THIS INSTRUMENT PREPARED BY:

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Tax Parcel ID No. 02-7-35-0-001-002

STATE OF ALABAMA)
SHELBY COUNTY)

COMBINATION MORTGAGE, SECURITY AGREEMENT AND FIXTURE FINANCING STATEMENT

This Mortgage, Security Agreement and Fixture Financing Statement (the "Mortgage") is made this 27th day of August, 2001, between GAC Footstore LLC, a Delaware limited liability company, the mortgagor and debtor ("Borrower," whether one or more), and Home Federal Savings Bank, a corporation under the laws of the State of Minnesota, the mortgagee and secured party ("Lender").

RECITALS

A. At the same time this Mortgage is executed, Lender is loaning to Borrower the sum of Three Million Two Hundred Forty-two Thousand and no/100 ($3,242,000.00) Dollars, evidenced by a Construction and Term Loan Agreement ("Loan Agreement"), dated the same date as the Mortgage.

B. This loan is evidenced by Borrower's promissory note ("Note") dated the same date as this Mortgage, payable to the order of Lender in the principal amount set forth above with interest at the rates and with the adjustments provided in the Note and in this Mortgage.

C. Lender has required the execution and delivery of this Mortgage and of an Assignment of Rents and Leases (the "Assignment") dated the same date as this Mortgage as a condition to making the loan.

I. GRANT OF MORTGAGE

In consideration of the sum of Three Million Two Hundred Forty-two Thousand and no/l00 ($3,242,000.00) Dollars paid by Lender to Borrower, Borrower hereby mortgages, grants, bargains, sells, assigns, transfers and conveys to Lender, forever, all the tracts or parcels of land, together with all previously or subsequently vacated streets and alleys adjoining these tracts or parcels ("Land") located in the County of Shelby, State of Alabama, and described in the attached Exhibit "A" which is a part of this Mortgage, together with all of Borrower's right, title and interest in and to:

A. All buildings, structures and other improvements now standing or at any later time constructed or placed upon the Land;

B. All hereditaments, easements, appurtenances, riparian rights, rents, issues, profits, condemnation awards, mineral rights and water rights now or later belonging or in any way pertaining to the Land or to any building now or later located on the Land and all the estates, rights and interests of Borrower in the Land;

C. All lighting, heating, ventilating, air-conditioning, sprinkling and plumbing apparatus and fixtures, water and power systems, engines and machinery, boilers, furnaces, oil burners, elevators and motors, communications systems, dynamos, transformers, security systems, electrical equipment, and all other fixtures of every description located in or on or used or intended to be used with the Land or any building now or later located on the Land;

D. All equipment, trade fixtures, building materials, furniture, furnishings, inventory, maintenance equipment, and all other personal property now or later located on or about the Land or any buildings or other improvements now or later located on the Land and used in connection with the use, operation or maintenance of the buildings or improvements; and

E. All additions, accessions, increases, parts, fittings, accessories, replacements, substitutions, betterments, repairs, products and proceeds to any of the foregoing.

All the foregoing, together with the Land, is called the "Property."

II. PURPOSE OF MORTGAGE

This Mortgage secures:

A. The payment of the indebtedness evidenced by the Note, including all interest, and all renewals, extensions and modifications of the Note, and any note issued in substitution for the Note;

B. The payment of all other sums with interest that Lender advances in accordance with this Mortgage, the Assignment, and any other instrument securing payment of the Note; and

C. The performance of all the covenants and agreements of Borrower contained in the Loan Agreement, the Note, this Mortgage or the Assignment.

The indebtedness evidenced by the Note and all other sums described above owed by Borrower to Lender, or advanced under this Mortgage, are called the "Indebtedness."

III. CONDITIONS FOR RELEASE OF MORTGAGE

Lender is to have and to hold the Property forever. If, however, Borrower:

A. Pays to Lender as and when due and payable all the principal of and interest on the Note and all other Indebtedness; and

B. Keeps and performs each covenant and agreement of Borrower contained in the Loan Agreement, the Note, this Mortgage and the Assignment;

Then this Mortgage and the estate granted by this Mortgage cease and become void and Lender shall release this Mortgage of record at the expense of Borrower; otherwise this Mortgage remains in full force and effect.

IV. COVENANTS OF BORROWER

Borrower represents, warrants and covenants to and with Lender that:

A. Borrower is lawfully seized of the Land in fee simple and has good right and full power and authority under applicable law and under its Articles of Incorporation and Operating Agreement to execute this Mortgage and to mortgage the Property;

B. The Property is free from all liens, security interests and encumbrances except those listed in the attached Exhibit "B" which is a part of this Mortgage (the "Permitted Encumbrances");

C. Borrower will warrant and defend the title to the Property and the lien and priority of this Mortgage against all claims and demands of all persons, whether now existing or later arising, other than the Permitted Encumbrances; and

D. All buildings and improvements now or later located on the Land are or will be located entirely within the boundaries of the Land or within easement areas which Land is benefited by.

The covenants and warranties of this Article survive foreclosure of this Mortgage and run with the Land.

V. PAYMENT OF INDEBTEDNESS AND INTEREST

Borrower shall promptly pay when due the principal of and interest on the Note according to the terms of the Note, and all other Indebtedness, when and as due and payable. The provisions of the Note are a part of this Mortgage by reference as fully as if set forth at length in this Mortgage.

VI. FUND FOR TAXES AND ASSESSMENTS

A. **Monthly Payment**. Subject to a written waiver by Lender, Borrower shall pay to Lender on the day monthly installments of interest, or principal and interest, are payable under the Note, until the Note is paid in full, a sum (the "Funds") equal to one-twelfth (1/12th) of the yearly taxes, assessments and other similar charges levied against the Property, as estimated initially and from time to time by Lender, to pay these taxes and assessments. Lender shall apply the Funds to pay these taxes and assessments prior to the date that penalty attaches for nonpayment so long as the amount of the Funds held by Lender is sufficient at that time to make those payments.

B. **General Provisions**. Lender shall pay interest on the Funds. The Funds are not trust funds. Lender may hold the Funds in any manner Lender elects and may commingle the Funds with other monies held by Lender. The Funds are pledged as additional security for the Indebtedness.

C. **Excess or Shortage of Funds**. If the amount of the Funds held by Lender exceeds at any time the amount Lender considers necessary to pay the taxes and assessments, Lender shall, at Lender's option, either repay the excess to Borrower or credit the excess to Borrower on the next monthly installment of Funds due. If at any time the amount of the Funds held by Lender is less than the amount Lender considers necessary to pay taxes and assessments as they fall due, Borrower shall promptly pay to Lender any amount necessary to make up the deficiency upon notice from Lender to Borrower requesting payment of the amount.

D. **Events of Default**. If any Event of Default occurs, Lender may apply, in any order Lender determines in Lender's sole discretion, any Funds then held by Lender, to pay taxes and assessments which are then or will later become due or as a credit against the Indebtedness. When all Indebtedness is paid in full, Lender shall promptly refund to Borrower any Funds held by Lender.

VII. APPLICATION OF PAYMENTS

Lender shall apply all payments received from Borrower under the Loan Agreement, the Note, this Mortgage or the Assignment, in the following order of priority:

A. Amounts payable to Lender by Borrower under Article VI titled "Fund for Taxes and Assessments;"

B. Interest payable on advances made under Article XV titled "Protection of Lender's Security;"

C. Principal of advances made under Article XV titled "Protection of Lender's Security;"

D. Interest payable on the Note;

E. Principal of the Note; and

F. Any other sums secured by this Mortgage, in the order of application Lender determines.

VIII. PAYMENT OF TAXES, ASSESSMENTS AND OTHER CHARGES

A. **Payment**. Subject to payments in the manner provided under Articles VI and XII titled "Fund for Taxes and Assessments" and "Permitted Contests," Borrower shall pay before a penalty attaches for nonpayment, all taxes and assessments and all other charges levied upon or assessed or placed against the Property. Borrower may, however, pay assessments in installments so long as no fine or penalty is added to any installment for the nonpayment of the assessment. Borrower shall likewise pay any and all governmental levies or assessments which:

   1. Are assessed or imposed upon all or any part of the Property or become due and payable and

   2. Create or appear to create a lien upon all or any part of the Property.

   These governmental levies or assessments include but are not limited to maintenance charges; owner association dues, charges or fees; and levies or charges resulting from covenants, conditions and restrictions affecting the Property. Borrower shall also pay all taxes, assessments and other charges levied upon, assessed against, or measured by, this Mortgage, the recording of this Mortgage, or the Indebtedness.

B. **Change in Law**. If any legislative action or judicial decision after the date of this Mortgage:

1. Imposes upon Lender the obligation to pay any of the taxes, assessments or other charges described in paragraph A above;

2. Deducts the amount secured by this Mortgage or any other lien from the value of the Property for the purpose of taxation; or

3. Changes in any way the laws now in force for the taxation of mortgages or debts secured by mortgages, or the manner of the operation or collection of any of these taxes so as to affect the interests of Lender;

Then, Borrower shall bear and pay the full amount of these taxes, assessments or other charges.

C. **Failure to Pay**. Notwithstanding the foregoing provisions of this Article, Lender may declare the whole sum secured by this Mortgage, with interest, immediately due and payable, if:

1. Borrower fails to pay these taxes, assessments or other charges when due;

2. For any reason payment by Borrower of any of these taxes, assessments or other charges is unlawful; or

3. The payment of these taxes, assessments or other charges renders the indebtedness evidenced by the Note usurious.

D. **Notices; Receipts**. Borrower shall promptly furnish to Lender all notices received by Borrower of amounts due under this Article. If Borrower pays directly, Borrower shall promptly furnish to Lender receipts showing these payments.

IX. PAYMENT OF UTILITY CHARGES

Subject to the article titled "Permitted Contests," Borrower shall pay all charges from public or private utility companies for electricity, gas, heat, water or sewer furnished or used in connection with all or any part of the Property. Borrower shall, upon written request of Lender, furnish proper receipts showing payment.

X. LIENS

Subject to the article titled "Permitted Contests," Borrower shall not create, incur or suffer to exist any lien, encumbrance or charge on all or any part of the Property, other than the Permitted Encumbrances.

That any lien which may be filed under the provisions of the statutes of Alabama, relating to the liens of mechanics and materialmen, shall be promptly paid and discharged by Mortgagor and shall not be permitted to take priority over the lien of said Mortgage, provided that Mortgagor, upon first furnishing to Mortgagee reasonable security for the payment of all liability, costs, and expenses of the litigation, may in good faith contest, at Mortgagor's expense, the validity of any such lien or liens. In those instances where Mortgagee's title policy protects it against such lien or liens such title policy shall be deemed to be sufficient security. Determination of whether said title policy protects Mortgagee shall be made solely by Mortgagee and shall be binding upon Mortgagor.

XI. COMPLIANCE WITH PERMITTED ENCUMBRANCES AND LAWS

Subject to the article titled "Permitted Contests," Borrower shall comply with all present and future statutes, laws, rules, orders, regulations and ordinances:

A. Affecting all or any part of the Property or the use of the Property; or

B. Requiring any ordinary or extraordinary or foreseen or unforeseen repairs, changes, alterations or improvements, whether structural or otherwise;

and shall comply with all covenants, conditions and restrictions applicable to Borrower in any Permitted Encumbrance document.

XII. PERMITTED CONTESTS

Borrower is not required to: (1) pay any tax, assessment or other charge referred to in the article titled "Payment of Taxes, Assessments and Other Charges;" (2) pay any charge referred to in the article titled "Payment of Utility Charges;" (3) discharge or remove any lien, encumbrance or charge referred to in the article titled "Liens;" or (4) comply with any statute, law, rule, regulation or ordinance referred to in the article titled "Compliance with Permitted Encumbrances and Laws;" on the condition that Borrower:

A. Contests, in good faith, the existence, amount or validity of, the amount of damages caused by, or the extent of Borrower's liability for, these taxes, assessments, liens, encumbrances or charges, by appropriate proceedings operating during their pendency to prevent:

1. The collection of or other realization upon the tax, assessment, lien, encumbrance or charge contested;

2. The sale, forfeiture or loss of all or any part of the Property; and

3. Any interference with the use or occupancy of all or any part of the Property; and

B. Gives any security to Lender that Lender demands to ensure compliance with the above promises if Borrower loses the contest.

Borrower shall give prompt written notice to Lender of the commencement, status and resolution of any contest referred to in this Article.

XIII. INSURANCE

A. **Risks to be Insured**. Borrower, at Borrower's sole cost and expense, shall maintain insurance of the following character:

1. Insurance on the buildings, structures and other improvements now existing or later erected on the Land and on the fixtures and personal property included in the Property against loss by fire and other hazards covered by the "all-risk" form of policy, in an amount equal to the actual replacement cost of the buildings, improvements, fixtures and personal property without deduction for physical depreciation. Borrower shall always maintain this insurance in at least an amount equal to the unpaid Indebtedness outstanding at any given time. Borrower shall, at Borrower's sole cost and expense, from time to time, at the request of Lender provide Lender with evidence satisfactory to Lender of the replacement cost of the Property. While any building or other improvement is being constructed or rebuilt on the Land, Borrower shall provide the hazard insurance in a builder's risk completed value form, including coverage available on the "all-risk" non-reporting form of policy for an amount equal to one hundred percent (100%) of the insurable replacement value of the building or other improvement.

2. If the Property includes steam boilers or other equipment for the generation or transmission of steam, insurance against loss or damage by explosion, rupture or bursting of steam boilers, pipes, turbines, engines, and other pressure vessels and equipment, in an amount satisfactory to Lender.

3. If all or any part of the Land is located in a designated official flood-hazardous area, flood insurance insuring the buildings and improvements now existing or later erected on the Land in an amount equal to the lesser of (a) the principal balance of the Note, or (b) the maximum limit of coverage available for buildings and improvements under the Flood Disaster Protection Act of 1973, as amended (United States Code, Title 42, Sections 4001 et seq.), and the regulations issued under this act.

4. Comprehensive general liability insurance for the benefit of Borrower and Lender, naming Lender as an additional insured, protecting against claims arising from any accident or occurrence in or upon the Property, including any sidewalks, streets and ways adjacent to the Property, in an amount acceptable to Lender.

5. While any building or improvement is in the course of being constructed, renovated or rebuilt on the Land, worker's compensation insurance as required by statute.

6. Use and occupancy insurance for loss of income and business interruptions, naming Lender as an additional insured, covering occurrences of any hazard insured against under the fire and extended coverage policy covering the Property in an amount acceptable to Lender.

B. **Policy Provisions**. All insurance policies and renewals maintained by Borrower under this Article shall:

1. Be written by insurance carriers satisfactory to Lender;

2. Contain a waiver of defense based on co-insurance;

3. Except for the comprehensive general liability insurance, contain a standard mortgagee clause in favor of and in a form acceptable to Lender;

4. Be constantly assigned and pledged to and held by Lender as additional security;

5. Contain an agreement of the insurer that it will not cancel or modify the policy except after thirty (30) days' prior written notice to Lender; and

6. Be reasonably satisfactory to Lender in all other respects.

C. **Delivery of Policies**. Borrower shall deliver to Lender copies of policies satisfactory to Lender or certificates satisfactory to Lender showing the insurance required under this Article. Borrower shall promptly furnish to Lender copies of all renewal notices and all receipts of paid premiums received by Borrower. At least thirty (30) days prior to the expiration date of a required policy, Borrower shall deliver to Lender a copy of a renewal policy in form satisfactory to Lender. If Borrower has a blanket insurance policy in force providing coverage for several properties of Borrower, including the Property, Lender shall accept a certificate of this insurance together with a copy of the blanket insurance policy, provided:

1. The certificate sets forth the amounts of insurance and coverage;

2. These amounts are at least equal to the amounts required above; and

3. The original policy of insurance:

   a) Is written by a carrier that carries insurance acceptable to Lender,

   b) Insures against the risks set forth above,

   c) Cannot be amended, modified or canceled without thirty (30) days' prior written notice to any mortgagee of Borrower,

   d) Is in an amount not less than the unpaid principal balance secured by this Mortgage, and

   e) Has a full replacement cost endorsement meeting the requirements of this Article.

D. **Assignment of Policy**. If the Property is sold at a foreclosure sale or if Lender otherwise acquires title to the Property, Lender (or the purchaser at the foreclosure sale) has all the right, title and interest of Borrower in and to any insurance policies required under this Article, their unearned premiums, and the proceeds resulting from any damage to the Property prior to the sale or acquisition.

E. **Notice of Damage or Destruction; Adjusting Loss**. If all or any part of the Property is damaged or destroyed by fire or other casualty, Borrower shall promptly give written notice of the damage or destruction to the insurance carrier and Lender. Borrower shall not adjust any damage or loss that is estimated by Lender in good faith to exceed \$50,000.00 unless Lender joins in the adjustment. If there has been no adjustment of any damage or loss within four (4) months from the date of occurrence and if an Event of Default exists at the end of this four month period or at any later time, Lender may alone make proof of loss, adjust and compromise any claim under the policies, and appear and prosecute any action arising from the policies. In connection with these rights, Borrower hereby irrevocably authorizes, empowers and appoints Lender as attorney-in-fact for Borrower (which appointment is coupled with an interest) to do any of the foregoing in the name and on behalf of Borrower.

F. **Application of Insurance Proceeds**. The insurance carrier shall pay all sums under any insurance policy required in this Article to Lender. At Lender's option, Lender shall apply these sums (after first deducting from these sums Lender's expenses incurred in collecting them, including but not limited to reasonable attorneys' fees) to reduce the Indebtedness or to pay to restore, repair, replace or rebuild the damaged or destroyed Property, in the manner Lender determines. Notwithstanding the foregoing, if, prior to this application, Borrower presents evidence satisfactory to Lender that Borrower can complete the restoration, repair, replacement or rebuilding; that Borrower has or will have sufficient funds (including insurance proceeds) to pay all expenses incurred for the restoration, repair, replacement or rebuilding; and that the Property is not subject to any mechanic's or materialmen's liens; then Lender shall release these sums to Borrower, for the purposes of restoration outlined herein only. Lender agrees that Borrower shall have 30 days after receipt of the sums to provide Lender said evidence. Any application of insurance proceeds does not extend or postpone the due dates of the monthly payments due under the Note or change the amount of these payments.

G. **Reimbursement of Lender's Expenses**. Borrower shall promptly reimburse Lender upon demand for all Lender's expenses incurred in collecting the insurance proceeds, including but not limited to reasonable attorneys' fees. All these expenses, together with interest from the date of disbursement at the rates stated in the Note, are additional amounts secured by this Mortgage. If collection of interest from Borrower at the rate stated in the Note is contrary to applicable law, these amounts bear interest at the highest rate which may be collected from Borrower under applicable law.

XIV. PRESERVATION AND MAINTENANCE OF PROPERTY

Borrower shall:

A. Keep the Property, including the buildings and other improvements, and the equipment, trade fixtures, furnishings, furniture and other personal property, now or later erected or located on the Land, in safe and good repair and condition, except for ordinary depreciation;

B. If all or any part of the Property is damaged or destroyed by fire or other casualty, restore, repair, replace or rebuild the damaged or destroyed Property to the condition it was in immediately prior to the damage or destruction, whether or not any insurance proceeds are available or sufficient for this purpose;

C. Constantly maintain the parking and landscaped areas of the Property;

D. Not commit waste or permit impairment or deterioration of the Property;

E. Not alter or permit the alteration of the design or structural character of any building now or later erected on the Land, or later construct or permit any tenant to construct additions to existing buildings or additional buildings on the Land without the prior written consent of Lender, except to the extent set forth in the Lease; and

F. Not remove or permit removal from the Land of any of the fixtures and personal property included in the Property unless:

1. Borrower immediately replaces them with property of at least equal value and utility; and

2. This Mortgage is a valid first lien on the fixtures and personal property.

XV. PROTECTION OF LENDER'S SECURITY

A. **Right of Lender to Perform**. Subject to the rights of Borrower under the article titled "Permitted Contests," if Borrower fails to perform any of the covenants and agreements contained in this Mortgage or if any action or proceeding is commenced which affects the Property, the interest of Lender in the Property, or the title to the Property, then Lender, at Lender's option, may perform these covenants and agreements, defend against and investigate the action or proceeding, and take any other action Lender thinks is necessary to protect Lender's interest. Lender is the sole judge of the legality, validity and priority of any claim, lien, encumbrance, tax, assessment, charge or premium paid by Lender and of the amount necessary to be paid for their satisfaction. Borrower hereby gives to Lender an irrevocable power of attorney (which power is coupled with an interest) to enter the Property as Borrower's agent in Borrower's name to perform any covenants and agreements Borrower is to perform under this Mortgage.

B. **Repayment by Borrower**. Unless Borrower and Lender agree in writing to other terms of repayment, the amounts described in this Article are immediately due and payable, and bear interest from the date of disbursement at the annual rate stated in the Note, unless collection from Borrower of interest at that rate is contrary to applicable law. In that case these amounts bear interest at the highest rate which Lender may collect from Borrower under applicable law.

C. **General Provisions**. Lender is, at Lender's option, subrogated to the lien of any mortgage or other lien discharged in whole or in part by the Indebtedness or by Lender under the provisions of this Mortgage. Any of these subrogation rights are additional and cumulative security for this Mortgage. Nothing contained in this Article requires Lender to incur any expense or do any act under this Mortgage. Lender is not liable to Borrower for any damages or claims arising out of action Lender takes under this Article.

XVI. INSPECTION

Lender or Lender's agents may at all reasonable times enter the Property:

A. To inspect all or any part of the Property;

B. To perform any covenants, conditions or terms which Borrower has failed to perform, meet or comply with; or

C. For any other purpose concerning the protection or preservation of Lender's security.

Lender does not become liable to Borrower or any person in possession under Borrower by entering the Property. Lender, however, has no duty to inspect the Property.

XVII. FINANCIAL INFORMATION

A. **Financial Statements and Other Information**. Borrower shall prepare or cause to be prepared at Borrower's expense and deliver to Lender (in the number Lender reasonably requests):

1. As soon as practicable after the end of each relevant fiscal year, and in any event within sixty (60) days after the end of the fiscal year:

    a) An unaudited statement of the income from and expenses incurred with respect to the Property for the year, and

    b) An unaudited balance sheet of Borrower as of the end of the fiscal year consisting of the balance sheet of Borrower and the related statements of income, expenses, retained earnings, and changes in financial position of Borrower for the fiscal year then ended. Each of these statements shall set forth in comparative form figures for the previous fiscal year, in reasonable detail and be prepared by a certified public accountant selected by Borrower and accompanied by a certificate of Borrower that each statement is true and correct.

2. Immediately upon becoming aware of the existence of any condition or event which is or which after notice or lapse of time or both would be an Event of Default, written notice specifying the nature and period of existence of the Event of Default and what action Borrower has taken, is taking or proposes to take with respect to the Event of Default.

B. **Books and Records**. Borrower shall keep and maintain at all times at Borrower's address stated below or at any other place Lender approves in writing, complete and accurate books of accounts and records in sufficient detail to reflect correctly the results of the operation of the Property and copies of all written contracts, leases and other instruments affecting the Property. Lender or Lender's representatives may examine and inspect these books, records, contracts, leases and other instruments during ordinary business hours. If Borrower fails to provide the operating statements specified above, Lender has the right to audit Borrower's books and records at Borrower's expense.

XVIII. CONDEMNATION

A. **Award Assigned to Lender**. Borrower hereby irrevocably assigns to Lender any award or payment payable to Borrower because of a taking or acquisition of all the Property, whether directly or indirectly, or temporarily or permanently, in or by condemnation or other eminent domain proceedings (a "Taking"). Immediately upon Borrower receiving a notice that any proceeding or negotiations for a Taking have been instituted, Borrower shall give notice of the proceeding or negotiations to Lender. Lender may appear in these proceedings, participate in any negotiations, and be represented by counsel. Borrower, notwithstanding that Lender is not a party to the proceeding, shall promptly give to Lender copies of all notices, pleadings, judgments, determinations and other papers Borrower receives in the proceeding. Borrower shall not permit or consent to the Taking of all or any part of the Property, or convey the Property in lieu of condemnation, or enter into an agreement for the foregoing, unless Lender shall first consent to the Taking in writing. Borrower and Lender shall adjust all Taking awards. All awards payable as a result of a Taking are to be paid to Lender. Borrower may, at Borrower's option, apply the awards for partial takings, after first deducting Lender's expenses incurred in collecting them, to pay the Indebtedness, whether or not due and in the order of application Lender determines, or to repair or restore the Property, in the manner that Borrower determines. Any application of Taking awards to principal of the Note does not extend or postpone the due dates of the monthly installments payable under the Note or change the amount of the payments.

B. **Removal of Building; Lender's Expenses**. If the Taking involves a taking of any building or other improvement now or later located on the Land, Borrower shall proceed with reasonable diligence to demolish and remove any ruins and complete repair or restoration of the Property as nearly as possible to its respective size, type and character immediately prior to the Taking, whether or not the condemnation awards are available or adequate to complete this repair or restoration, unless Lender has applied the entire condemnation award to pay the Indebtedness. Borrower shall promptly reimburse Lender upon demand for all Lender's expenses (including reasonable attorneys' fees) incurred in collecting or disbursing awards according to this paragraph. All these expenses, together with interest from the date of disbursement at the rate stated in the Note are additional indebtedness secured by this Mortgage. If collection of interest from Borrower at the rate stated in the Note is contrary to law, these amounts bear interest at the highest rate which Lender may collect from Borrower under law.

XIX. HAZARDOUS MATERIALS

A. **Representations and Warranties**. Borrower covenants, represents and warrants to Lender and Lender's successors and assigns that:

1. Borrower has not used or permitted and will not use or permit the Property to be used, whether directly or through contractors, agents or tenants, and to the best of Borrower's knowledge and except as disclosed to Lender in writing, the Property has not at any time been used, for the generating, transporting, treating, storage, manufacture, emission or disposal of any dangerous, toxic or hazardous materials, pollutants, chemicals, wastes or substances as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 (United States Code, Title 42, Sections 9601 et seq.), the Resource Conservation and Recovery Act of 1976, as amended (United States Code, Title 42, Sections 6901 et seq.), the Toxic Substances Control Act, as amended (United States Code, Title 15, Sections 2601 et seq.), the Environmental Response and Liability Act (Minnesota Statutes, Chapter 115B), or any other federal, state or local environmental laws, statutes, regulations, requirements and ordinances ("Hazardous Materials");

2. There have been no investigations and reports involving Borrower or the Property by any governmental authority which in any way pertain to Hazardous Materials;

3. The operation of the Property has not violated and is not currently violating any federal, state or local law, regulation, ordinance or requirement governing Hazardous Materials;

4. The Property is not listed in the United States Environmental Protection Agency's National Priorities List of Hazardous Waste Sites nor any other list, schedule, log, inventory or record of Hazardous Materials or hazardous waste sites, whether maintained by the United States government or any state or local agencies; and

5. The Property does not contain any formaldehyde, urea or asbestos, except as has been disclosed in writing to Lender by Borrower when this Mortgage is executed and delivered.

B. **Indemnification**. Borrower shall indemnify and reimburse Lender, and Lender's successors and assigns, for any breach of these representations and warranties and from any loss, damage, expense or cost arising out of or incurred by Lender caused by a breach of, misstatement in or misrepresentation of the above covenants, representations and warranties, together with all attorneys' fees incurred in the defense of any action against Lender arising out of the foregoing. These covenants, representations and warranties are continuing covenants, representations and warranties for the benefit of Lender and any successor or assign of Lender, including any purchaser at a mortgage foreclosure sale, any transferee of the title of Lender, or any subsequent purchaser at a foreclosure sale, and any subsequent owner of the Property. These covenants, representations and warranties survive any foreclosure of this Mortgage and any acquisition of title by Lender or anyone claiming the title of Lender through or under this Mortgage. The amount of all indemnified loss, damage, expense or cost, bears interest at the rate of interest in effect on the Note, as additional Indebtedness, and is immediately due and payable in full on demand of Lender or Lender's successors and assigns.

C. **Environmental Tests**. When an Event of Default occurs or if Lender has received information which leads Lender, in Lender's sole discretion, to believe that a Hazardous Material is present on or is being handled, stored, transported, manufactured, released, or disposed of in, on or about the Property, Lender may, at Lender's option, through its employees, agents or independent contractors, enter the Property and obtain, at Borrower's expense, environmental tests (including core drilling), studies, investigations and reports from a reputable environmental consultant chosen by Lender. If any environmental report indicates any presence, handling, storage, transportation, manufacture, release or disposal of Hazardous Materials in, on or about the Property, Lender may require Borrower, at Borrower's expense, to refrain from and take remedial action on the presence, handling, storage, transportation, manufacture, release or disposal of Hazardous Materials to the satisfaction of Lender.

XX. TRANSFER OR FURTHER ENCUMBRANCE OF PROPERTY

A. **No Transfer**. Borrower shall not sell, convey, transfer or encumber any interest in all or any part of the Property (or permit any sale, conveyance, transfer or encumbrance to occur or to remain) without the prior written consent of Lender. This provision applies to each sale, conveyance, transfer and encumbrance, whether voluntary or involuntary, and whether or not Lender has consented to any prior sale, conveyance, transfer or encumbrance. This provision does not apply to the leasing of the property pursuant to the Lease, but does prohibit transfer of the Lease subsequent to this Mortgage.

B. **Acknowledgment**. Borrower acknowledges that any secondary financing placed upon the Property:

1. May divert funds that would otherwise be used to pay the Indebtedness;

2. Could result in acceleration and foreclosure by a junior encumbrancer that would force Lender to take measures and incur expenses to protect Lender's security; and

3. Would impair Lender's ability to accept a deed in lieu of foreclosure from Borrower because Lender may need to foreclose to clear the title to the Property.

XXI. SECURITY INTEREST

A. **Security Agreement**. This Mortgage is a security agreement as defined in the State of Alabama Uniform Commercial Code -- Secured Transactions. Borrower hereby grants Lender a security interest in all personal property and fixtures included in the Property as more specifically described in the article titled "Grant of Mortgage," including any replacements, renewals, substitutions, products or proceeds of or for these fixtures and personal property. Borrower shall, from time to time, at the request of Lender, execute any financing statements covering the personal property and fixtures (in a form satisfactory to Lender) as Lender reasonably considers necessary or appropriate to perfect Lender's security interest. Borrower shall pay to Lender on demand, the amount of any costs and expenses (including reasonable attorneys' fees and legal expenses) Lender pays or incurs in exercising any right or remedy referred to in this Article.

B. **Substitutions**. Where Borrower in Borrower's sound discretion determines that any item subject to a security interest under this Mortgage is inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary to operate the Property, Borrower may, at Borrower's expense, remove and dispose of it and substitute and install other items not necessarily having the same function. This removal and substitution shall not, however, impair the operating utility and unity of the Property. All substituted items are part of the Property and subject to the lien of this Mortgage.

C. **Financing Statement**. From the date of its recording, this Mortgage is effective as a financing statement filed as a fixture filing for all goods which are part of the Property (as more particularly described in the article titled "Grant of Mortgage") which are or are to become fixtures related to the real estate described in this Mortgage. For this purpose, the following information is set forth:

1. The name, address and federal identification number of the debtor:

   GAC Footstore LLC
   Attn: Gus A. Chafoulias
   111 South Broadway, Suite 301
   Rochester, Minnesota 55904
   Federal Identification Number: [redacted]

2. The name and address of the secured party:

   Home Federal Savings Bank
   1110 Sixth Street Northwest
   Rochester, Minnesota 55901

3. This Mortgage covers goods which are, or are to become, fixtures on the Land.

4. The name of the record owner of the Land is:

   GAC Footstore LLC
   Attn: Gus A. Chafoulias
   111 South Broadway, Suite 301
   Rochester, Minnesota 55904

5. Products and proceeds of the collateral are also covered.

XXII. EVENTS OF DEFAULT

A. An Event of Default as provided in Article 6.1 of the Construction and Term Loan Agreement between Borrower and Lender which are incorporated by reference and made a part hereof.

XXIII. ACCELERATION; FORECLOSURE

When an Event of Default occurs, Lender may, at Lender's option, exercise one or more of the following rights and remedies (and any other rights and remedies available to Lender):

A. Lender may, by written notice to Borrower, declare immediately due and payable all unmatured Indebtedness, and the Indebtedness is then immediately due and payable, without further notice or demand.

B. Lender has and may exercise on all personal property and fixtures which are part of the Property all the rights and remedies given upon default to a secured party under the Uniform Commercial Code in effect in the State of Alabama. If notice to Borrower of the intended disposition of any property is required by law in a particular instance, the notice is commercially reasonable if given to Borrower (in the manner specified in the article titled "Notices") at least ten (10) calendar days prior to the date of intended disposition. Borrower shall pay on demand all costs and expenses incurred by Lender in exercising these rights and remedies, including but not limited to reasonable attorneys' fees and legal expenses, including legal staff.

C. Lender may (and is authorized and empowered to) foreclose this Mortgage under the statutes of the State of Alabama. Borrower expressly grants to Lender the power to:

   1. The Lender shall have the right to enter upon and take possession of said property and after, or without, taking such possession of the same, sell the mortgaged property at

public outcry, in front of the courthouse door of the county wherein said property is located, to the highest bidder for cash, either in person or by auctioneer, after first giving notice of the time, place and terms of such sale by publication once a week for three (3) consecutive weeks in some newspaper published in said county, and, upon the payment of the purchase money, the Lender or any person conducting said sale for it is authorized and empowered to execute to the purchaser at said sale a deed to the property so purchased in the name and on behalf of Borrower, and the certificate of the holder of the mortgage indebtedness, appointing said auctioneer to make such sale, shall be prima facie evidence of his authority in the premises, or the equity of redemption from this Mortgage may be foreclosed by suit in any court of competent jurisdiction as now provided by law in the case of past due mortgages. The Lender, or the then holder of the indebtedness hereby secured, may bid at any such sale and become the purchaser of said property if the highest bidder therefore. The proceeds of any such sale shall be applied (a) to the expenses incurred in making the sale and in all prior efforts to effect collection of the indebtedness secured hereby, including a reasonable attorney's fees, for such services as may be, or have been necessary in any one or more of the foreclosure of this Mortgage, of the collection of said indebtedness, and of the pursuit of any efforts theretofore directed to that end, including, but without limitation to, the defense of any proceedings instituted by the Borrower or anyone liable for said indebtedness or interest in the mortgaged premises to prevent or delay, by any means, the exercise of said power of sale on the foreclosure of this Mortgage; (b) to the payment of whatever sum or sums Lender may have paid out or become liable to pay, in carrying out the provisions of this

Mortgage, together with interest thereon; (c) to the payment and satisfaction of said principal indebtedness and interest thereon to the day of sale; and (d) the balance, if any, shall be paid over to Borrower or Borrower's successors or assigns. In any event, the Purchaser under any foreclosure sale, as provided herein, shall be under no obligation to see to the proper application of the purchase money.

Borrower agrees to pay these costs, charges and fees.

XXIV. ESTOPPEL CERTIFICATE

Borrower shall, at any time and from time to time, upon not less than fifteen (15) days' prior notice by Lender, execute, acknowledge and deliver, without charge, to Lender or to any person designated by Lender, a statement in writing:

A. Certifying that:

1. This Mortgage is unmodified (or if there have been modifications, identifying the modifications by their date and specifying their nature);

2. Borrower has not received any notice of default or notice of acceleration or foreclosure of this Mortgage (or if Borrower has received a notice, that it has been revoked, if that is the case);

3. To the knowledge of Borrower, no Event of Default exists under this Mortgage (or if any Event of Default exists, specifying the Event of Default and stating that it has been cured, if that is the case); and

4. Borrower has no claims or offsets against Lender (or if Borrower has any claim, specifying it); and

B. Setting forth:

1. The principal amount then secured by this Mortgage and the unpaid balance of the Note;

2. The dates to which interest and the other sums and charges payable by Borrower under the Note have been paid; and

3. Any other information reasonably required by Lender.

XXV. FORBEARANCE NOT A WAIVER; RIGHTS AND REMEDIES CUMULATIVE

No delay by Lender in exercising any right or remedy provided in this Mortgage or otherwise afforded by law or equity is a waiver of or precludes the exercise of the right or remedy. No waiver by Lender of any particular provision of this Mortgage is effective unless in a writing signed by Lender. All the rights and remedies in this Mortgage or which Lender or the holder of the Note may otherwise have, at law or in equity, are distinct, separate and cumulative and may be exercised concurrently, independently or successively in any order whatsoever, and as often as needed. A Taking action under the article titled "Condemnation" or receiving proceeds, awards or damages under the articles titled "Insurance" or "Condemnation" do not impair any right or remedy available to Lender under the article titled "Acceleration; Foreclosure." Lender may, at the option of Lender, rescind by written acknowledgment to that effect, acceleration and maturity of the Note, when claimed under this Mortgage. The tender and acceptance of partial payments on the Note does not in any way affect or rescind the acceleration of maturity of the Note.

XXVI. WAIVER OF MARSHALLING

Borrower, any party who consents to this Mortgage, and any party who now or later acquires a lien on the Property and who has actual or constructive notice of this Mortgage, hereby waive any right to require the marshalling of assets in connection with the exercise of any remedy permitted by applicable law or provided in this Mortgage.

XXVII. FURTHER ASSURANCES

From time to time until the Indebtedness is paid in full Borrower shall, at the request of Lender, promptly execute and deliver to Lender any additional instruments reasonably required to evidence the lien of this Mortgage and further protect the security interest of Lender on the Property, including but not limited to additional security agreements, financing statements and continuation statements. Any expenses incurred by Lender in preparing and recording any of these instruments, including but not limited to reasonable attorneys' fees, are additional Indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree in writing to other terms of repayment, these amounts are immediately due and payable, and bear interest from the date of disbursement at the annual rate stated in the Note. If collection of interest from Borrower at the annual rate stated in the Note is contrary to applicable law, these amounts bear interest at the highest rate which may be collected from Borrower under applicable law.

XXVIII. NOTICES

Any notice from Lender to Borrower under this Mortgage is considered to have been given by Lender and received by Borrower if mailed by first-class or certified mail by Lender to Borrower at the following address or at any other address Borrower designates in writing to Lender:

GAC Footstore LLC
Attn: Gus A. Chafoulias
111 South Broadway, Suite 301
Rochester, Minnesota 55904

XXIX. PRODUCTION OF DOCUMENTS

Borrower shall, while this Mortgage is in full force and effect furnish Lender with the documents, instruments and papers Lender requests from time to time in order for Lender to effectuate a sale or a participation in the loan evidenced by the Note and this Mortgage.

XXX. SURVIVAL OF COVENANTS

Foreclosure of this Mortgage does not affect or limit any right or remedy of Lender on account of any breach by Borrower of the terms of this Mortgage occurring prior to the foreclosure sale, except to the extent of the amount bid at the foreclosure sale.

XXXI. GOVERNING LAW; SEVERABILITY

This Mortgage is governed by the substantive laws of the State of Alabama If any provision or clause of this Mortgage conflicts with applicable law, the conflict does not affect other provisions of this Mortgage which can be given effect without the conflicting provisions. To this end, the provisions of this Mortgage are declared to be severable.

XXXII. SUCCESSORS AND ASSIGNS BOUND; NUMBER; GENDER; AGENT; CAPTIONS; AMENDMENTS

The covenants and agreements in this Mortgage bind, and the rights under this Mortgage are enforceable by Lender and Borrower and their respective heirs, legal representatives, successors and assigns. This Article does not limit, however, the effect of the article titled "Events of Default." Wherever used, the singular number includes the plural, the plural the singular, and the use of any gender applies to all genders. Captions and headings of the articles and paragraphs in this Mortgage are for convenience and reference only and are not to be used to interpret or define the provisions of this Mortgage. No amendment of this Mortgage is effective unless in a writing executed by Borrower and Lender.

XXXIII. COUNTERPARTS

Borrower may execute this Mortgage in any number of counterparts, each of which is an original, but all of which together are one instrument.

BORROWER BY EXECUTING AND LENDER BY ACCEPTING THIS MORTGAGE AGREE TO ALL ITS TERMS.

GAC FOOTSTORE LLC

By______________________

Gus A. Chafoulias, Its Manager

STATE OF MINNESOTA)
OLMSTED COUNTY)

I, the undersigned Notary Public, in and for said Olmsted County, in said State, hereby certify that Gus A. Chafoulias, whose name as Chief Manager of GAC Footstore LLC, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Mortgage, he as such officer, and with full authority, executed the same voluntarily, as the act of said limited liability company.

Given under my hand and official seal, this the 27th day of August, 2001.

LOIS BLUHM
NOTARY PUBLIC-MINNESOTA
MY COMMISSION EXPIRES 1-31-2005

Lois Bluhm
NOTARY PUBLIC
My Commission Expires: 1/31/05

EXHIBIT "A"

Legal Description

Lot 2, according to the Survey of River Ridge, as recorded in Map Book 26, Page 14, in the Probate Office of Shelby County, Alabama.

EXHIBIT "B"

This Mortgage is subject to the following liens and encumbrances (the "Permitted Encumbrances"):

1. Taxes and assessments for the year 2001, and subsequent years, which are not yet due and payable.

2. Mineral and mining rights and rights incident thereto recorded in Volume 289, Page 374 and Deed Volume 335, Page 58, in the Probate Office of Shelby County, Alabama.

3. Restrictions or Covenants recorded in Instrument 1999/38032, in the Probate Office of Shelby County, Alabama.

4. Rights of others in and to the Reciprocal Easement as recorded in Instrument 1999/38039 in the Probate Office of Shelby County, Alabama.

5. Operation and Easement Agreement recorded in Instrument 1999/38041, and corrected by Scrivener's Affidavit recorded in Instrument 200104/4979, in the Probate Office of Shelby County, Alabama.

6. 20 foot Sanitary Sewer Easement crossing east corner of lot, as shown by recorded Map.

7. Construction, Operations, Restrictions and Reciprocal Easements Agreement recorded in Instrument 2001-37114, in the Probate Office of Shelby County, Alabama.

8. Declaration of Covenants and Restrictions for Cahaba River Park appearing of record in Misc. Volume 9, Page 513. Amendment to Restrictive Covenants filed for record in Misc. Volume 42, page 428. Second Amendment to Restrictive Covenants recorded in Misc. Volume 52, page 969. Third Amendment to Restrictive Covenants recorded in Real 238, Page 916. Easement and Fourth Amendment to Restrictive Covenants recorded in Real 271, Page 363. Fifth Amendment to Restrictive Covenants recorded in Real 271, page 380, in the Probate Office of Shelby County, Alabama. Sixth Amendment and Restatement of Certain Provisions of Restrictive Covenants recorded in Instrument 1992/10301, as modified by Consent and Waiver as to Restrictive Covenants recorded in Instrument 1999/38031. All in the Probate Office of Shelby County, Alabama.

Inst # 2001-37116

08/29/2001-37116
09:00 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
025 MSB 4946.00