on account of any actual eminent domain proceeding or other action by any Governmental Authority or other Person under the power of eminent domain or any transfer in lieu of or in anticipation thereof, which in any case does not constitute an Event of Taking. A Condemnation shall be deemed to have "occurred" on the earliest of the dates that use, occupancy or title is taken.

"Construction" means, with respect to any Leased Property, the construction of the related Building pursuant to the related Plans and Specifications.

"Construction Agency Agreement" means the Construction Agency Agreement, dated as of September 20, 1996, between the Lessee and the Lessor.

"Construction Agent" means the Lessee in its capacity as construction agent pursuant to the Construction Agency Agreement.

"Construction Conditions" means the conditions set forth in Section 3.5 of the Master Agreement.

"Construction Contract" means, with respect to any Leased Property, that certain construction contract, if any, between the Lessee and a General Contractor for the construction of the

related Building, provided that such contract shall be assigned by the Lessee to the Lessor, and such assignment shall be consented to by such General Contractor, pursuant to an assignment of such construction contract substantially in the form of the Security Agreement and Assignment set forth as Exhibit D to the Master Agreement.

"Construction Force Majeure Event" means, with respect to any Leased Property:

- (a) an act of God arising after the related Closing Date, or
- (b) any change in any state or local law, regulation or other legal requirement arising after such Closing Date and relating to the use of the Land or the construction of a building on the Land, or
- (c) strikes, lockouts, labor troubles, unavailability of materials, riots, insurrections or other causes beyond the Lessee's control

which prevents the Lessee from completing the Construction prior to the Scheduled Construction Termination Date and which could not have been avoided or which cannot be remedied by the Lessee through the exercise of all commercially reasonable efforts or the expenditure of funds and, in the case of (b) above, the existence or potentiality of which was not known to and could not have been discovered prior to such Closing Date through the exercise of due diligence by the Lessee.

"Construction Land Interest" means each parcel of Land for which the Completion Date has not yet occurred.

"Construction Term" means, with respect to any Leased Property, the period commencing on the related Closing Date and ending on the related Construction Term Expiration Date, or such shorter period as may result from earlier termination of the Lease as provided therein.

"Construction Term Expiration Date" means, with respect to any Leased Property, the earliest of the following:

- (a) the related Completion Date,
- (b) the date on which the aggregate Funded Amounts with respect to such Leased Property equal (or exceed) the related Construction Funding Limit, and
- (c) the related Scheduled Construction Termination Date.

"Contractual Obligation", as applied to any Person, means any provision of any Securities issued by that Person or any indenture, mortgage, deed of trust, contract, undertaking, agreement, instrument or other document to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject (including, without limitation, any restrictive covenant affecting any of the properties of such Person).

"Deed" means, with respect to any Land, a General Warranty Deed, dated the applicable Closing Date, from the applicable Seller to the Lessor, conveying such Land.

"Environmental Audit" means, with respect to each parcel of Land, a Phase I Environmental Assessment, dated no more than 60 days prior to the related Closing Date, by an environmental services firm satisfactory to the Funding Parties.

"Environmental Laws" means and include the Resource Conservation and Recovery Act of 1976, (RCRA) 42 U.S.C. §§ 6901-6987, as amended by the Hazardous and Solid Waste Amendments of 1984, the Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601-9657, (CERCLA), the Hazardous Materials Transportation Act of 1975, 49 U.S.C. §§ 1801-1812, the Toxic Substances Control Act, 15 U.S.C. §§ 2601-2671, the Clean Air Act, 42 U.S.C. §§ 7401 et seq., the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §§ 136 et seq., and all similar federal, state and local environmental laws, ordinances, rules, orders, statutes, decrees, judgments, injunctions, codes and regulations, and any other federal, state or local laws, ordinances, rules, codes and regulations, and any other federal, state or local laws, ordinances, rules, codes and regulations relating to the environment, human health or natural resources or the regulation or control of or imposing liability or standards of conduct concerning human health, the environment, Hazardous Materials or the clean-up or other remediation of any Leased Property, or any part thereof, as any of the foregoing may have been from time to time amended, supplemented or supplanted.

"Environmental Permits" means all permits, licenses, authorizations, certificates and approvals of Governmental Authorities required by Environmental Laws.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time or any successor federal statute.

"ERISA Affiliate" means each entity required to be aggregated with the Lessee pursuant to the requirements of Section 414(b) or (c) of the Code.

"ERISA Group" means the Lessee and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under the control of the Lessee which, together with the Lessee, are treated as a single employer under Section 414 of the Code.

"Event of Default" means any event or condition designated as an "Event of Default" in Article XII of the Lease.

"Event of Loss" is defined in Section 10.1 of the Lease.

"Event of Taking" is defined in Section 10.2 of the Lease.

"Fair Market Rental Value" means, with respect to any Leased Property, the fair market rental value as determined by an independent appraiser chosen by the Lessor that would be obtained in an arm's-length lease between an informed and willing lessee and an informed and willing lessor, in either case under no compulsion to lease, and neither of which is related to the Lessor or Lessee for the lease of such Leased Property on the terms set forth, or referred to, in the Lease. Such fair market rental value shall be calculated as the value for the use of such Leased Property to be leased in place at the Land, assuming, in the determination of such fair market rental value, that such Leased Property is in the condition and repair required to be maintained by the terms of the related Lease (unless such fair market rental value is being determined for the purposes of Section 13.1 of the Lease and except as otherwise specifically provided in the Lease, in which case this assumption shall not be made).

"Fair Market Sales Value" means, with respect to any Leased Property or any portion thereof, the fair market sales value as determined by an independent appraiser chosen by the Lessor or, so long as the Funded Amounts are outstanding, the Agent that would be obtained in an arm's-length transaction between an informed and willing buyer (other than a lessee currently in possession) and an informed and willing seller, under no compulsion, respectively, to buy or sell and neither of which is related to the Lessor or Lessee, for the purchase of such Leased Property. Such fair market sales value shall be calculated as the value for the use of such Leased Property, assuming, in the determination of such fair market sales value, that such Leased Property is in the condition and repair required to be maintained by the terms of the Lease (unless such fair market sales value is being determined for purposes of Section 13.1 of the Lease and except as otherwise specifically provided in the Lease or the

Master Agreement, in which case this assumption shall not be made).

"Final Rent Payment Date" with respect to any Leased Property is defined in Section 13.1(e) of the Lease.

"Fiscal Year" means the fiscal year of the Lessee and its Subsidiaries, which shall be the twelve (12) months ending on December 31.

"Funded Amount" means, as to the Lessor, the Lessor's Invested Amounts, and, as to each Lender, the outstanding principal of such Lender's Loans.

"Funded Debt" shall mean all indebtedness for money borrowed, plus purchase money mortgages, capitalized leases, conditional sales contracts and similar title retention debt instruments (including any current maturities of such debt) which by its terms matures more than one year from the date of the calculation hereof and/or which is renewable or extendable for such a period.

"Funded Debt Ratio" shall mean, as to the Lessee for any period, a ratio of (i) its Funded Debt to (ii) the sum of its net income before income taxes, plus interest expense for such period.

"Funding" means any funding by the Funding Parties pursuant to Section 2.2 of the Master Agreement.

"Funding Date" means collectively, each Closing Date and each other date during the Construction Term on which a Funding occurs under Section 2 of the Master Agreement.

"Funding Parties" means the Lessor, the Agent, the Lease Participant and the Lenders, collectively.

"Funding Party Balance" means, with respect to any Leased Property, (i) for the Lessor as of any date of determination, an amount equal to the sum of the outstanding related Lessor's Invested Amount (less the related Lease Participant Amount), all accrued and unpaid Yield on such outstanding related Lessor's Invested Amount (less the related Lease Participant Amount), all unpaid related fees owing to the Lessor under the Operative Documents, and all other related amounts owing to the Lessor by the Lessee under the Operative Documents, (ii) for the Lease Participant as of any date of determination, an amount equal to the sum of the outstanding related Lease Participant Amount, all accrued and unpaid Yield thereon, all unpaid related fees owing to the Lease Participant under the Operative Documents, and all other related amounts owing to the Lease Participant by the

Lessee under the Operative Documents, and (iii) for any Lender as of any date of determination, an amount equal to the sum of the outstanding related Loans of such Lender, all accrued and unpaid interest thereon, all unpaid related fees owing to such Lender under the Operative Documents, and all other related amounts owing to such Lender by the Lessee under the Operative Documents.

"Funding Request" is defined in Section 2.2 of the Master Agreement.

"Funding Termination Date" means March 20, 1998.

"GAAP" means generally accepted accounting principles in the United States of America as in effect from time to time.

"General Contractor" means with respect to any Leased Property the general contractor under the related Construction Contract as may be selected by the Lessee.

"Governmental Action" means all permits, authorizations, registrations, consents, approvals, waivers, exceptions, variances, orders, judgments, decrees, licenses, exemptions, publications, filings, notices to and declarations of or with, or required by, any Governmental Authority, or required by any Applicable Law and shall include, without limitation, all citings, environmental and operating permits and licenses that are required for the use, occupancy, zoning and operation of any Leased Property.

"Governmental Authority" means any foreign or domestic federal, state, county, municipal or other governmental or regulatory authority, agency, board, body, commission, instrumentality, court or any political subdivision thereof.

"Guarantor" means the Lessee, in its capacity as guarantor under the Guaranty.

"Guaranty" means the Guaranty, dated as of September 20, 1996 by the Guarantor in favor of the Funding Parties.

"Hazardous Material" means any substance, waste or material which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous, including petroleum, crude oil or any fraction thereof, petroleum derivatives, by products and other hydrocarbons, or which is or becomes regulated under any Environmental Law by any Governmental Authority, including any agency, department, commission, board or instrumentality of the United States, any jurisdiction in which a Leased Property is located or any political subdivision thereof and also including, without limitation, asbestos, urea

formaldehyde foam insulation, polychlorinated biphenyls ("PCBs") and radon gas.

"Indemnatee" means the Agent (in its individual capacity and in its capacity as Agent), the Lease Participant, each Lender, and the Lessor, and their respective Affiliates, successors, permitted assigns, permitted transferees, employees, officers, directors and agents; provided, however, that in no event shall the Lessee be an Indemnatee.

"Indemnatee Group" means the respective Affiliates, employees, officers, directors and agents of the Agent (in its individual capacity), the Lease Participant, each Lender or the Lessor, as applicable; provided, however, that in no event shall the Lessee be a member of the Indemnatee Group.

"Initial Closing Date" means the Closing Date for the first Leased Property acquired by the Lessor.

"Land" means the land described in Appendix B to the related Lease Supplement.

"Laws" means all ordinances, statutes, rules, regulations, orders, injunctions, writs, treaties or decrees of any governmental or political subdivision or agency thereof, or of any court or similar entity established by any thereof.

"Lease" means the Lease Agreement, dated as of September 20, 1996, together with each Lease Supplement thereto, between the Lessee and the Lessor, with such modifications as are satisfactory to the Lessor and the Agent in conformity with Applicable Law to assure customary remedies in favor of the Funding Parties in the jurisdiction where the Leased Property is located.

"Lease Balance" means, with respect to the Leased Properties, as of any date of determination, an amount equal to the aggregate sum of the outstanding Funded Amounts of all Funding Parties, all accrued and unpaid interest on the Loans, all accrued and unpaid Yield on the Lessor's Invested Amounts, all unpaid fees owing to the Funding Parties under the Operative Documents, including all other amounts owing to the Funding Parties by the Lessee under the Operative Documents.

"Lease Participant" means SunTrust Bank, Atlanta and such other Persons, if any, who may become parties to the Lease Participation Agreement as Lease Participants, provided that, unless such other Person is an Affiliate of SunTrust Bank, Atlanta, Lessee consents to such other Person, which consent shall not be unreasonably withheld.

"Lease Participation Agreement" means the Lease Participation Agreement dated as of September 20, 1996, among the Lessor, the Lease Participant and the Agent.

"Lease Participant Amount" means the amounts funded by the Lease Participant pursuant to Section 2.2 of the Lease Participation Agreement (as increased during the related Construction Term by a amount equal to the Lease Participant's Percentage of the increase in the related Lessor's Invested Amount pursuant to Section 2.3(c) of the Master Agreement), as the purchase price for the Lease Participation.

"Lease Participant Commitment" is defined in Section 2.2 of the Lease Participation Agreement.

"Lease Participation" is defined in Section 2.1 of the Lease Participation Agreement.

"Lease Supplement" is defined in Section 2.1 of the Lease.

"Lease Term" with respect to the Lease means (a) the Base Term, as it may be renewed pursuant to Section 14.9 of the Lease or (b) such shorter period as may result from earlier termination of the Lease as provided therein.

"Lease Termination Date" means the last day of the Lease Term, as the same may be accelerated pursuant to the Lease.

"Leased Property" means Land and the related Building(s). For purpose of the Lease, "Leased Property" means the property subject to a Lease Supplement, unless the context provides otherwise.

"Leased Property Balance" means, with respect to any Leased Property, as of any date of determination, an amount equal to the aggregate sum of the outstanding related Funded Amounts of all Funding Parties, all accrued and unpaid interest on the related Loans, all accrued and unpaid Yield on the related Lease Participant Amounts, all related unpaid fees owing to the Funding Parties under the Operative Documents, including all other amounts owing to the Funding Parties by the Lessee under the Operative Documents.

"Lender Basic Rent" means, for any Rent Period under the Lease, the aggregate amount of interest accrued on the Loans related to the Leased Property subject to the Lease pursuant to Section 2.5 of the Loan Agreement during such Rent Period, plus the amount of principal of such Loans then due pursuant to Section 2.4 of the Loan Agreement.

"Lenders" means such financial institutions as are, or who may hereafter become, parties to the Loan Agreement as Lenders to the Lessor.

"Lessee" is defined in the preamble to the Master Agreement.

"Lessor" is defined in the preamble to the Master Agreement.

"Lessor Basic Rent" means, for any Rent Period under any Lease, the aggregate amount of Yield accrued on the Lessor's Invested Amounts under the Lease under Section 2.3(a) of the Master Agreement during such Rent Period.

"Lessor Liens" means Liens on or against any Leased Property, the Lease, any other Operative Document or any payment of Rent (a) which result from any act or omission of, or any Claim against, the Lessor unrelated to the transactions contemplated by the Operative Documents or (b) which result from any Tax owed by the Lessor, except any Tax for which the Lessee is obligated to indemnify (including, without limitation, in the foregoing exception, any assessments with respect to any Leased Property noted on the related Title Policy or assessed in connection with any construction or development by the Lessee).

"Lessor's Invested Amount" means the amounts funded by the Lessor pursuant to Section 2 of the Master Agreement that are not proceeds of Loans by a Lender, as increased during the related Construction Term pursuant to Section 2.3(c) of the Master Agreement.

"LIBOR Advance" means that portion of the Funded Amount bearing interest based on the LIBOR Rate.

"LIBOR Rate" means, with respect to any Rent Period, the rate per annum equal to the quotient of (i) the offered rate for deposits in U.S. Dollars of amounts equal or comparable to the aggregate principal amount of the related LIBOR Advance offered for a term comparable to such Rent Period, which rates appear on the Telerate Page 3750 (if the foregoing rate is unavailable from the Telerate for any reason, then such rate shall be determined by the Agent from the Reuters Screen LIBO Page) as of 11:00 a.m. London time, two (2) Business Days prior to the first day of such Rent Period, provided that (x) if more than one such offered rate appears on the Reuters Screen LIBO Page, the rate used to determine the LIBOR Rate will be the arithmetic average (rounded upward, if necessary, to the next higher 1/16th of 1%) of such offered rates), or (y) if no such offered rates appear on such pages, the rate used for such Rent Period will be the arithmetic average (rounded upward, if necessary, to the next higher 1/16th of 1%) of rates quoted by not less than two major banks in New York, New York, selected by the Agent, at approximately 10:00

a.m., New York time, two (2) Business Days prior to the first day of such Rent Period, for deposits in U.S. Dollars offered to leading European banks for a period comparable to such Period in an amount comparable to the principal amount of the Lease Participant Amounts and the Loans, divided by (ii) a number equal to 1.00 minus the LIBOR Reserve Percentage, the rate so determined to be rounded upwards to the nearest multiple of 1/100th of 1%. All determinations of Yield, interest, Lessor Basic Rent, Lender Basic Rent, LIBOR Rate, Alternative Rate, and Overdue Rate by the Agent shall, in the absence of demonstrable error, be binding and conclusive upon the Lessee.

"LIBOR Reserve Percentage" means, for any Rent Period, the aggregate reserve requirement (including any basic, emergency, supplemental, marginal or other reserve requirement) which is actually imposed on the Agent during such Rent Period (or if more than one such percentage shall be so applicable, the daily average of such percentages) under Regulation D of the Board of Governors of the Federal Reserve System with respect to liabilities or assets consisting of or including "Eurocurrency liabilities" having a term equal to the applicable Rent Period. The LIBOR Rate shall be adjusted automatically on and as of the effective date of any change in the LIBOR Reserve Percentage.

"Lien" means any mortgage, deed of trust, security deed, pledge, security interest, encumbrance, lien, easement, servitude or charge of any kind, including, without limitation, any irrevocable license, conditional sale or other title retention agreement, any lease in the nature thereof, or any other right of or arrangement with any creditor to have its claim satisfied out of any specified property or asset with the proceeds therefrom prior to the satisfaction of the claims of the general creditors of the owner thereof, whether or not filed or recorded, or the filing of, or agreement to execute as "debtor", any financing or continuation statement under the Uniform Commercial Code of any jurisdiction or any federal, state or local lien imposed pursuant to any Environmental Law.

"Loan" shall have the meaning specified in Section 2.1 of the Loan Agreement.

"Loan Agreement" means the Loan Agreement, dated as of September 20, 1996, among the Lessor, the Agent and the Lenders.

"Loan Documents" means the Loan Agreement, the Notes, the Assignments of Lease and Rents, the Mortgages and all documents and instruments executed and delivered in connection with each of the foregoing.

"Loan Event of Default" means any of the events specified in Section 5.1 of the Loan Agreement, provided that any requirement

for the giving of notice, the lapse of time, or both, or any other condition, event or act has been satisfied.

"Loan Potential Event of Default" means any event, condition or failure which, with notice or lapse of time or both, would become a Loan Event of Default.

"Loss Proceeds" is defined in Section 10.6 of the Lease.

"Loudermilk Family" shall mean, collectively, Robert Charles Loudermilk, Sr., his spouse, his children, his grandchildren and any trust which may be now or hereafter established for the sole benefit of any of the foregoing persons.

"Master Agreement" means the Master Agreement, dated as of September 20, 1996, among the Lessee, the Lessor, the Agent and the Lenders.

"Material Adverse Effect" means a material adverse effect upon the financial condition, operations, performance or properties of the Lessee, or the ability of the Lessee to perform in any material respect under the Operative Documents or the value, utility or useful life of any Leased Property, or the validity, enforceability or legality of any of the Operative Documents, or the priority, perfection or status of any Funding Party's interest in any Leased Property.

"Mortgage" means, with respect to any Leased Property, that certain mortgage, deed of trust or security deed, dated as of the related Closing Date, by the Lessor to the Agent, in the form of Exhibit D attached to the Master Agreement, with such modifications as are satisfactory to the Lessor and the Agent in conformity with Applicable Law to assure customary remedies in favor of the Agent in the jurisdiction where the Leased Property is located.

"Multiemployer Plan" means at any time an employee pension benefit plan within the meaning of Section 4001(a)(3) of ERISA to which any member of the ERISA Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions, including for these purposes any Person which ceased to be a member of the ERISA Group during such five year period.

"Notes" means the A Note and the B Note issued by the Lessor under the Loan Agreement, and any and all notes issued in replacement or exchange therefor in accordance with the provisions thereof.

"Obligations" means all amounts owed by, and obligations of, the Lessor to the Lenders or the Agent under the Loan Agreement, Notes and other Operative Documents.

"Officer's Certificate" of a Person means a certificate signed by the Chairman of the Board or the President or any Executive Vice President or any Senior Vice President or any other Vice President of such Person signing with the Treasurer or any Assistant Treasurer or the Controller or any Assistant Controller or the Secretary or any Assistant Secretary of the such Person, or by any Vice President who is also Controller or Treasurer signing alone.

"Operative Documents" means the Master Agreement, the Guaranty, the Purchase Agreements, the Deeds, the Lease, the Lease Participation Agreement, the Security Agreement and Assignment, the Notes, the Loan Agreement, the Assignments of Lease and Rents, the Mortgages and the other documents delivered in connection with the transactions contemplated by the Master Agreement.

"Overdue Rate" means the lesser of (a) the highest interest rate permitted by Applicable Law and (b) an interest rate per annum (calculated on the basis of a 365-day (or 366-day, if appropriate) year equal to 2.0% above the Alternative Rate in effect from time to time.

"Partial Purchase Option" is defined in Section 14.1(b) of the Lease.

"Payment Date" means the last day of each Rent Period (and if such Rent Period is longer than 90 days or three months, the day that is 90 days after the first day of such Rent Period) or, if such day is not a Business Day, the next Business Day.

"Payment Date Notice" is defined in Section 2.3(e) of the Master Agreement.

"PBGC" means the Pension Benefit Guaranty Corporation, and any successor thereto.

"Permitted Liens" means the following with respect to any Leased Property: (a) the respective rights and interests of the Lessee, the Lessor, the Agent, the Lease Participant and any Lender, as provided in the Operative Documents, (b) Liens for Taxes either not yet due or being contested in good faith and by appropriate proceedings, so long as enforcement thereof is stayed pending such proceedings, (c) materialmen's, mechanics', workers', repairmen's, employees' or other like Liens arising after the related Closing Date in the ordinary course of business for amounts either not yet due or being contested in good faith

and by appropriate proceedings, so long as enforcement thereof is stayed pending such proceedings, (d) Liens arising after such Closing Date out of judgments or awards with respect to which at the time an appeal or proceeding for review is being prosecuted in good faith, so long as the enforcement thereof has been stayed pending such appeal or review, (e) easements, rights of way, reservations, servitudes and rights of others against the Land which do not materially and adversely affect the value or the utility of such Leased Property, (f) other Liens incidental to the conduct of Lessee's business which were not incurred in connection with the borrowing of money or the obtaining of advances or credit and which do not in the aggregate materially detract from the value of such Leased Property or materially impair the use thereof, and (g) assignments, leases and subleases expressly permitted by the Operative Documents.

"Person" means an individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, nonincorporated organization or government or any agency or political subdivision thereof.

"Plan" means at any time an employee pension benefit plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and either (i) is maintained, or contributed to, by any member of the ERISA Group for employees of any member of the ERISA Group or (ii) has at any time within the preceding five years been maintained, or contributed to, by any Person which was at such time a member of the ERISA Group for employees of any Person which was at such time a member of the ERISA Group.

"Plans and Specifications" means with respect to any Building the final plans and specifications for such Building prepared by the Architect, and referred to by the Appraiser in the Appraisal, as such Plans and Specifications may be hereafter amended, supplemented or otherwise modified from time to time.

"Potential Event of Default" means any event, condition or failure which, with notice or lapse of time or both, would become an Event of Default.

"Purchase Agreement" means with respect to any Land, the purchase agreement with the Seller for the conveyance of such Land to the Lessor.

"Purchase Option" is defined in Section 14.1(a) of the Lease.

"Recourse Deficiency Amount" means, as of any date of determination thereof, the sum of (i) the aggregate principal amount of the A Loans then outstanding, plus the A Percentage of

the Lessor's Invested Amounts then outstanding, plus (ii) all accrued and unpaid Yield on the A Percentage of the Lessor's Invested Amounts and all accrued and unpaid interest on the A Loans.

"Regulations" means the income tax regulations promulgated from time to time under and pursuant to the Code.

"Release" means the release, deposit, disposal or leak of any Hazardous Material into or upon or under any land or water or air, or otherwise into the environment, including, without limitation, by means of burial, disposal, discharge, emission, injection, spillage, leakage, seepage, leaching, dumping, pumping, pouring, escaping, emptying, placement and the like.

"Release Date" means, with respect to any Leased Property, the earlier of (i) the date that the related Leased Property Balance has been paid in full, and (ii) the date on which the Agent gives notice to the Lessor that the Lease Participant and the Lenders release any and all interest they may have in such Leased Property, and all proceeds thereof, and any rights to direct, consent or deny consent to any action by the Lessor with respect to such Leased Property.

"Remarketing Option" is defined in Section 14.6 of the Lease.

"Rent" means Basic Rent and Supplemental Rent, collectively.

"Rental Income" shall mean the gross revenues of the Lessee and its Subsidiaries from rentals to the public from the Lessee's furniture inventory and rental equipment (excluding customer deposits, advance rent payments and proceeds from the sale of inventory).

"Rent Period" means (x) in the case of CD Rate Advances, either a 30, 60, 90 or 180 day period, and (y) in the case of LIBOR Advances, either a 1, 2, 3 or 6 month period; provided that:

(a) The initial Rent Period for any Funding shall commence on the Funding Date of such Funding and each Rent Period occurring thereafter in respect of such Funding shall commence on the day on which the next preceding Rent Period expires;

(b) If any Rent Period would otherwise expire on a day which is not a Business Day, such Rent Period shall expire on the next succeeding Business Day, provided that if any Rent Period in respect of LIBOR Advances would otherwise expire on a day that is not a Business Day but is a day of

the month after which no further Business Day occurs in such month, such Rent Period shall expire on the next preceding Business Day;

(c) Any Rent Period in respect of LIBOR Advances which begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Rent Period shall, subject to paragraph (d) below, expire on the last Business Day of such calendar month; and

(d) No Rent Period shall extend beyond the Lease Termination Date.

"Report" is defined in Section 7.6 of the Master Agreement.

"Required Lenders" means, at any time, Lenders holding an aggregate outstanding principal amount of Loans equal to at least 66-2/3% of the aggregate outstanding principal amount of all Loans.

"Required Funding Parties" means, at any time, Funding Parties holding an aggregate outstanding principal amount of Funded Amounts equal to at least 66-2/3% of the aggregate outstanding principal amount of all Funded Amounts.

"Requirements of Law" means, as to any Person, the charter and by-laws or other organizational or governing documents of such Person, and any law, rule or regulation, permit, approval, authorization, license or variance, order or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject, including, without limitation, the Securities Act, the Securities Exchange Act, Regulations G, T, U and X of the Board of Governors of the Federal Reserve System, and any building, environmental or land use requirement or permit or occupational safety or health law, rule or regulation.

"Responsible Financial Officer" is defined in Section 5.1(c) of the Master Agreement.

"Responsible Officer" means the Chairman or Vice Chairman of the Board of Directors, the Chairman or Vice Chairman of the Executive Committee of the Board of Directors, the President, any Senior Vice President or Executive Vice President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, or any Assistant Treasurer.

"Scheduled Construction Termination Date" means with respect to any Building the eighteen-month anniversary of the Closing Date for the related Land.

"SEC" means the United States Securities and Exchange Commission.

"Securities" means any stock, shares, voting trust certificates, bonds, debentures, notes or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities", or any certificates of interest, shares, or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire any of the foregoing.

"Securities Act" means the Securities Act of 1933, as amended.

"Securities Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Security Agreement and Assignment" means, with respect to any Leased Property, the Security Agreement and Assignment (Construction Contract, Architect's Agreement, Permits, Licenses and Governmental Approvals, and Plans, Specifications and Drawings) from the Lessee to the Lessor, substantially in the form of Exhibit C to the Master Agreement.

"Seller" means as to any Leased Property, the seller thereof to the Lessor on the related Closing Date.

"Subsidiary" means for any Person any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at the time directly or indirectly owned by such Person.

"SunTrust" means SunTrust Banks, Inc., a Georgia corporation.

"SunTrust Bank" is defined in the preamble to the Master Agreement.

"Supplemental Rent" means any and all amounts, liabilities and obligations other than Basic Rent which the Lessee assumes or agrees or is otherwise obligated to pay under the Lease or any other Operative Document (whether or not designated as Supplemental Rent) to the Lessor, the Agent, the Lease Participant, any Lender or any other party, including, without limitation, amounts under Article XVI of the Lease, and indemnities and damages for breach of any covenants, representations, warranties or agreements, and all overdue or late payment charges in respect of any Funded Amount.

"Surrender Option" is defined in Section 14.6 of the Lease.

"Tax" or "Taxes" is defined in Section 7.4 of the Master Agreement.

"Tax Indemnatee" means the Lessor, the Lease Participant, the Agent, any Lender and their respective Affiliates, successors, permitted assigns, permitted transferees, employees, officers, directors and agents thereof, provided, however, that in no event shall the Lessee be a Tax Indemnatee.

"Title Insurance Company" means the company that has or will issue the title policies with respect to a Leased Property, which company shall be reasonably acceptable to the Funding Parties.

"Title Policy" is defined in Section 3.1 of the Master Agreement.

"Transaction" means all the transactions and activities referred to in or contemplated by the Operative Documents.

"UCC" means the Uniform Commercial Code of Georgia, as in effect from time to time.

"Unfunded Benefit Liabilities" means with respect to any Plan or Multiemployer Plan at any time, the amount of unfunded benefit liabilities of such Plan or Multiemployer Plan at such time as determined under ERISA Section 4001(a)(18) which shall not be less than the accumulated benefit obligation, as disclosed in accordance with FAS 87, over the fair market value of Plan or Multiemployer Plan assets.

"Voting Stock" shall mean the securities of any class or classes of the Lessee the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the corporate directors of the Lessee (or persons performing similar functions).

"Yield" is defined in Section 2.3 of the Master Agreement.

Appendix B

Commence at the Northeast corner of Section 36, Township 19 South, Range 3 West and run southerly along the east line of said Section 36 a distance of 549.85 feet; thence turn $76^{\circ} 10' 07''$ right and run southwesterly 135.38 feet to the point of beginning; thence continue along the last described course for 537.91 feet to a point on the northeast right of way line of Shelby County Road No. 275; thence turn $67^{\circ} 22' 28''$ right and run northwesterly along said road right of way line 208.79 feet; thence turn $94^{\circ} 17' 04''$ right and run northeasterly 123.00 feet; thence turn $94^{\circ} 17' 40''$ left and run northwesterly 100.00 feet; thence turn $85^{\circ} 40' 29''$ left and run 123.01 feet to a point on said northeast right of way line of Shelby County Road No. 275; thence turn $85^{\circ} 17' 21''$ right and run along said right of way line 99.92 feet; thence turn $40^{\circ} 28' 05''$ right and run 26.75 feet to a point on the southeast right of way line of State Highway No. 261; thence turn $64^{\circ} 29' 48''$ right and run northeasterly along said right of way line 129.28 feet; thence turn $1^{\circ} 30' 35''$ right and run along said right of way line 119.20 feet; thence turn $9^{\circ} 05' 39''$ left and run along said right of way 53.09 feet; thence turn $1^{\circ} 15' 28''$ left and run along said right of way 307.65 feet; thence turn $58^{\circ} 27' 29''$ right and run southeasterly 236.92 feet to a point on the west right of way line of U.S. Highway No. 31; thence turn $69^{\circ} 06' 06''$ right to the tangent at said point of a curve to the left, said curve having a radius of 1,752.68 feet, and run along said curve and said Highway No. 31 right of way 86.88 feet to a point; thence turn $90^{\circ} 00' 00''$ left from the tangent to said curve at said point and run 15.00 feet to a point; thence turn $90^{\circ} 00' 00''$ right to the tangent at said point of a curve to the left, said curve having a radius of 1,737.68 feet, and run along said curve and said Highway No. 31 right of way 302.15 feet to the point of beginning.

Inst # 1997-00142

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SHELBY COUNTY JUDGE OF PROBATE
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