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

Dated June 1, 2001

from

M.D. HENRY COMPANY, INC.
120 Clark Street
Pelham, Alabama 35124

to

AMSOUTH BANK
PO Box 11007
Birmingham, Alabama 35288

Inst # 2001-26155

**06/26/2001-26155
08:41 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
030 MB 99.00**

**THIS INSTRUMENT SHALL BE CROSS-INDEXED IN THE INDEX OF UNIFORM
COMMERCIAL CODE FINANCING STATEMENTS.**

The maximum amount of indebtedness secured by this instrument is \$1,527,617.

**This Mortgage, Assignment of Leases and Security Agreement was prepared by Heyward C.
Hosch of Walston, Wells, Anderson & Bains, LLP, Financial Center, 505 North 20th Street,
Suite 500, Birmingham, Alabama 35203**

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STATE OF ALABAMA)
)
SHELBY COUNTY)

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

THIS MORTGAGE, ASSIGNMENT OF LEASES AND SECURITY AGREEMENT dated June 1, 2001 is entered into by M.D. HENRY COMPANY, INC., an Alabama corporation (the "User"), for the benefit of AMSOUTH BANK, a state banking corporation (the "Credit Obligor").

Recitals

Simultaneously with the delivery of the Financing Documents the User has delivered this instrument to the Credit Obligor in consideration of, and in satisfaction of certain conditions precedent of the Credit Obligor for, the extension of credit facilities to and for the benefit of the User pursuant to the Credit Agreement.

The delivery of this instrument will result in direct financial benefits to the User.

Agreement

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

ARTICLE I

Definitions and Other Provisions of General Application

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

(1) **Capitalized terms used herein without definition shall have the respective meanings assigned thereto in the Indenture.**

(2) 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.

(3) All references in this instrument to designated "articles", "sections" and other subdivisions are to the designated articles, sections and subdivisions of this instrument as originally executed.

(4) The terms "herein", "hereof" and "hereunder" and other words of similar import refer to this Mortgage as a whole and not to any particular article, section or other subdivision.

Bond Documents shall mean collectively each of the following documents as any of the same may at any time be amended, supplemented or restated:

- (a) the Indenture,
- (b) the User Agreement.

Code means the Internal Revenue Code of 1986, and all amendments thereto.

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 fourth Granting Clause of Article II.

Credit Agreement shall mean that certain Credit Agreement dated June 1, 2001 between the User and the Credit Obligor, 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 Documents shall mean collectively each of the following as any of the same may at any time be amended, supplemented or restated:

- (a) Credit Agreement,
- (b) Mortgage, and
- (c) Credit Guaranty.

Credit Guaranty shall mean the Credit Guaranty Agreement dated June 1, 2001 from the Guarantor to the Credit Obligor.

Credit Obligor shall mean AmSouth Bank, and its successors and assigns.

Environmental Law shall mean and include all laws, rules, regulations, ordinances, judgments, decrees, codes, orders, injunctions, notices and demand letters of any Governmental Authority applicable to the User or the Project Site (including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601, et seq.) relating to pollution or protection of human health or the environment, including any relating to Hazardous Substances.

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

Financing Documents shall mean collectively the Bond Documents and the Credit Documents.

Guarantor shall mean Patrick Henry and his respective heirs, executors, successors and assigns thereof.

Governmental Authority shall mean any federal, state, county, municipal, or other government, domestic or foreign, and any agency, authority, department, commission, bureau, board, court or other instrumentality thereof.

Hazardous Substances shall mean and include all pollutants, contaminants, toxic or hazardous wastes and other substances (including asbestos, urea formaldehyde, foam insulation and materials containing either petroleum or any of the substances referenced in Section 101(14) of CERCLA), the removal of which is required or the manufacture, use, maintenance and handling of which is regulated, restricted, prohibited or penalized by an Environmental Law, or, even though not so regulated, restricted, prohibited or penalized, might pose a hazard to the health and safety of the public or the occupants of the property on which it is located or the occupants of the property adjacent thereto.

Indenture shall mean that certain Trust Indenture of even date 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 Shelby County Economic and Industrial Development Authority, a public corporation under the laws of the State of Alabama, and its successors and assigns.

Lease Agreement means the Lease Agreement dated as of May 1, 1989 between The Industrial Development Board of the City of Pelham and the User, recorded in Book 240 at Page 337 et seq. in the office of the Judge of Probate of Shelby County, Alabama, as at any time amended, supplemented or restated.

Leases shall have the meaning stated in the sixth Granting Clause of Article II.

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 Credit 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.

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 Credit Obligor under the Letter of Credit;
- (3) all late charges and 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 costs to the Credit Obligor caused by changes in laws or regulations or in the interpretation thereof;
- (6) all other amounts becoming due and payable under the Credit Agreement in accordance with the terms thereof;
- (7) all amounts payable by the User under the terms of this Mortgage (including but not limited to reimbursement for advancements made by the Credit Obligor under this Mortgage) and any other security agreements, bank mortgage or other documents now or hereafter evidencing or securing the User's performance of its obligations under the Credit Agreement;
- (8) all other indebtedness, obligations (including obligations of performance) and liabilities of the User to the Credit Obligor of every kind and description whatsoever, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter incurred, contracted or arising, or acquired by the Credit Obligor from any source, joint or several, liquidated or unliquidated, regardless of how they arise or by what agreement or instrument there may be evidenced or whether they are evidenced by any agreement or instrument, and whether incurred as maker, endorser, surety, guarantor or otherwise, and any and all extensions, restatements and renewals of any of the same;
- (9) all renewals and extensions of any or all the obligations of the User described in paragraphs (1) through (8) 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.

Permitted Encumbrances shall mean restrictions, exceptions, reservations, conditions, limitations, interests and other matters appearing of public record prior to the recordation of this Mortgage.

Person shall include natural persons, sole proprietorships, corporations (which shall be deemed to include business trusts), unincorporated organizations, associations, companies, institutions, entities, joint ventures, partnerships, governments (whether national, federal, state, county, city, municipal or otherwise) and any governmental instrumentality, division, agency, body or department.

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

Post Default Rate shall mean the rate of interest set forth in the Credit Agreement applicable to Obligations outstanding after the due date therefor.

Project shall mean the Project Site, the Personal Property and Fixtures and all other property and rights referred to or intended so to be in Granting Clauses I and II.

Project Site shall have the meaning stated in the first Granting Clause of Article II.

Rents shall have the meaning stated in the sixth Granting Clause of Article II.

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

Trustee shall mean First Union National Bank, and its successors and assigns under the Indenture.

User Agreement shall mean the Loan Agreement of even date between the Issuer and the User.

ARTICLE II

Granting Clauses

As security for the Obligations, the User has bargained and sold and hereby grant, bargain, sell, transfer, assign, set-over and convey to the Credit Obligor, its successors and assigns, all right, title and interest of the User in and to the property and interests in property described in the following Granting Clauses, and the User has granted and does hereby grant to the Credit Obligor security title to and a continuing security interest in said property and interests in property and all proceeds and products thereof:

I.

(Project Site and Buildings)

The real property described on Exhibit A attached hereto and interests therein, 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 (the "Project Site").

II.

(Leasehold Estate, Options, and Future Title)

The leasehold estate and interests of the User in and to the Project Site under the Lease Agreement, together with all right, title and interest of the User in and to all buildings, structures, improvements and fixtures now or hereafter located upon the Project Site, together with all right, title and interest of the User in and to all easements, permits, licenses, rights-of-way, contracts, leases, tenements, hereditaments, appurtenances, rights, privileges, and immunities pertaining or applicable to the Project Site and interests therein, together with all right, title and interest of the User in and to (i) all other rights, titles and privileges under the Lease Agreement, and (ii) all modifications, extensions and renewals of the Lease Agreement and (iii) all options to purchase the Project Site, or any part thereof, including without limitation each of the options to purchase set forth in Article XI of the Lease Agreement, and (iv) all other, further, or additional title (including without limitation fee simple title), estate, options, privileges, interest or rights which the User may now or hereafter acquire in and to the Project Site.

III.

(Personal Property and Fixtures)

All personal property and fixtures described in Exhibit B attached hereto and all other personal property and fixtures located on the Project Site 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.

IV.

(Condemnation Awards and Insurance Proceeds)

Subject to the provisions hereof respecting application of the following for the purposes and on the terms and conditions set forth herein: (i) 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 (ii) 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.

V.

(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 (herein referred to as the "Special Funds"), 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.

VI.

(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 User is the lessor, and any and all extensions and renewals thereof, now or hereafter existing (collectively, the "Leases");

(b) Any and all guaranties 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, 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 Issuer or the User may have against any such lessee under 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 of this Mortgage) 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 in any bankruptcy, insolvency or reorganization proceeding in any state or federal court and any and all payments made by lessees in lieu of rent, the User hereby appointing the Credit Obligor as the User's irrevocable attorney-in-fact to appear in any action and collect any such award, dividend or other payment.

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 Credit Obligor 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 Credit Obligor, its successors and assigns, forever.

ARTICLE III

Representations and Warranties

To induce the Credit Obligor to enter into the Credit Agreement and to issue the Letter of Credit, the User represents and warrants that:

(1) **Valid Title and Related Warranties.** The User is lawfully seized of an indefeasible leasehold estate in and to the Project Site; the User has a good right to sell and mortgage the Collateral; the Collateral is subject to no liens, encumbrances or security interests other than Permitted Encumbrances; and the User will forever warrant and defend the title to the Collateral unto the Credit Obligor 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 User shall take all steps necessary to preserve and protect the validity and priority of the mortgages and liens on and security interests in the Collateral created hereby. The User shall execute, acknowledge and deliver such additional instruments as the Credit Obligor 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) The User does hereby represent, warrant and covenant that:

(i) The Lease Agreement is a valid and subsisting lease of the Project Site for the terms therein set forth and the Lease Agreement is in full force and effect.

(ii) All rent reserved in the Lease Agreement has been paid to the extent payable prior to the date hereof.

(iii) There is no existing default under the provisions of the Lease Agreement or in the observance of any of the terms, covenants, conditions or warranties thereof on the part of the User to be observed and performed.

ARTICLE IV

Covenants of User

SECTION 4.01 Covenants Regarding Lease Agreement

The User covenants and agrees that the User will:

(1) **Performance of Lease Agreement.** At all times promptly and faithfully keep and perform all the terms, covenants and conditions contained in the Lease Agreement by the lessee therein to be kept

and performed and in all respects conform to and comply with the terms and conditions of the Lease Agreement; and the User further covenants not to do or permit anything to be done, the doing of which, or refrain from doing anything, the omission of which, will impair or tend to impair the security of this Mortgage or will be grounds for declaring a forfeiture or termination of the Lease Agreement. The User will take all action necessary to keep the Lease Agreement in full force and effect.

(2) No Modification of Lease Agreement. Not modify, extend or in any way alter the terms of the Lease Agreement or cancel or surrender the Lease Agreement, or waive, excuse, condone or in any way release or discharge the lessor(s) thereunder of or from the obligations, covenants, conditions and agreements by said lessor(s) to be done and performed; and the User hereby expressly assigns, transfers and conveys to the Credit Obligor all right, power and authority to cancel, surrender, terminate, release, amend, modify or alter in any way the terms and provisions of the Lease Agreement, and any attempt on the part of the User to exercise any such right without the express prior written consent of the Credit Obligor shall constitute a default under the terms hereof.

(3) Right of Credit Obligor to Cure Default. Give immediate notice to the Credit Obligor of any default under the Lease Agreement. Upon the occurrence thereof (or any event which, upon the giving of notice or the lapse of time, or both, would constitute such a default or event of default), the Credit Obligor shall have the right, but shall be under no obligation, to take such action as may be appropriate to cure or prevent such default or event of default under the Lease Agreement. The Credit Obligor and any person designated by the Credit Obligor shall have, and is hereby granted, the right to enter upon the Collateral for the foregoing purpose and all moneys expended by the Credit Obligor in connection therewith (including, but not limited to, reasonable attorneys' fees and disbursements), together with interest thereon at the Post Default Rate set forth in the Financing Documents, or such lesser rate as shall be the maximum amount permitted by law, shall be payable by the User to the Credit Obligor forthwith upon demand by the Credit Obligor, and shall be secured by this Mortgage. In the event of any failure by the User to pay, observe or perform any covenant on the part of the User to be paid, observed and performed under the Lease Agreement, the payment or performance by the Credit Obligor in behalf of the User of said Lease Agreement covenant shall not remove or waive, as between the User and the Credit Obligor, the corresponding default under the terms hereof, and any such failure aforesaid shall be subject to all of the rights and remedies of the Credit Obligor hereunder available on account of any default.

SECTION 4.02 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 Credit Obligor or, in the case of mortgage filing privilege taxes, pay to the Credit Obligor 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 Credit Obligor 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 Credit Obligor, such payment by the User is lawful and does not place the Credit Obligor in violation of any law), the Credit Obligor may, at its option, declare the existence of an Event of Default under this Mortgage.

SECTION 4.03 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 Credit Obligor (including but not limited to builder's risk during the period of construction or repair of the Project), in such amounts, in such manner and in such companies as the Credit Obligor may reasonably approve, including but not limited to all insurance required to be maintained under the terms of the User Agreement. All such policies shall name the Credit Obligor as a named insured and provide that any losses payable thereunder with respect to the Collateral shall (pursuant to loss payable clauses, in form and content acceptable to the Credit Obligor, to be attached to each policy) be payable to the Credit Obligor, and provide that the insurance provided thereby, as to the interest of the Credit Obligor, 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 Credit Obligor insurance certificates, in form and substance satisfactory to the Credit Obligor, evidencing compliance by the User with the terms of this Section and, upon the request of the Credit Obligor at any time, the User shall furnish the Credit Obligor 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 Credit Obligor) to give the Credit Obligor at least 10 days' prior written notice of the cancellation of such policies in whole or in part or the lapse of any coverage thereunder. 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 Credit Obligor 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 equal to or less 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 Credit Obligor and, after first applying such loss proceeds to the payment of all costs and expenses (including attorneys' fees) reasonably incurred in obtaining such loss proceeds, shall, be applied as follows:

(1) If no Event of Default shall have occurred and be continuing, such proceeds shall be held by the Credit Obligor for the benefit of the User and applied to such of the Restoration Work as is necessary to restore the Collateral to substantially the same condition, character and value

thereof existing immediately prior to such casualty with such changes, modifications, and alterations as the User may approve and as shall not impair the operating unity or productive capacity thereof, but only upon satisfaction of each of the following conditions:

(i) If the estimated costs of the Restoration Work (as reasonably estimated by an architect or engineer approved by the Credit Obligor in the exercise of reasonable discretion) shall exceed the insurance proceeds available, the User shall either deposit with the Credit Obligor the amount of such deficit or furnish a satisfactory bond of completion or other evidence satisfactory to the Credit Obligor of the User's ability to meet such excess costs;

(ii) The Credit Obligor shall be furnished for its approval (not to be unreasonably withheld) (A) an estimate of the cost of Restoration Work, accompanied by the certification of the cognizant architect or engineer as to such costs and appropriate final plans and specifications for such restoration and (B) evidence that the Collateral to be so restored will, when completed, fully comply with all zoning, environmental, building laws, ordinances and regulations and other requirements of each Governmental Authority having jurisdiction;

(iii) Disbursement of the proceeds during the course of the Restoration Work shall be upon the certification of the cognizant architect or engineer as to the cost of materials furnished and work done and evidence that such work and materials are free and clear of liens; no payment made prior to the final completion of the work shall exceed ninety percent (90%) of the value of the work performed or materials furnished and incorporated into the structure from time to time; and at all times the undisbursed balance of said proceeds, together with all amounts deposited, bonded or otherwise funded pursuant to this Section 4.03(d), shall be sufficient to pay for the cost of completion of the Restoration Work, free and clear of liens; and

(iv) Final payment shall be made upon receipt by the Credit Obligor of a certification by the cognizant architect or engineer as to the completion substantially in accordance with the approved plans and specifications, the issuance of a permanent certificate of occupancy (or local equivalent), and receipt by the Credit Obligor of proof, to the reasonable satisfaction of the Credit Obligor, of final payment in full of all mechanics, materialmen or any other persons who have provided services in connection with the Restoration Work.

(2) If an Event of Default shall have occurred and be continuing, or if the foregoing conditions are not satisfied, then all insurance proceeds may be retained and applied by the Credit Obligor toward payment of all or part of the Obligations in such order as the Credit Obligor may determine. Any excess proceeds after completion of the Restoration Work shall be paid to or at the direction the User.

(3) The architect or engineer referenced in this Section 4.03(d) may be independent or may (but is not required to) be employed by any contractor for the Restoration Work, as determined by the User and approved by the Credit Obligor in the exercise of reasonable discretion.

SECTION 4.04 Condemnation Awards

The entire proceeds of any Condemnation Award shall be paid to the Credit Obligor and, after first applying such award to the payment of all costs and expenses (including attorneys' fees) reasonably incurred in the collection thereof, shall be applied as provided in Section 4.03(c) or (d), as applicable, with respect to the amount of such proceeds. No such application shall cure or waive any default of the User.

SECTION 4.05 Waste, Demolition, Alteration or Replacement; Removal of Personal Property and Fixtures

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 Site without the express prior written consent of the Credit Obligor, 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 Personal Property and Fixtures included in the Collateral unless the same is immediately replaced with like property of at least equal value and utility.

SECTION 4.06 Compliance by User with Terms of Other Financing Documents

The User shall comply, fully and faithfully, with all of its respective obligations under the other Financing Documents. If the User fails or refuses to do so, the Credit Obligor 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 Credit Obligor shall constitute part of the Obligations and shall be secured hereby.

SECTION 4.07 Environmental Compliance and Indemnity

(a) The User shall (1) not, and shall not permit any other person to, bring any Hazardous Substances onto the Project Site except any such Hazardous Substances that are used in the ordinary course of the contemplated businesses as to be conducted on the Project Site and that are handled, stored, used and disposed of in accordance with applicable Environmental Laws; (2) if any other Hazardous Substances are brought or found on the Project Site, immediately remove and properly dispose of the same in accordance with applicable Environmental Laws; (3) cause the Project Site and the operations conducted thereon (including all operations conducted thereon by other persons) to comply with all Environmental Laws; (4) permit the Credit Obligor from time to time to inspect the Project Site and observe the operations thereon; (5) undertake any and all preventive, investigatory and remedial action (including emergency response, removal, clean up, containment and other remedial action) that is (A) required by any applicable Environmental Law or (B) necessary to prevent or minimize any property damage (including damage to any of the Project Site), personal injury, or harm to the environment, or the threat of any such damage or injury, by releases of or exposure to Hazardous Substances in connection with the Project Site or the operations on the Project Site; (6) give notice to the Credit Obligor in writing if the User should become aware of (A) any material spill, release or disposal of any Hazardous Substances, or imminent threat thereof, at the Project Site, in connection with the operations on the Project Site, or at any adjacent property that could migrate to, through or under the Project Site, (B) any material violation of Environmental Laws regarding the Project Site or operations on the Project Site, and (C) any material investigation, claim or threatened claim under any Environmental Law, or any notice of violation under any Environmental Law, involving the User or the

Project Site; and (7) deliver to the Credit Obligor, at the Credit Obligor's request, copies of any and all documents in the User's possession or to which the User has access relating to Hazardous Substances or Environmental Laws and the Project Site, and the operations on the Project Site, including laboratory analyses, site assessments or studies, environmental audit reports and other environmental studies and reports.

(b) If the Credit Obligor at any time reasonably believes that the User is not complying with all applicable Environmental Laws or the requirements hereof regarding the same, or that a material spill, release or disposal of Hazardous Substances has occurred on or under the Project Site, the Credit Obligor may require the User to furnish to the Credit Obligor an environmental audit or site assessment reasonably satisfactory to the Credit Obligor with respect to the matters of concern to the Credit Obligor. Such audit or assessment shall be performed at the expense of the User by a qualified consultant approved by the Credit Obligor.

(c) The User hereby warrants that, to the best of the information, knowledge and belief thereof (1) there are no civil, criminal or administrative environmental proceedings involving the Project Site that are pending or to the User's knowledge threatened; (2) the User knows of no facts or circumstances that might give rise to such a proceeding in the future; (3) the Project Site is in compliance with all applicable federal, state and local statutory and regulatory environmental requirements; and (4) the Project Site is free from any and all Hazardous Substances.

(d) The User shall defend, indemnify and save harmless the Credit Obligor from and against any and all liabilities, claims, causes of action, judgments, damages, fines, penalties, response costs, and other losses, costs and expense of any nature whatsoever, including reasonable attorneys' fees and costs of investigation and litigation, asserted against or suffered by the Credit Obligor that are related to or arise out of or result from any violation of, or non-compliance of the Project Site with, Environmental Laws, or the presence of Hazardous Substances on or under or included in the Project Site during the time the User has any interest in the Project Site or is otherwise in possession of the Project Site and any investigation, clean up or removal of, or other remedial action or response costs with respect to, any Hazardous Substances located on or under or included in the Project Site, or any part thereof, during the time the User has any interest in the Project Site or is otherwise in possession of the Project Site that may be required by any Environmental Law or Governmental Authority (specifically including without limitation any and all liabilities, damages, fines, penalties, response costs, investigatory or other costs pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq.) and including without limitation claims alleging non-compliance with Environmental Laws which seek relief under or are based on state or common law theories such as trespass or nuisance.

(e) The provisions of this Section shall survive the payment of the Obligations in full and the termination, satisfaction, release (in whole or in part) and the foreclosure of this Mortgage and shall remain in full force and effect with respect to claims and losses asserted against or suffered by the Credit Obligor until commencement of an action with respect to any event or occurrence shall be prohibited by law.

ARTICLE V

Transfer of, or Liens on, Collateral

The User covenants and agrees that it will not, without the express prior written consent of the Credit Obligor, 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 of the provisions of this Article V 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 V shall be null, void and of no effect.

ARTICLE VI

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 in this Mortgage and the Credit Agreement 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 User, and the entire estate, right, title and interest of the Credit Obligor shall thereupon cease; and the Credit Obligor shall, upon the request of the User and at the User's cost and expense, deliver to 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 VI or elsewhere in this Mortgage, it is expressly understood and agreed that, although there may be from time to time occasions when no Obligations shall be outstanding, this Mortgage and the lien thereof and security interests created thereby shall nevertheless remain in full force and effect, and none of the estate, right, title and interest of the Credit Obligor 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 Credit Obligor has any obligation to issue the Letter of Credit; or
- (2) the Letter of Credit has been issued and is outstanding; or
- (3) any Obligations are outstanding.

ARTICLE VII

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 Governmental Authority):

- (1) default in the performance, or breach, of any covenant, condition or agreement on the part of the User contained in Sections 4.01, 4.02, 4.03, 4.04 or Article V hereof; or
- (2) default in the performance, or breach, of any covenant or warranty of the User in this Mortgage (other than a covenant or warranty, a default in the performance or breach of which is elsewhere in this Section specifically described), 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 User by the Credit Obligor 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, provided that if such default is of a kind which cannot reasonably be cured within such thirty-day period, the User shall have a reasonable period of time within which to cure such default, provided that it begins to cure the default promptly after its receipt of such written notice and proceeds in good faith, and with due diligence, to cure such default; or

(3) the interest of the Credit Obligor 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

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

(5) the occurrence under the Credit Agreement, or under any of the other Financing Documents, of an event of default, as therein defined, and the expiration of the applicable grace period, if any, specified therein.

ARTICLE VIII

Rights of Credit Obligor Upon Default

SECTION 8.01 Acceleration of Indebtedness

If an Event of Default exists, the Credit Obligor, at its sole option, may (a) notify the Trustee that an event of default, as therein defined, under the Credit Agreement has occurred and is continuing (it being agreed that the occurrence of an Event of Default hereunder shall constitute an event of default under the Credit Agreement) and (b) with or without giving the foregoing notice to the Trustee, 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 Credit Obligor 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 Credit Obligor 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 and the other Financing Documents and available at law or equity.

SECTION 8.02 Operation of Collateral by Credit Obligor

In addition to all other rights herein and in the Credit Agreement conferred on the Credit Obligor, if an Event of Default exists, the Credit Obligor (or any person, firm or corporation designated by the Credit Obligor) 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 Credit Obligor 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 Credit Obligor, 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 Credit Obligor shall be entitled, as a matter of right, upon bill filed or other proper legal proceedings being commenced for the foreclosure of this Mortgage, to the appointment by any competent court or tribunal, without notice to the User or any other party, of a receiver of the rents, issues and profits of the Collateral, with power to lease and control the Collateral and with such other powers as may be deemed necessary.

SECTION 8.04**Foreclosure Sale**

This Mortgage shall be subject to foreclosure and may be foreclosed as now provided by law in case of past due mortgages, and the Credit Obligor 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 together with a description of the property to be sold by publication in some newspaper published in Shelby County, Alabama, to sell, or cause to be sold, all and singular the Collateral, and all the estate, right, title and interest therein, in front of the courthouse door of the Shelby County Courthouse, at public outcry, between the hours of 11:00 A.M. and 4:00 P.M., local time, to the highest bidder for cash, or otherwise foreclose this Mortgage as provided by applicable law. The Credit Obligor, 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 Credit Obligor, 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, so as to require the Credit Obligor to exhaust its remedies against any Person.

SECTION 8.05**Personal Property and Fixtures**

(a) The Credit Obligor 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 Credit Obligor 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 Credit Obligor, 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 Credit Obligor 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 Credit Obligor 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 below, at least ten 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 User agrees that the Credit Obligor 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 User hereby grants to the Credit Obligor the right, at its option after 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 Credit Obligor may elect. The User covenants and agrees 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 Credit Obligor 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 User hereby authorizes and empowers the Credit Obligor 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 Credit Obligor, at its option, shall have the right, power and authority to exercise and enforce any or all of the following rights and remedies with respect to Rents and Leases):

(1) to terminate the license granted to the User in Article II hereof to collect the Rents, and, without taking possession, in the Credit Obligor'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 Credit Obligor may choose (or hold the same in a reserve as security for the Obligations);

(2) without regard to the adequacy of the security, with or without any action or proceeding, through any person or by agent, or by a receiver to be appointed by court, to enter upon, take possession of, manage and operate the Collateral or any part thereof for the account of the User, make, modify, enforce, 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 Credit Obligor shall deem proper to protect the security hereof, as fully and to the same extent as 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 Credit Obligor 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 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 Credit Obligor, once exercised, shall continue for so long as the Credit Obligor shall elect, notwithstanding that the collection and application aforesaid of the Rents may have cured the original default. If the Credit Obligor 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 Credit Obligor as proceeds of the Collateral, as well as any and all amounts realized by the Credit Obligor in connection with the enforcement of any right or remedy under or with respect to this Mortgage, shall be applied by the Credit Obligor as follows:

(1) to reimburse the Credit Obligor for any payments made by the Credit Obligor under the Letter of Credit, to accrued but unpaid commissions, fees, costs and charges under the Credit Agreement, and to the payment of all costs and expenses of any kind then or thereafter at any time reasonably incurred by the Credit Obligor in exercising its rights under this Mortgage and under the Credit Agreement or otherwise reasonably incurred by the Credit Obligor 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 Credit Obligor 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 Credit Obligor shall elect;

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

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

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

SECTION 8.09 Multiple Sales

The Credit Obligor 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 User waives, 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 IX

Provisions of General Application

SECTION 9.01 Provisions Regarding Remedies

(a) The exercise by the Credit Obligor 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.

(b) No failure or delay on the part of the Credit Obligor 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.

(c) The remedies provided in this Mortgage and in the Credit Agreement are cumulative and not exclusive of any remedies provided by law.

(d) 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 Credit Obligor, and then such waiver of consent shall be effective only in the specific instance and for the specific purpose for which given.

(e) 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 and the Issuer or the User, as the case may be.

SECTION 9.03 Enforceability

If any provision of this Mortgage is now, or at any time hereafter becomes, invalid or unenforceable, all other provisions hereof shall remain in full force and effect and shall be construed in favor of the Credit Obligor 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 Credit Obligor

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 Credit Obligor may (but shall not be required to) make advances to effect performance of 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 Post Default Rate (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 Credit Obligor

The Credit Obligor, 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 Credit Obligor 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 Credit Obligor 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 Credit Obligor 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 User or the Credit Obligor 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, 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,

M.D. Henry Company, Inc.
120 Clark Street
Pelham, Alabama 35124

(2) if to the Credit Obligor,

AmSouth Bank
PO Box 11007
Birmingham, Alabama 35288

(b) The User and the Credit Obligor may specify a different address for the receipt of such documents by mail by giving notice of the change in address to the other parties identified in this subsection.

(c) 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 three 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 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 9.11 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 9.12 Governing Law

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

SECTION 9.13 Counterparts

This Mortgage 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.

SECTION 9.14 No Obligations with Respect to Leases

The Credit Obligor shall not by virtue of this Mortgage or otherwise assume any duties, responsibilities, liabilities or obligations with respect to the Leases or any of the other Collateral (unless expressly assumed by the Credit Obligor under a separate agreement in writing), and this Mortgage shall not be deemed to confer on the Credit Obligor any duties or obligations that would make the Credit Obligor directly or derivatively liable for any person's negligent, reckless or wilful conduct. The User agrees to defend, indemnify and save harmless the Credit Obligor from and against any and all claims, causes of action and judgments relating to the User's performance of its duties, responsibilities and obligations under Leases with respect to any of the other Collateral.

IN WITNESS WHEREOF, the User has caused this instrument to be executed in its name, under seal, and the same attested, by officers thereof duly authorized thereunto, on and as of the date and year first above written.

M.D. HENRY COMPANY, INC.

By *Pat Henry*
Its *President*

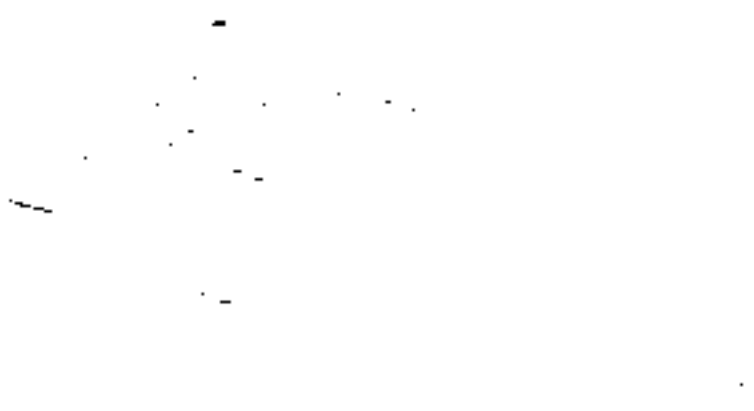
SEAL

Attest: *Julia D. Henry*
Its: *Secy*

STATE OF ALABAMA
SHELBY COUNTY

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Patrick Henry, whose name as President of M.D. Henry Company, Inc., an Alabama 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 such corporation.

Given under my hand and seal this the 21st day of June, 2001.


David B. Nigelstein II
Notary Public

NOTARIAL SEAL

My commission expires: October 13, 2003

EXHIBIT A

Project Site

The description of the Project Site is set forth on the attached page.

EXHIBIT "A"

PARCEL I:

Lots 7-B and 8-B, according to a Resurvey of Ralph Tully Industrial Park, recorded in Map Book 6, page 89, in the Probate Office of Shelby County, Alabama.

PARCEL II:

Commence at the SE corner of the NE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 23, Township 20 South, Range 3 West, Shelby County, Alabama; thence run in a Westerly direction along the South line of said $\frac{1}{4}$ - $\frac{1}{4}$ a distance of 812.44 feet to a point on the Westerly right of way line of a public road; thence turn an angle to the left of $109^{\circ}37'18''$ and run in a Southeasterly direction along said Westerly right of way of said public road a distance of 402.86 feet; thence turn an angle to the right of $93^{\circ}31'30''$ and run in a Southwesterly direction 430.14 feet to the point of beginning; thence turn an angle to the right of $86^{\circ}12'$ and run in a Northwesterly direction 417.0 feet; thence $86^{\circ}12'$ to the left and run in a Southwesterly direction 325.0 feet to a point on the Easterly right of way line of a public road; thence $93^{\circ}48'$ to the left and run in a Southeasterly direction along said Easterly right of way line of said public road a distance of 417.0 feet; thence $86^{\circ}12'$ to the left and run in a Northeasterly direction 325.0 feet to the point of beginning.

EXHIBIT B

Equipment

Description of Personal Property and Fixtures

(a) All building materials, equipment, fixtures, tools, apparatus and fittings of every kind or character now owned or hereafter acquired by M.D. Henry Company, Inc. for the purpose of, or used or useful in connection with, the Project, wherever the same may be located, including, without limitation, all lumber and lumber products, bricks, stones, building blocks, sand, cement, roofing materials, paint, doors, windows, hardware, nails, wires, wiring, engines, boilers, furnaces, tanks, motors, generators, switchboards, telephones, telecopy, and other communication equipment and facilities, computers, printers, copy machines, fire detection, suppression and extinguishment facilities, elevators, escalators, plumbing, plumbing fixtures, air-conditioning and heating equipment and appliances, electrical and gas equipment and appliances, stoves, refrigerators, dishwashers, hot water heaters, garbage disposers, trash compactors, other appliances, carpets, rugs, window treatments, lighting, fixtures, pipes, piping, decorative fixtures, and all other building materials, equipment and fixtures of every kind and character used or useful in connection with the Project.

(b) The Personal Property and Fixtures described on the following pages.

Inst # 2001-26155

06/26/2001-26155
08:41 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
030 MB 99.00