

STATE OF ALABAMA     )

SHELBY COUNTY         )

Inst # 2002-11075

03/07/2002-11075  
12:30 PM CERTIFIED

SHELBY COUNTY JUDGE OF PROBATE

**THIRD AMENDMENT TO MORTGAGE, ASSIGNMENT  
OF LEASES AND SECURITY AGREEMENT**  
(Shelby County, Alabama)

THIS THIRD AMENDMENT TO MORTGAGE, ASSIGNMENT OF LEASES AND SECURITY AGREEMENT ("**Amendment**") is made as of March 6<sup>th</sup>, 2002 and is by and among THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF COLUMBIANA, a public corporation organized under the laws of the State of Alabama (the "**Issuer**"), and ELASTIC CORPORATION OF AMERICA, INC., a Delaware corporation ("**ECA**"), and AMSOUTH BANK ("**ASB**"), individually and as agent (ASB in its capacity as agent being hereinafter referred to as "**Agent**") for Lenders (as "**Lenders**" is defined in the Loan and Security Agreement referred to below).

**RECITALS**

A. Issuer and NFA Corp. executed and delivered to ASB a certain Mortgage, Assignment of Leases and Security Agreement dated June 1, 1992 and recorded in the office of the Judge of Probate of Shelby County, Alabama (the "**JOP Office**") on June 29, 1992, as Instrument Number 1992-12551, as amended by a certain First Amendment to Mortgage, Assignment of Leases and Security Agreement dated May 1, 1997 and recorded as Instrument Number 1997-17480 in the JOP Office and a certain Second Amendment to Mortgage, Assignment of Leases and Security Agreement dated December 1, 1997 executed by the Issuer, ECA (as assignee of NFA Corp.) and ASB and recorded as Instrument Number 1997-39778 in the JOP Office (said Mortgage, Assignment of Leases and Security Agreement, as so amended, assigned and assumed, being hereinafter referred to as the "**Mortgage**"), covering the real estate more particularly described in attached **Exhibit A**. The Mortgage secures the obligations of said ECA as assignee and assumptor of NFA Corp., under a certain Credit Agreement dated June 1, 1992 (as heretofore amended, assigned and assumed, the "**Credit Agreement**") to reimburse ASB for all amounts drawn under a certain letter of credit in the amount of \$8,550,000 in favor of the Trustee pursuant to a certain Trust Indenture dated June 1, 1992 (said letter of credit, as amended, modified, renewed or replaced from time to time being hereinafter referred to as the "**IRB Letter of Credit**"). All obligations of said NFA Corp. under the Credit Agreement and the Mortgage were assumed by ECA.

B. The Credit Agreement is being amended and restated in its entirety by a certain Loan and Security Agreement of even date herewith (said Loan and Security Agreement, together with all amendments, supplements, modifications and replacements thereof, being hereinafter referred to as the "**Loan Agreement**") by and between Worldtex, Inc., Regal Manufacturing Company, Inc., and ECA, and such other borrowers as may from time to time become signatory to the Loan Agreement as borrowers (collectively,

"Borrowers"), ASB, as a Lender and as Agent for all Lenders, and AmSouth Capital Corp., as Administrative Agent ("Administrative Agent"), and Lenders. Pursuant to the Loan Agreement, Lenders have agreed to make loans to Borrowers and extend other financial accommodations to Borrowers in an aggregate principal amount of \$38,000,000 (collectively, the "Loans"). The Loans consist of (i) revolving loans in a maximum principal amount of \$25,000,000.00 (the "Revolving Loans"), and (ii) term loans in the aggregate principal amount of \$13,000,000.00 (the "Term Loans"), which term loans are evidenced by one or more notes in the aggregate principal amount of \$13,000,000.00 (said notes, together with all amendments, supplements, modifications and full or partial replacements thereof, being hereinafter referred to as the "Notes"). Furthermore, in the Loan Agreement, Borrowers have agreed to reimburse ASB for all amounts drawn under the IRB Letter of Credit, which reimbursement obligations may be satisfied with the proceeds of the Loans.

C. The parties hereto now wish to amend the Mortgage to secure all obligations of ECA under the Loan Agreement.

### AGREEMENTS

1. Capitalized terms used in this Amendment and not otherwise defined herein have the meanings defined for them in the Mortgage. This Amendment is subject to the provisions set forth in paragraph (1) through (6) of Section 1.01 of the Mortgage.

2. All references to "Credit Agreement" in the Mortgage hereafter shall refer to the Credit Agreement as amended and restated in its entirety by the Loan Agreement (as defined above), together with all amendments, supplements, modifications and replacements thereof.

3. The Mortgage is hereby amended to secure all obligations of ECA under the Loan Agreement, including without limitation the Loans and the obligations of ECA to reimburse ASB and Lenders for all amounts drawn under the IRB Letter of Credit (specifically including all future advances arising thereunder).

4. All references in the Mortgage to the "Bank" shall mean ASB, individually and as Agent.

5. All references in the Mortgage to the "Obligations" shall mean ECA's obligation to reimburse ASB, Agent and Lenders for all amounts drawn under the IRB Letter of Credit and all obligations of Borrowers under the Loan Agreement, including without limitation, the Loans and the Notes (including all future advances thereunder).

6. Article 6 of the Mortgage is hereby amended to specifically add (in addition all other requirements already set forth therein) the requirement of the repayment of all future advances and the termination of the obligation of Lenders to make advances of credit under the Credit Agreement (as amended and restated by the Loan Agreement) before any defeasance of the Mortgage shall occur.

7. In the event of any inconsistency between the terms and provisions of the Mortgage and the terms and provisions of the Loan Agreement, the Loan Agreement shall control. The Mortgage is hereby amended to conform to the terms hereof. Except as amended hereby, the Mortgage shall remain in full force and effect, in accordance with its original terms.

8. Nothing contained in this Amendment shall be deemed to constitute a novation of the terms of the Financing Documents, nor impair any liens, assignments or security interests granted thereunder, nor affect any of the rights, powers or remedies thereunder nor constitute a waiver of any provision thereof, except as specifically set forth in this Amendment.

9. This Amendment shall be governed by and construed in accordance with the laws of the State of Alabama and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

10. The date of this Amendment is intended as and for a date for the convenient identification of this Amendment and is not intended to indicate that this Amendment was executed and delivered on said date.

11. If any provision of this Amendment shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

12. This Amendment 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.

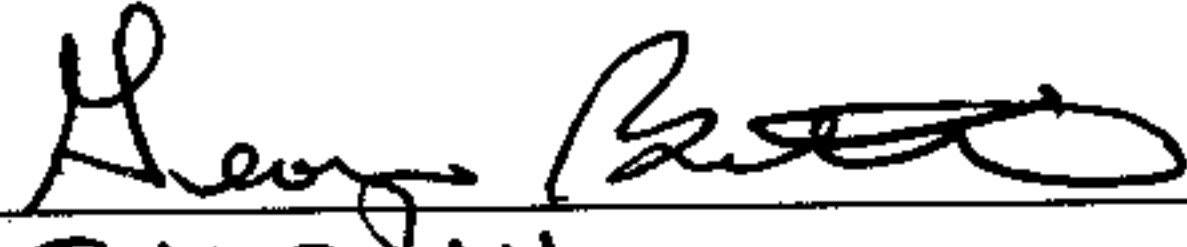
13. Notwithstanding anything to the contrary herein, issuer shall have no personal liability under the Mortgage, either for payment of the Loans or performance of the obligations under the Mortgage or any other Financing Document.



IN WITNESS WHEREOF, the undersigned have executed this Amendment on the date first above written.

**ISSUER:**

THE INDUSTRIAL DEVELOPMENT  
BOARD OF THE CITY OF  
COLUMBIANA

By   
Its CHAIRMAN

**ECA:**

ELASTIC CORPORATION OF AMERICA,  
INC., a Delaware corporation

By \_\_\_\_\_  
Its \_\_\_\_\_

**ASB:**

AMSOUTH BANK, individually and as  
Agent

By \_\_\_\_\_  
Its \_\_\_\_\_

**THIS INSTRUMENT WAS PREPARED BY:**

Carole K. Towne, Esq.  
GOLDBERG, KOHN, BELL, BLACK,  
ROSENBLOOM & MORITZ, LTD.  
55 East Monroe Street  
Suite 3700  
Chicago, Illinois 60603  
(312) 201-4000

**AFTER RECORDING RETURN TO THE ABOVE ADDRESS**

IN WITNESS WHEREOF, the undersigned have executed this Amendment on the date first above written.

**ISSUER:**

THE INDUSTRIAL DEVELOPMENT  
BOARD OF THE CITY OF  
COLUMBIANA

By \_\_\_\_\_  
Its \_\_\_\_\_

**ECA:**

ELASTIC CORPORATION OF AMERICA,  
INC., a Delaware corporation

By   
Its Sec. & Treas.

**ASB:**

AMSOUTH BANK, individually and as  
Agent

By Wendy Berny Nelson  
Its Attorney-in-Fact

**THIS INSTRUMENT WAS PREPARED BY:**

Carole K. Towne, Esq.  
GOLDBERG, KOHN, BELL, BLACK,  
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55 East Monroe Street  
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Chicago, Illinois 60603  
(312) 201-4000

**AFTER RECORDING RETURN TO THE ABOVE ADDRESS**

**ACKNOWLEDGMENT**

STATE OF Alabama )  
COUNTY OF Shelby ) SS

I, the undersigned authority, a Notary Public in and for said County in said State, HEREBY CERTIFY THAT George Bentley, whose name as Chairman of THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF COLUMBIANA, a public corporation organized under the laws of the State of Alabama, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

GIVEN under my hand and official seal this 4th day of March, 2002.

Joanna O. Seale  
Notary Public

AFFIX SEAL

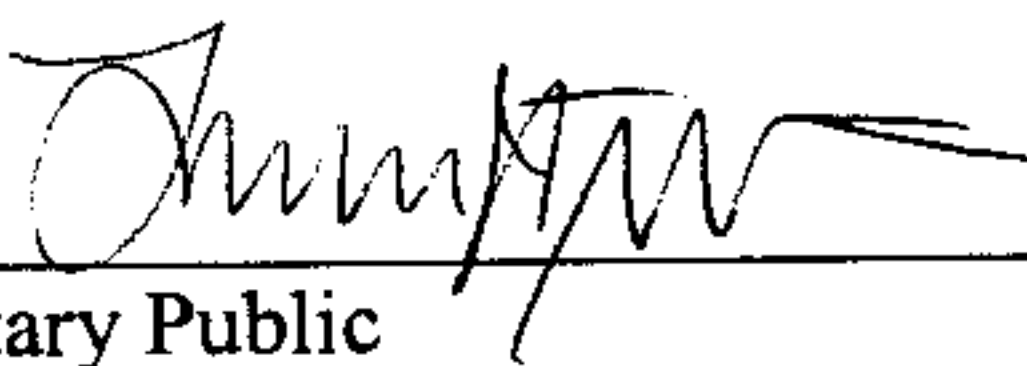
My Commission Expires: 01/04/06

ACKNOWLEDGMENT

STATE OF NEW YORK )  
 ) SS  
COUNTY OF NEW YORK )

I, the undersigned authority, a Notary Public in and for said County in said State, HEREBY CERTIFY THAT Mitchell Reese Setzer, whose name as Secretary-Treasurer of ELASTIC CORPORATION OF AMERICA, INC., a Delaware corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

GIVEN under my hand and official seal this 4<sup>th</sup> day of March, 2002.

  
\_\_\_\_\_  
Notary Public

AFFIX SEAL

My Commission Expires: \_\_\_\_\_

LINDA J. TRACHTER  
Notary Public, State Of New York  
No. 02TR4871568  
Qualified In New York County  
Commission Expires September 2, 2002

ACKNOWLEDGMENT

STATE OF )  
 ) SS  
COUNTY OF )

I, the undersigned authority, a Notary Public in and for said County in said State, HEREBY CERTIFY THAT \_\_\_\_\_, whose name as \_\_\_\_\_ of AMSOUTH BANK, an Alabama banking corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said bank.

GIVEN under my hand and official seal this \_\_\_\_\_ day of March, 2002.

\_\_\_\_\_  
Notary Public

AFFIX SEAL

My Commission Expires: \_\_\_\_\_

STATE OF NEW YORK )  
 ) SS  
COUNTY OF NEW YORK

I, the undersigned authority, a Notary Public in and for said County in said State, HEREBY CERTIFY THAT WENDY BERNEY NELSON, whose name as ATTORNEY-IN-FACT of AMSOUTH BANK, an Alabama banking corporation, as Agent for the Lenders, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents of said instrument, she, as such officer and with full authority, executed the same voluntarily for and as the act of said bank, acting in its capacity as agent, as aforesaid.

GIVEN under my hand and official seal this 5th day of March, 2002.

Kathleen F. Kerlinger  
Notary Public

AFFIX SEAL

My Commission Expires: \_\_\_\_\_

KATHLEEN F. KERLINGER  
Notary Public, State of New York  
No. 30-4727604  
Qualified in Nassau County  
Commission Expires July 31, 2005



## EXHIBIT A

### Legal Description

#### PARCEL ONE:

Commence at the Northeast corner of Section 27, Township 21 South, Range 1 West; thence run in a Southerly direction along the East line of Section 27 for a distance of 1488.68 feet to a point on the South right of way of Alabama Highway Number 70; thence turn an angle to the right of 77 degrees 41 minutes 41 seconds and run in a Southwesterly direction along the South right of way line of Alabama Highway Number 70 for a distance of 21.78 feet to the point of beginning; from the point of beginning thus obtained turn an angle to the right of 6 degrees 56 minutes 50 seconds and continue in a Southwest direction along the South right of way of Alabama Highway Number 70 for a distance of 292.20 feet to the intersection of the Southeast right of way of the Southern Railroad; thence turn an angle to the left of 28 degrees 48 minutes 17 seconds and run in a Southwest direction along the Southeast right of way of the Southern Railroad for a distance of 296.60 feet; thence turn an angle to the left of 55 degrees 45 minutes 23 seconds and run in a Southerly direction for a distance of 268.26 feet; thence turn an angle to the left of 90 degrees 00 minutes and run in an Easterly direction for a distance of 536.07 feet; thence turn an angle to the left of 90 degrees 00 minutes and run in a Northerly direction for a distance of 462.86 feet to the point of beginning.

According to survey of Jimmy A. Gay, RLS #8759, dated June 27, 1991.

#### PARCEL TWO:

Commence at the northeast corner of Section 27, Township 21 South, Range 1 West. Thence run south along the east line of said Section 27 for a distance of 1488.68 feet to the point of beginning. From the point of beginning thus obtained, thence turn an angle to the right of 77 degrees 41 minutes 41 seconds and run in a southwesterly direction along the southern right-of-way of Alabama Highway 70 for a distance of 21.78 feet, thence turn an interior angle to the right of 102 degrees 23 minutes 10 seconds and run in a southerly direction for a distance of 530.26 feet; thence turn an interior angle to the right of 76 degrees 42 minutes 43 seconds and run in a northeasterly direction for a distance of 283.37 feet; thence turn an interior angle to the right of 101 degrees 45 minutes 18 seconds and run in a northerly direction for a distance of 524.69 feet to a point on the south right-of-way of Alabama Highway 70; thence turn an interior angle to the right of 78 degrees 17 minutes 58 seconds and run in a southwesterly direction along said right-of-way for a distance of 124.95 feet; thence turn an interior angle to the right of 180 degrees 50 minutes 51 seconds and run in a southwesterly direction along said right-of-way for a distance of 121.69 feet to the point of beginning. Situated in Shelby County, Alabama.

According to survey of Jimmy A. Gay, RLS #8759, dated June 27, 1991.

(continued on next page)

**PARCEL THREE:**

Commence at the NE corner of Section 27, Township 21 South, Range 1 West; thence proceed in a Southerly direction along the East boundary of said Section for a distance of 849.40 feet to the point of intersection with the NW right of way line of Industrial Road; thence turn an angle of 55 degrees 51 minutes to the right and run along said right of way for a distance of 132.92 feet to the point of beginning of the parcel of land herein described; thence continue in the same direction along said right of way for a distance of 251.83 feet to a point; thence proceed along a curve to the left (concave Southeasterly and having a radius of 435.14 feet), continuing along said right of way for an arc distance of 110.30 feet to a point; thence turn an angle of 101 degrees 55 minutes 24 seconds to the right, from a tangent to the curve, and run for a distance of 272 feet to a point; thence turn an angle of 33 degrees 59 minutes 11 seconds to the right and run for a distance of 90.30 feet to a point; thence turn an angle of 2 degrees 00 minutes 01 seconds to the right and run for a distance of 60.10 feet to a point; thence turn an angle of 2 degrees 11 minutes 16 seconds to the right and run for a distance of 225.50 feet to a point; thence turn an angle of 24 degrees 28 minutes 56 seconds to the right and proceed along a curve to the right (concave Southeasterly and having a radius of 354.41 feet) for an arc distance of 227.60 feet to a point; thence turn an angle of 15 degrees 20 minutes 00 seconds to the right from a tangent to the curve, and run for a distance of 40.10 feet to a point; thence turn an angle of 4 degrees 56 minutes 28 seconds to the right and run for a distance of 125.74 feet to a point; thence turn an angle of 10 degrees 43 minutes 03 seconds to the right and run for a distance of 117.09 feet to a point; thence turn an angle of 86 degrees 17 minutes 55 seconds to the right and run for a distance of 121.72 feet to a point; thence turn an angle of 90 degrees 00 minutes 00 seconds to the left and run for a distance of 16.00 feet to a point; thence turn an angle of 90 degrees 00 minutes 00 seconds to the right and run for a distance of 434.03 feet to the point of beginning, said property lying in the NE 1/4 of Section 27, Township 21 South, Range 1 West.

Situated in Shelby County, Alabama.

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