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This instrument prepared by
and after recording return to:

W. Darr Smith, Esq.
Hunton & Williams LLP
Bank of America Plaza, Suite 4100
600 Peachtree Street, N.E.
Atlanta, Georgia 30308-2216

THIS IS A FUTURE ADVANCE MORTGAGE

STATE OF ALABAMA)
SHELBY COUNTY)

MORTGAGE, ASSIGNMENT OF LEASES AND RENTS
AND SECURITY AGREEMENT

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT ("Mortgage"), made and executed this 16th day of June, 2005, by and between ELASTIC CORPORATION OF AMERICA, INC., a Delaware corporation, as Party of the First Part, being hereinafter called "ECA;" THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF COLUMBIANA, , an Alabama public corporation, as Party of the Second Part, being hereinafter called "IDB" and together with ECA, being hereinafter called "Mortgagor"; and GMAC COMMERCIAL FINANCE, LLC, a Delaware limited liability company, as Party of the Second Part, being hereinafter called "Lender."

This is a **FUTURE ADVANCE MORTGAGE**. The Obligations (as hereinafter defined) secured by this Mortgage include (a) a revolving line of credit to be made available by the Lender to the Mortgagor under the Loan Documents (as hereinafter defined), pursuant to which advances may be made, prepaid and re-borrowed from time to time, and (b) all other

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indebtedness, obligations and liabilities of the Mortgagor to the Lender, due or to become due, and now existing or hereafter incurred, contracted or arising.

WITNESSETH:

That for and in consideration of the sum of Ten Dollars ($10.00) and other valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, and in order to secure the indebtedness and other obligations of Mortgagor, hereinafter set forth, Mortgagor does hereby grant, bargain, sell, convey and mortgage to Lender, and its successors and assigns, and Mortgagor does grant to Lender, and its successors and assigns, a security interest in and to, the following:

(A) THE LAND. The land owned in fee simple by Mortgagor (the "Fee Land") situated in Shelby County, Alabama, which is described in detail in Schedule A attached hereto and incorporated herein and made a part of this document for all purposes. Mortgagor's leasehold estate and interest under the Ground Lease (as hereinafter defined) in detail in Schedule A attached hereto and incorporated herein and made a part of this document for all purposes. The Fee Land and the Leasehold Land are hereinafter collectively referred to as the "Land."

(B) THE GROUND LEASE. TOGETHER WITH that certain lease agreement (the "Ground Lease") by and between IDB (the "Ground Lessor") and NFA Corp., dated June 1, 1992, filed for record in the Probate Office of Shelby County, Alabama as Instrument #1992-12554, said Ground Lease being amended by First Amendment to lease Agreement by and between the Ground Lessor and NFA Corp., dated May 1, 1997, recorded in said Probate Office as Instrument #1997-17481, as assigned and assumed by Assignment and Assumption of lease Agreement and Guaranty Agreement, by and between the Ground Lessor, NFA Corp. and Mortgagor, dated December 1, 1997, filed for record in said Probate Office as Instrument #1997, including all right, title and interest of the Mortgagor in and to (1) all modifications, extensions, renewals, supplements and restatements of the Ground Lease; (2) all credits and deposits made thereunder; (3) all options and rights to renew or extend the same; (4) all options and rights to purchase or of first refusal with respect to the Leasehold Land, or any part thereof; and (5) all other titles, estates, options, privileges, interests and rights that the Mortgagor may now have or hereafter acquire in and to the Leasehold Land and the Ground Lease, including the right of the Mortgagor to possession under Section 365 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.*, as amended (the "Bankruptcy Code") in the event of the rejection of the Ground Lease by the Ground Lessor or its trustee pursuant to said section, the right to exercise options or give consents with respect to the Ground Lease, or to modify, extend or terminate the Ground Lease, the right to surrender the Ground Lease, reject the Ground Lease or elect to treat the Ground Lease as rejected or remain in possession under Section 365 of the Bankruptcy Code, and the right to receive all deposits and other amounts payable to Mortgagor under the Ground Lease.

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(C) THE IMPROVEMENTS: TOGETHER WITH (1) all the buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Land, and (2) all fixtures, machinery, appliances, equipment, furniture and personal property of every nature whatsoever now or hereafter owned by Mortgagor and located in or on, attached to, and used or intended to be used in connection with or with the operation of, the Land, buildings, structures or other improvements, or in connection with any construction being conducted or which may be conducted thereon, and all extensions, additions, improvements, betterments, renewals, substitutions and replacements to any of the foregoing, and all of the right, title and interest of Mortgagor in and to any such personal property or fixtures, which, to the fullest extent permitted by law, shall be conclusively deemed fixtures and a part of the real property encumbered hereby (hereinafter called the "Improvements").

(D) EASEMENTS AND OTHER PROPERTY INTERESTS: TOGETHER WITH all easements, rights-of-way, gores of land, streets, ways, alleys, passages, sewer rights, water courses, water rights and powers, other real property and interests therein, and all appurtenances whatsoever, in any way belonging, relating or appertaining to any of the property described in paragraphs (A), (B) and (C) hereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Mortgagor by adverse possession or in any other manner.

(E) TOGETHER WITH (i) all of the estate, right, title and interest of Mortgagor of, in and to all judgments, insurance proceeds (whether such proceeds are derived from policies which Lender requires Mortgagor to obtain or which Mortgagor obtains without such requirement), awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of the property described in paragraphs (A), (B), (C) and (D) hereof or any part thereof under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the property described in paragraphs (A), (B), (C) and (D) hereof or any part thereof, or to any rights appurtenant thereto, and all proceeds of any sales or other disposition of the property described in paragraphs (A), (B), (C) and (D) hereof or any part thereof; and Lender is hereby authorized to collect and receive said awards and proceeds and to give proper receipts and acquittances therefor, and (if it so elects) to apply the same toward the payment of the indebtedness and other sums secured hereby, notwithstanding the fact that the amount owing thereon may not then be due and payable; and (ii) all contract rights, general intangibles, actions and rights in action, including without limitation all rights to insurance proceeds and unearned premiums arising from or relating to the property described in paragraphs (A), (B) and (C) above; and (iii) all proceeds, products, replacements, additions, substitutions, renewals and accessions of and to the property described in paragraphs (A), (B), (C) and (D).

(F) TOGETHER WITH all rents, income and other benefits to which Mortgagor may now or hereafter be entitled from the property described in paragraphs (A), (B), (C) and (D) hereof to be applied against the indebtedness and other sums secured hereby; provided, however, that permission is hereby given to Mortgagor, so long as no Event of Default (as defined in Section 2.01) has occurred hereunder, to collect and use such rents, income and other benefits as

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they become due and payable, but not in advance thereof. Upon the occurrence of any such Event of Default, the permission hereby given to Mortgagor to collect such rents, income and other benefits from the property described in paragraphs (A), (B), (C) and (D) hereof shall terminate and such permission shall not be reinstated upon a cure of such Event of Default without Lender's specific written consent.

The foregoing provisions hereof shall constitute an absolute and present assignment of the rents, income and other benefits from the property described in (A), (B), (C) and (D) above, subject, however, to the conditional permission given to Mortgagor to collect and use such rents, income and other benefits as hereinabove provided; and the existence or exercise of such right of Mortgagor shall not operate to subordinate this assignment to any subsequent assignment, in whole or in part, by Mortgagor, and any such subsequent assignment by Mortgagor shall be subject to the rights of the Lender hereunder.

(G) TOGETHER WITH all right, title and interest of Mortgagor in and to any and all leases now or hereafter on or affecting the property described in paragraphs (A), (B), (C) and (D) hereof, and all books and records which contain payments made under the leases and all security therefor.

(H) TOGETHER WITH (i) the Mortgagor's rights further to encumber the property described in paragraphs (A), (B), (C), (D) and (G) above for debt; and (ii) all of the Mortgagor's rights to enter into any lease or lease agreement.

All of the property described in paragraphs (A), (B), (C), (D), (E), (F), (G) and (H) above, and each item of property therein described, is hereinafter referred to as the "Property".

TO HAVE AND TO HOLD the Property and all parts thereof unto the Lender and its successors and assigns, forever upon the terms and conditions contained herein.

This Mortgage is executed and delivered by Mortgagor to secure the following described obligations, liabilities and indebtedness of Mortgagor to Lender (hereinafter collectively referred as the "Obligations"):

(a) All loans, advances, indebtedness, obligations and liabilities now or from time to time hereafter owing by Mortgagor to Lender under that certain Loan and Security Agreement, dated of even date herewith (such Loan and Security Agreement, as it may hereafter be amended from time to time, being hereinafter called the "Loan Agreement"), or under any agreement, instrument or document executed or delivered to Lender in respect of the Loan Agreement or the transactions contemplated thereby, pursuant to which Lender has agreed to make a (i) $15,000,000.00 revolving line of credit available to Mortgagor pursuant to which revolving loans may be made, repaid and readvanced in accordance with and evidenced by the Loan Agreement, and (b) a $1,500,000 term loan to be evidenced by Mortgagor's $1,500,000 Secured Promissory Note (the "Note") in accordance with and evidenced by the Loan Agreement;

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(b) All indebtedness, obligations and liabilities of Mortgagor arising under this Mortgage;

(c) All advances made by Lender to protect or preserve the Property or the lien hereof on the Property, or for taxes, assessments, insurance premiums, or other advances authorized under the terms of this Mortgage (whether or not Mortgagor remains the owner of the Property at the time of such advance);

(d) Any and all renewals, extensions, modifications, substitutions, replacements or consolidations of the Note and any other indebtedness, liabilities and obligations described in paragraphs (a), (b) or (c) above; and

(e) All other obligations, liabilities and indebtedness of every kind and character now or hereafter owing by Mortgagor to Lender, however created, incurred or evidenced, direct or indirect, absolute or contingent, and whether owing under the Loan Agreement, this Mortgage or the other Loan Documents (as hereinafter defined), including without limitation, all "Obligations" of Mortgagor to Lender, as such term is defined in the Loan Agreement.

The Loan Agreement, the Note and any renewals, extensions, modifications, substitutions, replacements or consolidations thereof, this Mortgage, and all other instruments, agreements, documents and guaranty agreements executed in connection with the Loan Agreement or the transactions contemplated thereby are hereinafter collectively called the "Loan Documents."

It is the intention of the parties hereto that this Mortgage shall secure any and all present and future Obligations which Mortgagor now or may hereafter owe to Lender years after the date hereof), including without limitation, any future loans and advances made by Lender pursuant to the Loan Agreement to or for the benefit of Mortgagor. The amount of all present and future Obligations of Mortgagor to Lender secured hereby is in the sum of Sixteen Million Five Hundred Thousand and No/l00 Dollars ($16,500,000.00) plus interest, costs and advances made by Lender to protect or preserve the Property or the lien hereof on the Property, or for taxes, assessments or insurance premiums as herein provided. Mortgagor and Lender agree that at the time each Obligation is incurred, it shall not be necessary for each such Obligation to be evidenced by the Loan Documents or any other written instrument or notation signed by Mortgagor and stipulating that such Obligation is secured by this Mortgage.

PROVIDED, HOWEVER, that if Mortgagor shall promptly pay or cause to be paid the Obligations secured hereby in accordance with the terms hereof when the same shall become due and payable and shall keep, perform and observe all the terms, conditions and requirements of the Loan Documents and of this Mortgage, then, upon complete payment and satisfaction thereof, this Mortgage shall be null and void and of no further force and effect and shall be released by Lender upon the written request and at the expense of Mortgagor.

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ARTICLE ONE
COVENANTS OF GRANTOR

Mortgagor covenants and agrees with the Lender, or any successor in title as holder of the Obligations secured hereby, as follows:

1.01 Performance of Loan Documents. Mortgagor shall cause to be performed, observed and complied with all provisions of the Loan Documents and will promptly pay or cause to be paid to Lender the principal with interest thereon of all Obligations required to be paid by Mortgagor under the Loan Documents when payment shall become due.

1.02 General Representations, Covenants and Warranties. Mortgagor represents, warrants and covenants that (a) subject only to the rights of others provided in the instruments described in Schedule B attached hereto and incorporated herein, (i) Mortgagor is seized of an indefeasible estate in fee simple in, and has good and absolute title to, the Property which it owns, and has good right, full power and lawful authority to encumber the same as provided herein, and (ii) Mortgagor is the lawful owner of, and has good title to, the leasehold estate in the Property under the Ground Lease, and has good right, full power and lawful authority to encumber the same as provided herein, and Lender may at all times peaceably and quietly enter upon, hold, occupy and enjoy the Property in accordance with the terms hereof; (b) the Property is free and clear of all liens, security interests, charges and encumbrances whatsoever except those described in Schedule B; (c) Mortgagor will maintain and preserve the lien of this Mortgage until the Obligations secured hereby have been paid in full; (d) electric, gas, sewer, water facilities and any other necessary utilities are, and at all times hereafter shall be, available in sufficient capacity to service the Property satisfactorily, and any easements necessary to the furnishing of such utility service to Mortgagor have been obtained; and (e) the representations, warranties and covenants made by Mortgagor in the Loan Documents are incorporated herein by reference and made a part hereof.

1.03 Compliance with Laws. Mortgagor covenants and warrants that the Property presently complies in all material respects with and will continue to comply in all material respects with all applicable restrictive covenants, applicable zoning and subdivision ordinances and building codes, all applicable health and environmental laws and regulations and other applicable laws, rules and regulations which affect the Property and the operations of Mortgagor on the Property. If Mortgagor receives notice from any federal, state or other governmental body that it is not in compliance with any such covenant, ordinance, code, law or regulation, Mortgagor will provide Lender with a copy of such notice and comply with the provisions of such notice promptly.

1.04 Taxes and Other Charges.

1.04.1 Taxes and Assessments. Mortgagor shall pay promptly when due all taxes, assessments, rates, dues, charges, fees, levies, fines, impositions, liabilities, obligations and encumbrances of every kind whatsoever now or hereafter imposed, levied or assessed upon or

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against the Property or any part thereof, or upon or against this Mortgage or the Obligations secured hereby, or upon or against the interest of Lender in the Property, as well as all income taxes, assessments and other governmental charges levied and imposed by the United States of America or any state, county, municipality or other taxing authority upon or against Mortgagor or in respect of the Property or any part thereof.

1.04.2 Mechanic's and Other Liens. Mortgagor shall not permit or suffer any mechanic's, laborer's, materialman's, statutory or other lien (other than any lien for taxes not yet due) to be created upon or filed against the Property.

1.04.3 Taxes Affecting Lender's Interest. If any state, federal, municipal or other governmental law, order, rule or regulation, passed subsequent to the date hereof, in any manner changes or modifies existing laws governing the taxation of deeds of trust, mortgages or debts secured by deeds of trust, mortgages, or the manner of collecting taxes so as to materially, adversely affect Lender's security in the Property, the entire balance of the Obligations secured by this Mortgage and all interest accrued thereon shall without notice become due and payable forthwith at the option of Lender.

1.04.4 Tax Escrow. In order to secure the performance and discharge of Mortgagor's obligations under this paragraph 1.04, but not in lieu of such obligations, Mortgagor, upon Lender's request, will pay over to Lender an amount equal to one-twelfth (1/12th) of the next maturing annual ad valorem taxes, assessments and charges (which taxes, assessments and charges, for purposes of this paragraph, shall include without limitation water and sewer rents, and shall hereinafter be collectively called "Taxes") of the nature described in paragraph 1.04 for each month that has elapsed since the last date to which the Taxes were paid; and Mortgagor will, in addition, upon Lender's written request, pay over to Lender together with each installment of the Obligations sufficient funds (as estimated from time to time by Lender in its sole discretion) to permit Lender to pay when due the Taxes. Upon Lender's request, Mortgagor shall also deliver to Lender such additional monies as are required to make up any deficiencies in the amounts necessary to enable Lender to pay the Taxes. Such deposits shall not be, nor be deemed to be, trust funds but may be commingled with the general funds of Lender, and no interest shall be payable in respect thereof. Upon the occurrence of an Event of Default, Lender may apply to the reduction of the Obligations secured hereby, in such manner as Lender shall determine, any amount under this paragraph 1.04.4 remaining to Mortgagor's credit.

1.04.5 No Credit Against the Obligations Secured Hereby. Mortgagor shall not claim, demand or be entitled to receive any credit, against the principal or interest payable on the Obligations for so much of the Taxes assessed against the Property or any part thereof or that are applicable to the Obligations secured hereby or to Lender's interest in the Property. No deduction shall be claimed from the taxable value of the Property or any part thereof by reason of the Obligations, this Mortgage or any other instrument securing the Obligations.

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1.04.6 Insurance.

(a) Mortgagor shall, at its sole expense, keep the Property insured in such amounts and against such risks and damages as is required by the Loan Agreement. All policies of insurance shall contain an endorsement, in form and substance acceptable to Lender, showing loss payable to Lender as its interests appear. Such endorsement, or an independent instrument delivered to Lender, shall provide that the insurance companies will give Lender at least thirty (30) days prior written notice before any such policy or policies of insurance shall be altered or cancelled and that no act or default of Mortgagor or any other person shall affect the right of Lender to recover under such policy or policies of insurance in case of loss or damage.

(b) In order to secure the performance and discharge of Mortgagor's obligations under this paragraph 1.04.6, but not in lieu of such obligations, Mortgagor, upon Lender's request, will pay over to Lender an amount equal to one-twelfth (1/12th) of the next maturing annual insurance premiums for each month that has elapsed since the last date to which such premiums were paid; and Mortgagor will, in addition, upon Lender's written request, pay over to Lender together with each installment on the Obligations sufficient funds (as estimated from time to time by Lender in its sole discretion) to permit Lender to pay said premiums when due. Such deposits shall not be, nor be deemed to be, trust funds but may be commingled with the general funds of Lender, and no interest shall be payable in respect thereof. Upon Lender's written request, Mortgagor shall also deliver to Lender such additional monies as are necessary to make up any deficiencies in the amounts necessary to enable Lender to pay such premiums when due.

(c) Pursuant to its rights granted hereunder in all proceeds from any insurance policies, Lender is hereby authorized and empowered at its option to adjust or compromise any loss under any insurance policies on the Property and to collect and receive the proceeds from any such policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses directly to Lender alone and not to Mortgagor and Lender jointly. After deducting from such insurance proceeds any reasonable expenses incurred by Lender in the collection or handling of such funds, the net proceeds received by Lender shall be applied as follows: (i) if a Default (as such term is defined in the Loan Agreement) or Event of Default shall have occurred and is continuing, the entire net proceeds of any insurance claim received by Lender shall, at Lender's option, be applied to the Obligations secured hereby; and (ii) if a Default or Event of Default shall not have occurred and be continuing, then the net proceeds of any claim of less than $50,000 shall be released to Mortgagor to be used solely by Mortgagor for repairing and restoring the Property, and the net proceeds of any claim of more than $50,000 shall be held by Lender for Mortgagor's benefit (subject to the lien of Lender therein as security for the Obligations) and advanced to Mortgagor from time to time, but not more often than monthly, against such requisition or other evidence of restoration or repair of the Property, including architect's or engineer's certificates and copies of bills and invoices for work and materials used in connection therewith, as Lender may reasonably require, without affecting the lien of this Mortgage for the full amount of the Obligations secured hereby. In no event,

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however, shall any advance be made which will result in the funds remaining with Lender being less than the cost of completion of restoration of the Property as estimated by an architect or engineer reasonably satisfactory to Lender. If, upon completion of restoration of the Property there remain funds with Lender, Lender shall apply the remaining funds to the Obligations secured hereby. Any funds applied against the Obligations secured hereby shall be applied to particular Obligations, whether then matured or to mature in the future, in such order and in such manner as Lender in its discretion determines. Although Lender intends to use its best efforts to collect such payments in a timely fashion, Lender shall not be responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

1.04.7 Non-Impairment of Lender's Rights. Nothing contained in either of paragraphs 1.04.4 and 1.04.6(b) shall be deemed to affect any right or remedy of Lender under any provision of this Mortgage or of any statute or rule of law to pay any amount required to be paid by paragraphs 1.04.1 and 1.04.6 and to add the amount so paid to the Obligations hereby secured. Although Lender intends to use its best efforts to make such payments in a timely fashion, the arrangements provided for in paragraph 1.04.4 and 1.04.6 are solely for the added protection of Lender and entail no responsibility on Lender's part beyond the allowing of due credit, without interest, for sums actually received by it. Upon assignment of this Mortgage, any funds on hand shall be turned over to the assignee and any responsibility of Lender with respect thereto shall terminate.

1.05 Condemnation. Lender shall be entitled to all compensation awards, damages, claims, rights of action and proceeds of, or on account of, any damage to or taking of the Property, or any part thereof, through condemnation and is hereby authorized, at its option, to commence, appear in and prosecute in its own or the Mortgagor's name any action or proceeding relating to any condemnation and to settle or compromise any claim in connection therewith. All such compensation awards, damages, claims, rights of action and proceeds, and any other payments or relief, and the right thereto, are included in the Property, and Lender, after deducting therefrom all of its reasonable expenses including reasonable attorneys' fees incurred in the collection or handling of such funds, shall apply the net proceeds thereof as follows: (i) if a Default or Event of Default shall have occurred and is continuing, the entire net proceeds of any condemnation award received by Lender shall, at Lender's option, be applied to the Obligations secured hereby, and (ii) if a Default or Event of Default shall not have occurred and be continuing, then the net proceeds of any condemnation award of less than $50,000 shall be released to Mortgagor to be used solely by Mortgagor for repairing and restoring the Property, and the net proceeds of any condemnation award of more than $50,000 shall be held by Lender for Mortgagor's benefit (subject to the lien of Lender therein as security for the Obligations) and advanced to Mortgagor from time to time, but not more often than monthly, against such requisition or other evidence of restoration or repair of the Property, including architect's or engineer's certificates and copies of bills and invoices for work and materials used in connection therewith, as Lender may reasonably require, without affecting the lien of this Mortgage for the full amount of the Obligations secured hereby. In no event, however, shall any advance be made

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which will result in the funds remaining with Lender being less than the cost of completion of restoration of the Property as estimated by an architect or engineer reasonably satisfactory to Lender. If, upon completion of restoration of the Property there remain funds with Lender, Lender shall apply the remaining funds to the Obligations secured hereby. Any funds applied against the Obligations secured hereby shall be applied to particular Obligations, whether then matured or to mature in the future, in such order and in such manner as Lender in its discretion determines. The Mortgagor agrees to execute such further assignments of any compensation awards, damages, claims, rights of action and proceeds as Lender may require. Notwithstanding any such condemnation, the Mortgagor shall continue to pay interest, computed at the rate provided in the Loan Documents, on the entire unpaid principal amount thereof.

1.06 Care of Property.

(a) Mortgagor shall preserve and maintain the Property in good condition and repair, ordinary wear and tear excepted. Mortgagor shall not permit, commit or suffer any waste, impairment or deterioration of the Property or of any part thereof, and will not take any action which will increase the risk of fire or other hazard to the Property or to any part thereof.

(b) No part of the Property shall be removed, demolished or altered.

(c) Lender may enter upon and inspect the Property at any reasonable time during the life of this Mortgage.

(d) If any part of the Property shall be lost, damaged or destroyed by fire or any other cause, Mortgagor will give immediate written notice thereof to Lender and shall promptly restore the Property to the equivalent of its original condition regardless of whether or not there shall be any insurance proceeds therefor. If a part of the Property shall be lost, physically damaged, or destroyed through condemnation, Mortgagor will promptly restore, repair or alter the remaining property in a manner satisfactory to Lender.

(e) No work required to be performed under this paragraph shall be undertaken until plans and specifications therefor have been submitted to and approved in writing by Lender.

1.07 Further Assurances. At any time and from time to time, upon Lender's request, Mortgagor shall make, execute and deliver, or cause to be made, executed and delivered, to Lender and where appropriate shall cause to be recorded or filed, and from time to time thereafter to be re-recorded and refiled at such time and in such offices and places as shall be deemed desirable by Lender, any and all such further mortgages, instruments or further assurance, certificates and other documents as Lender may consider necessary or desirable in order to effectuate, complete, or perfect, or to continue and preserve the lien of this Mortgage as a lien upon all of the Property, whether now owned or hereafter acquired by Mortgagor. Upon any failure by Mortgagor to do so, Lender may make, execute, record, file, re-record or refile any and all such mortgages, instruments, certificates and documents for and in the name of

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Mortgagor, and Mortgagor hereby irrevocably appoints Lender the agent and attorney-in-fact of Mortgagor to do so.

1.08 Security Agreements and Financing Statements. Mortgagor (as Debtor) hereby grants to Lender (as Creditor and Secured Party) a security interest in all fixtures, machinery, appliances, equipment, furniture and personal property of every nature whatsoever constituting part of the Property.

Mortgagor hereby authorizes Lender to file such financing statements and agrees to execute any and all such documents as Lender may request, in any such case, as are required to preserve and maintain the priority of the lien created hereby on property which may be deemed personal property or fixtures, a security interest in which is perfected by the filing of a Uniform Commercial Code financing statement, and shall pay to Lender on demand any reasonable expenses incurred by Lender in connection with the preparation, execution and filing of any such documents. Mortgagor hereby authorizes and empowers Lender to execute and file, on Mortgagor's behalf, all financing statements and refilings and continuations thereof as Lender reasonably deems necessary or advisable to create, preserve and protect said lien. When and if Mortgagor and Lender shall respectively become the Debtor and Secured Party in any Uniform Commercial Code financing statement affecting the Property, this Mortgage shall be deemed a security agreement as defined in said Uniform Commercial Code and the remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be (i) as prescribed herein, (ii) by general law, or (iii) as to such part of the security which is also reflected in said financing statement by the specific statutory consequences now or hereafter enacted and specified in the Uniform Commercial Code, all at Lender's sole election.

Mortgagor and Lender agree that the filing of a financing statement in the records normally having to do with personal property shall never be construed as in any way derogating from or impairing the express declaration and intention of the parties hereto, hereinabove stated, that everything used in connection with the production of income from the Property and/or adapted for use therein and/or which is described or reflected in this Mortgage is, and at all times and for all purposes and in all proceedings both legal or equitable, shall be regarded as part of the real estate encumbered by this Mortgage irrespective of whether (i) any such item is physically attached to the Improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with Lender, or (iii) any such item is referred to or reflected in any such financing statement so filed at any time. Similarly, the mention in any such financing statement of (1) rights in or to the proceeds of any fire and/or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for loss of value, or (3) Mortgagor's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the Property, whether pursuant to lease or otherwise, shall never be construed as in any way altering any of the rights of Lender as determined by this instrument or impugning the priority of Lender's lien granted hereby or by any other recorded document, but such mention in the financing statement is declared to be for the protection of Lender in the event any court or judge shall at any time

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hold with respect to (1), (2) and (3) that notice of Lender's priority of interest to be effective against a particular class of persons, including but not limited to the federal government and any subdivisions or entity of the federal government, must be filed in the Uniform Commercial Code records.

1.09 Assignment of Rents. The assignment contained in paragraph (E) of this Mortgage shall be fully operative without any further action on the part of either party and specifically Lender shall be entitled, at its option, upon the occurrence of an Event of Default hereunder, to all rents, income and other benefits from the Property described in paragraphs (A), (B), (C) and (D) hereof whether or not Lender takes possession of such Property. Mortgagor hereby further grants to Lender the right (i) to enter upon and take possession of the Property for the purpose of collecting the said rents, income and other benefits, (ii) to dispossess by the usual summary ejectment proceedings any tenant defaulting in the payment thereof to Lender, (iii) to let the Property or any part thereof, and (iv) to apply said rents, income and other benefits, after payment of all necessary charges and expenses, on account of the Obligations secured hereby. Such assignment and grant shall continue in effect until the Obligations secured hereby are paid, the execution of this Mortgage constituting and evidencing the irrevocable consent of Mortgagor to the entry upon and taking possession of the Property by Lender pursuant to such grant, whether or not foreclosure has been instituted. Neither the exercise of any rights under this paragraph by Lender nor the application of any such rents, income or other benefits to the Obligations secured hereby, shall cure or waive any default or notice of default hereunder or invalidate any act done pursuant hereto or to any such notice, but shall be cumulative of all other rights and remedies.

1.10 After-Acquired Property. To the extent permitted by and subject to applicable law, the lien of this Mortgage will automatically attach, without further act, to all after-acquired property located in or on, or attached to the Property or any part thereof.

1.11 Leases Affecting Encumbered Property. Mortgagor represents that the schedule of leases set forth in Schedule C is true and correct; that all such leases are presently in effect and that no default by Mortgagor exists in such leases. As any such lease shall expire or terminate or as any new lease shall be made, Mortgagor shall so notify Lender in order that at all times Lender shall have a current list of all leases affecting the property described in paragraphs (A), (B) and (C) hereof. The assignment contained in paragraph (F) of this Mortgage shall not be deemed to impose upon Lender any of the obligations or duties of Mortgagor provided in any such lease (including, without limitation, any liability under the covenant of quiet enjoyment contained in any lease in the event that any tenant shall have been joined as a party defendant in any action to foreclose this Mortgage and shall have been barred and foreclosed thereby of all right, title and interest and equity of redemption in the Property or any part thereof), and Mortgagor shall comply with and observe its obligations in all material respects as landlord under all leases affecting the Property or any part thereof. Mortgagor, if required by Lender, shall furnish promptly to Lender original or certified copies of all such leases now existing or hereafter created. Mortgagor shall not, without the express prior written consent of Lender, enter

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into any lease affecting the Property, or amend, modify, extend, terminate or cancel, accept the surrender of, subordinate, accelerate the payment of rent as to, or change the terms of any renewal option of any such lease now existing or hereafter created, or permit or suffer an assignment or sublease. Mortgagor shall not accept payment of rent more than one (1) month in advance without the prior written consent of Lender.

With respect to the assignment contained in paragraph (F) of this Mortgage, Mortgagor shall, from time to time upon request of Lender, specifically assign to Lender as additional security hereunder, by an instrument in writing in such form as may be approved by Lender, all right, title and interest of Mortgagor in and to any and all leases now or hereafter on or affecting the Property, together with all security therefor and all monies payable thereunder, subject to the conditional permission hereinabove given to Mortgagor to collect the rentals under any such lease. Mortgagor shall also execute and deliver to Lender any notification, financing statement or other document required by Lender to perfect the foregoing assignment as to any such lease. The provisions of this paragraph 1.11 shall be subject to the provisions of said paragraph (F).

1.12 Lender's Performance of Defaults. If Mortgagor defaults in the payment of any tax, assessment, encumbrance or other imposition, in its obligation to furnish insurance hereunder, or in the performance or observance of any other covenant, condition or term in this Mortgage or the Loan Documents, Lender may, to preserve its interest in the Property, perform or observe the same, and all payments made (whether such payments are regular or accelerated payments) and reasonable costs and expenses incurred or paid by Lender in connection therewith shall become due and payable immediately. The amounts so incurred or paid by Lender together with interest thereon at the Default Rate (as such term is defined in the Loan Agreement) from the date incurred until paid by Mortgagor, shall be added to the Obligations and secured by the lien of this Mortgage. Lender is hereby empowered to enter and authorize others to enter upon the Property or any part thereof for the purpose of performing or observing any such defaulted covenant, condition or term, without thereby becoming liable to Mortgagor or any person in possession holding under Mortgagor.

1.13 [Intentionally Omitted].

1.14 Required Notices. Mortgagor shall notify Lender promptly of the occurrence of any of the following: (i) receipt of notice from any governmental authority relating to the Property; (ii) receipt of a notice from any tenant leasing all or any portion of the Property; (iii) any change in the occupancy of the Property; (iv) receipt of any notice from the holder of any other lien or security interest in the Property; or (v) commencement of any judicial or administrative proceedings by or against or otherwise affecting Mortgagor, the property or any entity controlled by or under common control with Mortgagor, or any other action by any creditor thereof as a result of any default under the terms of any loan.

1.15 Future Indebtedness of Mortgagor. The lien of this Mortgage secures, as of the date hereof, without further act, all Obligations of Mortgagor to Lender, including any and all

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future loans and advances made by Lender pursuant to the Loan Agreement to or for the benefit of Mortgagor from time to time hereafter.

1.16 Ground Lease. Mortgagor represents, warrants and covenants as follows with regard to the Ground Lease:

(a) The Ground Lease is a valid and subsisting lease of the Leasehold Land for the term therein set forth, and the Ground Lease is in full force and effect and unmodified except as hereinabove expressly stated; (b) all rents (including minimum rents, additional rents, percentage rents, common area maintenance charges and other charges) reserved in the Ground Lease have been paid to the extent payable prior to the date hereof; and (c) there is no existing default under the provisions of the Ground Lease or in the observance of any of the terms, covenants, conditions or warranties thereof on the part of the Mortgagor to be observed and performed.

(b) The Mortgagor shall (i) at all times observe and perform all of its obligations, covenants and conditions under the Ground Lease and shall conform to and comply with all of the terms and conditions of the Ground Lease; (ii) not do or permit anything to be done, the doing of which, or refrain from doing anything, the omission of which, would impair or tend to impair the security of this Mortgage or would be grounds for declaring a forfeiture or termination of the Ground Lease; (iii) at least six months prior to the last day upon which the Mortgagor, as lessee, may validly exercise any option to renew or extend the term of the Ground Lease, (A) exercise such option in such manner as will cause the term of the Ground Lease to be effectively renewed or extended for the period provided by such option, and (B) give immediate written notice thereof to the Lender; it being expressly agreed that, if the Mortgagor fails to do, the Lender shall have the irrevocable right to exercise any such option either in its own name and behalf or in the name and behalf of a designee or nominee of the Lender or in the name and behalf of the Mortgagor, as the Lender shall in its sole discretion determine; provided, however, that if Mortgagor shall prepay in full the Obligations in accordance with the Loan Documents at least six months prior to the last day upon which the Mortgagor, as such lessee, may validly exercise any option to renew or extend the term of the Ground Lease, the Mortgagor will not be obliged to exercise any such option of renewal or extension, nor will the Lender have any right to exercise any such option.

(c) The Mortgagor shall not modify, extend or in any way alter the terms of the Ground Lease or cancel or surrender the Ground Lease, or waive, excuse, condone or in any way release or discharge the Ground Lessor thereunder of or from the obligations, covenants, conditions and agreements by said Ground Lessor to be done and performed; and the Mortgagor does hereby expressly release, relinquish and surrender unto Lender all its right, power and authority to cancel, surrender, terminate, release, amend, modify or alter in any way the terms and provisions of the Ground Lease, and any attempt on the part of the Mortgagor to exercise any such right without the express prior written consent of the Lender shall constitute an Event of Default.

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(d) The Mortgagor shall (i) give immediate notice to the Lender of any default under the Ground Lease; (ii) furnish to the Lender promptly any information requested by the Lender concerning the performance by the Mortgagor of the covenants of the Ground Lease; (iii) permit the Lender or its representatives at all reasonable times to make investigation or examination concerning the performance by the Mortgagor of the covenants of the Ground Lease or of this Mortgage; and (iv) promptly deposit with the Lender an original executed copy of the Ground Lease and each amendment thereto and any documentary evidence requested by the Lender showing compliance by the Mortgagor with the provisions of the Ground Lease and an exact copy of any notice or other instrument or document received or given by it relating to or affecting the Ground Lease or the estate of the Ground Lessor or lessee in or under the Ground Lease or in the Leasehold Land.

(e) The Mortgagor hereby unconditionally assigns, transfers and sets over to the Lender all of the Mortgagor's claims and rights to the payment of damages arising from any rejection by the Ground Lessor of the Ground Lease under the Bankruptcy Code. The Lender shall have the right to proceed in its own name or in the name of the Mortgagor in respect of any claim, suit, action or proceeding relating to the rejection of the Ground Lease, including the right to file and prosecute, to the exclusion of the Mortgagor, any proofs of claim, complaints, motions, applications, notices and other documents in any case involving the Ground Lessor under the Bankruptcy Code. This assignment constitutes a present, irrevocable and unconditional assignment of the foregoing, and shall continue in effect until all of the Obligations have been paid in full and this Mortgage has been terminated as provided herein. Any amount received by the Lender as damages arising out of the rejection of the Ground Lease as aforesaid shall be applied first to all costs and expenses of the Lender (including attorney's fees and disbursements) incurred in connection with the exercise of any of its rights, powers or remedies under this Section 1.16(e).

(f) The Mortgagor shall not, without the Lender's prior written consent, elect to treat the Ground Lease as terminated under Section 365(h)(1) of the Bankruptcy Code. Any such election made without the Lender's prior written consent shall be void.

(g) If pursuant to Section 365(h)(1) of the Bankruptcy Code, the Mortgagor seeks to offset against the rent reserved in the Ground Lease the amount of any damages caused by the non-performance by the Ground Lessor of any of the Ground Lessor's obligations under the Ground Lease after the rejection by the Ground Lessor of the Ground Lease under the Bankruptcy Code, the Mortgagor shall, prior to effecting such offset, notify the Lender of its intention to do so, setting forth the amounts proposed to be offset and the basis therefor. The Lender shall have the right, within 10 days after receipt of such notice from the Mortgagor, to object to all or any part of such offset, and in the event of such objection, the Mortgagor shall not effect any offset of the amounts so objected to by the Lender for a period of 30 days after the Lender has delivered its objection notice to the Mortgagor, during which time the Lender shall have the right to bring its objections to the attention of any court supervising the bankruptcy of

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the Ground Lessor of the Ground Lease and both the Lender and the Mortgagor agree to abide by the decision of any such court. If (1) the Lender has failed to object as aforesaid within 10 days after notice from the Mortgagor or (2) the court fails to render its decision within the above-mentioned 30-day period, the Mortgagor may proceed to effect such offset in the amount set forth in the Mortgagor's notice. Neither the Lender's failure to object as aforesaid nor any objection or other communication between the Lender and the Mortgagor relating to such offset shall constitute an approval of any such offset by the Lender.

(h) If any action, proceeding, motion or notice shall be commenced or filed in respect of the Mortgagor or the Property in connection with any case under the Bankruptcy Code (other than a case under the Bankruptcy Code commenced with respect to the Mortgagor), the Lender shall have the option, to the exclusion of the Mortgagor, exercisable upon notice from the Lender to the Mortgagor, to conduct and control any such litigation with counsel of the Lender's choice. The Lender may proceed in its own name or in the name of the Mortgagor in connection with any such litigation, and the Mortgagor agrees to execute any and all powers, authorizations, consents and other documents required by the Lender in connection therewith. The Mortgagor shall pay to the Lender all costs and expenses (including reasonable attorneys' fees and disbursements) paid or incurred by the Lender in connection with the prosecution or conduct of any such proceedings within five days after notice from the Lender setting forth such costs and expenses in reasonable detail. Any such costs or expenses not paid by the Mortgagor as aforesaid shall be secured by the lien of this Mortgage and shall be added to the principal amount of the Obligations secured hereby. The Mortgagor shall not commence any action, suit or proceeding, or file any application or make any motion, in respect of the Ground Lease in any such case under the Bankruptcy Code (other than a case under the Bankruptcy Code commenced with respect to the Mortgagor) without the prior written consent of the Lender.

(i) The Mortgagor shall promptly, after obtaining knowledge thereof, notify the Lender orally of the filing by or against the Ground Lessor of any petition under the Bankruptcy Code. The Mortgagor shall thereafter forthwith give written notice of such filing to the Lender, setting forth any information available to the Mortgagor as to the date of such filing, the court in which such petition was filed, and the relief sought therein. The Mortgagor shall promptly deliver to the Lender following receipt any and all notices, summonses, pleadings, applications and other documents received by the Mortgagor in connection with any such petition and any proceedings relating thereto.

(j) If there shall be filed by or against the Mortgagor a petition under the Bankruptcy Code, and the Mortgagor, as the tenant under the Ground Lease, shall determine to reject the Ground Lease pursuant to Section 365(a) of the Bankruptcy Code, then the Mortgagor shall give the Lender not less than 10 days' prior notice of the date on which the Mortgagor intends to apply to the Bankruptcy Court for authority to reject the Ground Lease. The Lender shall have the right, but not the obligation, to serve upon the Mortgagor within such 10-day period a notice stating that (1) the Lender demands that the Mortgagor assume and assign the Ground Lease to the Lender pursuant to Section 365 of the Bankruptcy Code, and (2) the Lender

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covenants to cure or provide adequate assurance of future performance of the Mortgagor's obligations under the Ground Lease. If the Lender serves upon the Mortgagor the notice described in the preceding sentence, the Mortgagor shall not seek to reject the Ground Lease and shall seek court approval to comply with the demand provided for in Section 1.16(j)(1) within 30 days after the notice is given, subject to the performance by the Lender of the covenant provided for in Section 1.16(j)(2). The Mortgagor hereby unconditionally assigns, transfers and sets over to the Lender all of the Mortgagor's rights to reject the Ground Lease in any proceeding instituted by or against the Mortgagor under the Bankruptcy Code.

(k) Effective upon the entry of an order for relief in respect of the Mortgagor under the Bankruptcy Code, the Mortgagor hereby assigns and transfers to the Lender a non-exclusive right to apply to the Bankruptcy Court under Section 365(d)(4) of the Bankruptcy Code for an order extending the period during which the Ground Lease may be rejected or assumed.

ARTICLE TWO
DEFAULTS

2.01 Event of Default. The term "Event of Default", wherever used in this Mortgage, shall have the meaning ascribed to such term in the Loan Agreement. In addition, it shall be an Event of Default if the Mortgagor shall fail to pay or perform any of the Mortgagor's obligations under the Ground Lease, or any default or event of default shall occur under the Ground Lease (after giving effect to any applicable notice, grace or cure periods specified therein).

ARTICLE THREE
REMEDIES

3.01 Acceleration of Maturity. If an Event of Default shall have occurred and be continuing, then all of the Obligations secured hereby shall, at Lender's option, immediately become due and payable without notice or demand, time being of the essence hereof; and no omission on the part of Lender to exercise such option when entitled to do so shall be construed as a waiver of such right.

3.02 Lender's Power of Enforcement. If an Event of Default shall have occurred and be continuing, Lender may, either with or without entry or taking possession as hereinabove provided or otherwise, and without regard to whether or not the Obligations shall be due and without prejudice to the right of Lender thereafter to bring an action of foreclosure or any other action for any default existing at the time such earlier action was commenced, proceed by any appropriate action or proceeding: (a) to enforce payment of the Obligations or the performance of any term hereof or any other right; (b) to foreclose this Mortgage and to sell, as an entirety or in separate lots or parcels, the Property under the power of sale hereinafter provided or the judgment or decree of a court or courts of competent jurisdiction; and (c) to pursue any other

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remedy available to it. Lender shall take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, or both, as Lender may determine.

3.03 Lender's Right to Enter and Take Possession, Operate and Apply Income.

(a) If an Event of Default shall have occurred and be continuing, (i) Mortgagor upon demand of Lender shall forthwith surrender to Lender the actual possession and if and to the extent permitted by law, Lender itself, or by such officers or agents as it may appoint, may enter upon and take possession of the Property and may exclude Mortgagor and its agents and employees wholly therefrom and may have joint access with Mortgagor to the books, papers and accounts of Mortgagor; and (ii) Mortgagor will pay monthly in advance to Lender on Lender's entry into possession, or to any receiver appointed to collect the rents, income and other benefits of the Property, the fair and reasonable rental value for the use and occupation of such part of the Property as may be in possession of Mortgagor, and upon default in any such payment will vacate and surrender possession of such part of the Property to Lender or to such receiver and, in default thereof, Mortgagor may be evicted by summary proceedings or otherwise.

(b) If Mortgagor shall for any reason fail to surrender or deliver the Property or any part thereof after Lender's demand, Lender may obtain a judgment or decree conferring on Lender the right to immediate possession or requiring Mortgagor to deliver immediate possession of all or part of the Property to Lender, to the entry of which judgment or decree Mortgagor hereby specifically consents. Mortgagor shall pay to Lender, upon demand, all reasonable costs and expenses of obtaining such judgment or decree and compensation to Lender, its attorneys and agents, and all such costs, expenses and compensation shall, until paid, be secured by the lien of this Mortgage.

(c) Upon every such entering upon or taking of possession, Lender may hold, store, use, operate, manage and control the Property and conduct the business thereof, and, from time to time:

(i) Make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property;

(ii) Insure or keep the Property insured;

(iii) Manage and operate the Property and exercise all the rights and powers of Mortgagor in its name or otherwise with respect to the same;

(iv) Enter into agreements with others to exercise the powers herein granted Lender, all as Lender from time to time may determine; and Lender may collect and receive all the rents, income and other benefits thereof, including those past due as well as those accruing thereafter; and shall apply the monies so received by Lender in such priority as Lender may determine to (1) the payment of the Obligations; (2) the

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deposits for taxes and assessments and insurance premiums due; (3) the cost of insurance, taxes, assessments and proper charges upon the Property or any part thereof; (4) the expenses of operating, maintaining, repairing and improving the Property, including without limitation renting commissions and rental collection commissions paid to an agent of Lender or of the receiver; and (5) the reasonable compensation, expenses and disbursements of the agents, attorneys and other representatives of Lender. All costs, expenses and liabilities of every character incurred by Lender in managing, operating and maintaining the Property, not paid out of rent as hereinabove provided, shall constitute additional Obligations secured hereby. While in possession of the Property, Lender or the receiver shall be liable to account only for the rents, issues and profits actually received.

The Lender shall surrender possession of the Property to Mortgagor only when all Obligations secured hereby and all amounts under any of the terms of this Mortgage shall have been paid and all defaults cured or waived. The same right of taking possession, however, shall exist if any subsequent Event of Default shall occur and be continuing.

3.04 Foreclosure.

(a) Power of Sale. If an Event of Default shall occur and be continuing, this Mortgage shall be subject to foreclosure and may be foreclosed as now provided by law in case of past-due mortgages, and the Lender shall be authorized, at its option, whether or not possession of the Property is taken, to sell the Property (or such part or parts thereof as the Lender may from time to time elect to sell) under the power of sale which is hereby given to the Lender, at public outcry, to the highest bidder for cash, at the front or main door of the courthouse of the county in which the land to be sold, or a substantial and material part thereof, is located, after first giving notice by publication once a week for three successive weeks of the time, place and terms of such sale, together with a description of the Property to be sold, by publication in some newspaper published in the county or counties in which the land to be sold is located. If there is land to be sold in more than one county, publication shall be made in all counties where the land to be sold is located, but if no newspaper is published in any such county, the notice shall be published in a newspaper published in an adjoining county for three successive weeks. The sale shall be held between the hours of 11:00 a.m. and 4:00 p.m. on the day designated for the exercise of the power of sale hereunder. The Lender may bid at any sale held under this Mortgage and may purchase the Property, or any part thereof, if the highest bidder therefor. The purchaser at any such sale shall be under no obligation to see to the proper application of the purchase money. At any sale all or any part of the Property, real, personal or mixed, may be offered for sale in parcels or *en masse* for one total price, and the proceeds of any such sale *en masse* shall be accounted for in one account without distinction between the items included therein and without assigning to them any proportion of such proceeds, Mortgagor hereby waiving the application of any doctrine of marshalling or like proceeding. In case the Lender, in the exercise of the power of sale herein given, elects to sell the Property in parts or parcels, sales thereof may be held from time to time, and the power of sale granted herein shall

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not be fully exercised until all of the Property not previously sold shall have been sold or all the Obligations shall have been paid in full and this Mortgage shall have been terminated as provided herein. Out of the proceeds of said sale, the Lender shall pay: all costs, charges, expenses, commissions, unpaid taxes, and fees of advertising, selling and conveying the Property and such other assessments, insurance or other fees or costs as may have been incurred; a sum sufficient to pay the entire balance owing on the Obligations secured hereby; and the surplus, if any, to Mortgagor or the person entitled thereto.

(b) Judicial Proceedings; Receiver. If an Event of Default shall occur, the Lender, in lieu of or in addition to exercising the power of sale hereinafter given, may proceed by suit to foreclose its lien on the Property, to sue Mortgagor for damages on account of said default, for specific performance of any provision contained herein, or to enforce any other appropriate legal or equitable right or remedy. The Lender 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 extent required by law), to the appointment by any competent court or tribunal, without notice to Mortgagor or any other party, of a receiver of the rents, issues, profits and revenues of the Property, with power to lease and control the Property and with such other powers as may be deemed necessary.

(c) Personal Property and Fixtures. If an Event of Default shall occur, the Lender shall have with respect to the Property that is subject to Article 9 of the Alabama Uniform Commercial Code (the "UCC Property") all rights and remedies of a secured party under the Alabama Uniform Commercial Code, including the right to sell it at public or private sale or otherwise dispose of, lease or use it, without regard to preservation of the UCC Property or its value and without the necessity of a court order. At the Lender's request, Mortgagor shall assemble the UCC Property and make it available to the Lender at any place designated by the Lender. To the extent permitted by law, Mortgagor expressly waives notice and any other formalities prescribed by law with respect to any sale or other disposition of the UCC Property or exercise of any other right or remedy upon default. Mortgagor agrees that the Lender may sell or dispose of both the real property included in the Property and the UCC Property in accordance with the rights and remedies granted under this Mortgage with respect to real property.

(d) Multiple Sales. If an Event of Default shall occur, the Lender shall have the option to proceed with foreclosure, either through the courts or by power of sale as provided for in this Mortgage, but without declaring the whole Obligations due. Any such sale may be made subject to the unmatured part of the Obligations, and such sale, if so made, shall not 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. Several sales may be made hereunder 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 Property for any matured part of the Obligations without exhausting the power of foreclosure and the power to sell the Property for any other part of the Obligations, whether matured at the time or subsequently maturing.

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3.05 Leases. The Lender is authorized to foreclose this Mortgage subject to the rights of any tenants of the Property, and the failure to make any such tenants parties defendant to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted by Mortgagor to be, a defense to any proceedings instituted by Lender to collect the sums secured hereby or to collect any deficiency remaining unpaid after the foreclosure sale of the Property.

3.06 Waiver of Appraisement, Valuation, Stay, Extension and Redemption Laws. Mortgagor agrees to the full extent permitted by law that in case of a default in its part hereunder, neither Mortgagor nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisement, valuation, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage or the absolute sale of the Property or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereat, and Mortgagor, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprising the Property marshalled upon any foreclosure of the lien hereof and agrees that the Lender or any court having jurisdiction to foreclose such lien may sell the Property in part or as an entirety.

3.07 Receiver. If an Event of Default shall have occurred and be continuing, Lender, to the extent permitted by law and without regard to the value or adequacy of the security for the Obligations secured hereby, shall be entitled as a matter of right if it so elects to the appointment of a receiver to enter upon and take possession of the Property and to collect all rents, income and other benefits thereof and apply the same as the court may direct, and any such receiver shall be entitled to hold, store, use, operate, manage and control the Property and conduct the business thereof as would Lender pursuant to Paragraph 3.03(c) above. The expenses, including receiver's fees, attorney's fees, costs and agent's compensation, incurred pursuant to the powers herein contained shall be secured by this Mortgage. The right to enter and take possession of and to manage and operate the Property and to collect all rents, income and other benefits thereof, whether by a receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law and may be exercised concurrently therewith or independently thereof. Lender shall be liable to account only for such rents, income and other benefits actually received by Lender, whether received pursuant to this paragraph or paragraph 3.03. Notwithstanding the appointment of any receiver or other custodian, Lender shall be entitled as pledgee to the possession and control of any cash, deposits, or instruments at the time held by, or payable or deliverable under the terms of this Mortgage to, Lender.

3.08 Suits to Protect the Property. Lender shall have the power and authority to institute and maintain any suits and proceedings as Lender may deem advisable (a) to prevent any impairment of the Property by any acts which may be unlawful or any violation of this Mortgage, (b) to preserve or protect its interest in the Property, and (c) to restrain the enforcement of or compliance with any legislation or other government enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement or compliance with such

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enactment, rule or order might impair the security hereunder or be prejudicial to Lender's interest.

3.09 Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting Mortgagor or any guarantor, co-maker or endorser of any of Mortgagor's obligations, its creditors or its property, Lender, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have its claims allowed in such proceedings for the entire amount due and payable by Mortgagor under this Mortgage, the Loan Agreement and any other instrument securing the Obligations, at the date of the institution of such proceedings, and for any additional amounts which may become due and payable by Mortgagor after such date.

3.10 Application of Monies by Lender.

(a) Upon the occurrence of an Event of Default, Lender shall be entitled to sue for and to recover judgment against Mortgagor for the whole amount of the Obligations due and unpaid together with reasonable costs and expenses, including without limitation, the reasonable compensation, expenses and disbursements of Lender's agents, attorneys and other representatives, either before, after or during the pendency of any proceedings for the enforcement of this Mortgage, and the right of Lender to recover such judgment shall not be affected by any taking possession or foreclosure sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the terms of this Mortgage, or the foreclosure of the lien hereof.

(b) In case of a foreclosure sale of all or any part of the Property and the application of the proceeds of sale to the payment of the Obligations secured hereby, Lender shall be entitled to enforce payment from Mortgagor of all Obligations then remaining due and unpaid and to recover judgment against Mortgagor for any portion thereof remaining unpaid, with interest.

(c) Mortgagor hereby agrees, to the extent permitted by law, that no recovery of any such judgment by Lender and no attachment or levy of any execution upon any of the Property or any other property shall in any way affect the lien of this Mortgage upon the Property or any part thereof or any lien, rights, powers or remedies of Lender hereunder, but such lien, rights, powers and remedies shall continue unimpaired as before.

(d) Any monies collected or received by Lender under this paragraph 3.10 shall be applied to the payment of reasonable compensation, expenses and disbursements of the agents, attorneys and other representatives of Lender, and the balance remaining shall be applied to the payment of the Obligations secured hereby.

(e) The provisions of this paragraph shall not be deemed to limit or otherwise modify the provisions of any guaranty of the Obligations of Mortgagor to Lender.

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3.11 Delay or Omission; No Waiver. No delay or omission of Lender to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to waive any such Event of Default or to constitute acquiescence therein. Every right, power and remedy given to Lender may be exercised from time to time and as often as may be deemed expedient by Lender.

3.12 No Waiver of One Default to Affect Another. No waiver of any Event of Default hereunder shall extend to or affect any subsequent or any other Event of Default then existing, or impair any rights, powers or remedies consequent thereon. If Lender (a) grants forbearance or an extension of time for the payment of any Obligations secured hereby; (b) takes other or additional security for the payment thereof; (c) waives or does not exercise any right granted in the Loan Agreement; (d) releases any part of the Property from the lien of this Mortgage; (e) consents to the filing of any map, plat or replat of the Land; (f) consents to the granting of any easement on the Land; or (g) makes or consents to any agreement changing the terms of this Mortgage or subordinating the lien or any charge hereof, no such act or omission shall release, discharge, modify, change or affect the Obligations of Mortgagor. No such act or omission shall preclude Lender from exercising any right, power or privilege herein granted or intended to be granted in case of any Event of Default then existing or of any subsequent Event of Default nor shall the lien of this Mortgage be altered hereby, except to the extent of releases as described in subparagraph (d) above of this paragraph 3.12.

3.13 Discontinuance of Proceedings; Position of Parties Restored. If the Lender shall have proceeded to enforce any right or remedy under this Mortgage by foreclosure, entry or otherwise and such proceedings shall have been discontinued or abandoned for any reason, or such proceedings shall have resulted in a final determination adverse to Lender, then and in every such case Mortgagor and Lender shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Lender shall continue as if no such proceedings had occurred or had been taken.

3.14 Right of Lender to Cure Ground Lease, etc. Upon the occurrence of any default or event of default under the Ground Lease (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 Lender shall have the right, but shall be under no obligation, to pay any amount, to perform any other act or to take such action as may be appropriate to cure or prevent such default or event of default under the Ground Lease, to the end that the Mortgagor's rights in, to and under the Ground Lease shall be kept unimpaired and free from default. Subject to the rights of any tenants, the Lender and any person designated by the Lender shall have, and is hereby granted, the right to enter upon the Property at any time and from time to time for the purpose of paying any such amount, performing any such act or taking any such action, and all moneys expended by the Lender in connection therewith (including reasonable attorneys' fees and disbursements), together with interest thereon at the default rate, shall be payable by the Mortgagor to the Lender forthwith upon demand by the Lender, and shall constitute part of the Obligations. In the event of any failure by the Mortgagor to pay, observe or perform any covenant on the part of the Mortgagor to

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be paid, observed and performed under the Ground Lease, the payment or performance by the Lender in behalf of the Mortgagor of said covenant shall not remove or waive, as between the Mortgagor and the Lender, the corresponding default under the terms hereof, and any such failure aforesaid shall be subject to all of the rights and remedies of the Lender hereunder when any Event of Default exists.

3.15 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Lender by this Mortgage or the Loan Documents is exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given under the Loan Documents, or now or hereafter existing at law, in equity or by statute.

ARTICLE FOUR
TRANSFER OR FURTHER ENCUMBRANCE OF THE PROPERTY

4.01 Transfer or Further Encumbrance of the Property. In the event of any sale, conveyance, transfer, lease, pledge or further encumbrance of the Property or any interest in or any part of the Property, or any further assignment of rents from the Property without the prior written consent of Lender then, at Lender's option, Lender may declare all Obligations of Mortgagor to be due and payable immediately without demand or notice. Lender's consent shall be within its sole and absolute discretion, and Lender specifically reserves the right to condition its consent upon (by way of illustration but not of limitation) its approval of the financial management ability of the purchaser, transferee, lessee, pledgee or assignee, upon the assumption of the Obligations and this Mortgage by the purchaser, transferee, lessee, pledgee or assignee, or upon the receipt of guaranties of the indebtedness satisfactory to Lender. Any purchaser, transferee, lessee, pledgee or assignee shall be deemed to have assumed and agreed to pay the Obligations secured by this Mortgage and to have assumed and agreed to be bound by the terms and conditions of this Mortgage, including the terms of this paragraph, unless Lender specifically agrees in writing to the contrary. Mortgagor agrees that in the event the ownership of the Property or any part thereof becomes vested in a person other than Mortgagor, Lender may, without notice to Mortgagor (except as required by applicable law), deal in any way with such successor or successors in interest with reference to this Mortgage and the Obligations hereby secured without in any way vitiating or discharging Mortgagor's liability hereunder or under the Loan Documents. No transfer or encumbrance of the Property or any interest therein and no forbearance or assumption by any person with respect to this Mortgage and no extension to any person of the time for payment of the Obligations hereby secured given by Lender shall operate to release, discharge, modify, change or affect the liability of Mortgagor either in whole or in part, unless Lender specifically agrees in writing to the contrary.

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ARTICLE FIVE
MISCELLANEOUS PROVISIONS

5.01 Successors and Assigns Included in Parties. Whenever one of the parties hereto is named or referred to herein, the heirs, personal representatives, successors and assigns of such party shall be included and all covenants and agreements contained in this Mortgage, by or on behalf of Mortgagor or Lender shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

5.02 Addresses for Notices, Etc.

(a) Except as may be otherwise provided herein, any notice, report, demand or other instrument authorized or required to be given or furnished under this Mortgage to Mortgagor or Lender shall be in writing, shall be sent by certified or registered mail, return receipt requested, personal delivery against receipt, or by telegraph or facsimile and, unless otherwise expressly permitted herein, shall be deemed to have been validly served, given or delivered when delivered against receipt or one (1) business day after deposit in the United States mail, postage prepaid, or, in the case of telegraphic notice, when delivered to the telegraph company, or, in the case of facsimile notice, when sent, answer back, addressed as follows:

If to Lender, at:
GMAC Commercial Finance, LLC
2810 Interstate Tower
121 West Trade Street
Charlotte, North Carolina 28202-5399
Attention: Account Executive – Worldtex, Inc., et al
Facsimile No.: 704-342-5353

with a copy to:
Hunton & Williams LLP
Bank of America Plaza, Suite 4100
600 Peachtree Street, N.E.
Atlanta, Georgia 30308-2216
Attention: W. Darr Smith
Facsimile No.: 404-888-4190

and

GMAC Commercial Finance, LLC
3000 Town Center, Suite 280
Southfield, Michigan 48075
Attention: Chuck Stephenson
Facsimile No.: 248-350-2733

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If to ECA: Elastic Corporation of America, Inc.
c/o Worldtex, Inc.
940 Tate Boulevard, SE
Suite 107
Hickory, North Carolina 28602
Attention: Mitchell Setzer
Facsimile No.: 828-327-6417

With a copy to: Brooks, Pierce, McLendon, Humphrey & Leonard, LLP
200 Renaissance Plaza
230 North Elm Street
Greensboro, North Carolina 27401
Attention: Marc D. Bishop
Facsimile No.: 336-232-9129

If to IDB: The Industrial Development Board of the City of Columbiana
107 Mildred Street
Columbiana, AL 35051
Attention: Hilry King
Facsimile No.: 205-_____

With a copy to: Conrad M. Fowler, Jr, Esq.
Wallace, Ellis, Fowler & Head
P. O. Box 587
Columbiana, Alabama 35051
Facsimile No.: 205-669-4932

(b) Either party may change the address to which any such notice, report, demand or other instrument is to be delivered or mailed, by furnishing written notice of such change to the other party, but no such notice of change shall be effective unless and until received by such other party.

5.03 Headings. The headings of the articles, sections, paragraphs and subdivisions of this Mortgage are for convenience of reference only, are not to be considered a part hereof, and shall not limit or expand or otherwise affect any of the terms hereof.

5.04 Invalid Provisions to Affect No Others. In the event that any of the covenants, agreements, terms or provisions contained in the Loan Documents shall be deemed invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained in the Loan Documents shall be in no way affected, prejudiced or disturbed thereby; and if any application of any term, restriction or covenant to any person or circumstances is deemed illegal or unenforceable, the application of such term, restriction or

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covenant to other persons and circumstances shall remain unaffected to the extent permitted by law.

5.05 Changes, Etc. Neither this Mortgage nor any term hereof may be changed, waived, discharged or terminated orally, or by any action or inaction, but only by an instrument in writing signed by Lender or Mortgagor, as the case may be, against which enforcement of the change, waiver, discharge or termination is sought. The modification hereof or of any of the Loan Documents or the release of any part of the Property from the lien hereof shall not impair the priority of the lien of this Mortgage.

5.06 Governing Law. In accordance with the terms of the Loan Documents and the agreement of the parties, the rights and obligations of the parties under this Mortgage and the other Loan Documents shall be governed by and construed and interpreted in accordance with the internal laws of the State of Michigan without giving effect to the conflicts-of-law rules and principles of such state. Mortgagor and Lender acknowledge and agree that the State of Michigan has a substantial relationship to the parties involved in the transactions secured by this Mortgage. Notwithstanding the foregoing, the parties agree that:

(a) The procedures governing the enforcement by Lender of provisional remedies against Mortgagor directly relating to the Property encumbered hereby, including, without limitation, any such actions for replevin, for claim of delivery of property, or for the appointment of a receiver, shall be governed by the laws of the State of Alabama;

(b) Alabama law shall apply to the extent, but only to the extent, necessary to create, perfect and foreclose the security interests and liens created hereby; provided, however, that nothing in this section shall in any event be construed to provide that the substantive law of the State of Alabama shall apply to the obligations and indebtedness secured by this Mortgage or evidenced by the other Loan Documents, which are and shall continue to be governed by the substantive law of the State of Michigan. In such connection, the parties further agree that Lender may enforce its rights under the Loan Documents, including its right to sue Mortgagor, to collect any outstanding indebtedness, or to obtain a judgment against Mortgagor in Michigan, or other states for any deficiency prior to or following foreclosure, in accordance with Michigan law, and if Lender obtains a deficiency judgment in a state other than in Alabama, then Lender shall have the right to enforce such judgment in Alabama, as well as in other states.

5.07 No Merger. Unless the Lender shall otherwise expressly consent in writing, fee title to the Property and the Mortgagor's leasehold estate under the Ground Lease shall not merge but shall always remain separate and distinct, notwithstanding that both of said estates may at any time be held by the Mortgagor or by any third party by purchase or otherwise.

5.07 **Non-Recourse Obligation of IDB. Notwithstanding any other provision contained herein, in the Loan Documents or in any other document evidencing, securing or relating to the Obligations, the Lender covenants and agrees that the liability of the IDB for**

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any and all of the Obligations shall be limited to the interests of the IDB in and to the Property, and the Lender shall only look to such Property for the performance of any such Obligations or for the payment of any of the Obligations; provided, however, nothing contained herein shall be deemed to be a release or impairment of the Obligations, of ECA's Obligations, the security therefor intended by this Mortgage, or the Loan Documents or any other documents evidencing, securing or relating to the Obligations, including, without limitation, any guaranty of the Obligations, or shall preclude the Lender from exercising the rights and remedies of the Lender under this Mortgage and the Loan Documents or under any other documents executed in connection with the Obligations or by law with respect to such Property. Nothing herein shall be deemed to be a waiver of any right the Lender may have under the Bankruptcy Reform Act of 1978 to file a claim for the full amount of the debt owing to the Lender by ECA or to require that the Property shall continue to secure the indebtedness evidenced by the Note, this Mortgage and the Loan Documents.

ARTICLE SIX
ADDITIONAL PROVISIONS

6.01 Hazardous Materials.

6.01.1 Except as would not have a material adverse effect on Mortgagor, Mortgagor (i) shall keep and maintain the Property in compliance in all material respects with, and shall not cause or permit a violation in any material respect of, any law governing the use, generation, storage, release, threatened release, discharge or disposal or presence of hazardous materials (a "Hazardous Materials Law") on or about the Property, and (ii) shall not permit its tenants to engage in any activity on or about the Property in violation in any material respect of any Hazardous Materials Law.

6.01.2 Mortgagor shall immediately advise Lender in writing of (i) any enforcement, cleanup, removal or other governmental or regulatory actions threatened or instituted with respect to the Property pursuant to any Hazardous Materials Law; (ii) any claim made or threatened by any third party against Mortgagor or the Property relating to damage, contribution, cost recovery, compensation, loss or injury resulting from the existence or threatened existence of any hazardous materials (the matters set forth in clauses (i) and (ii) above are referred to as "Hazardous Materials Claims"); and (iii) Mortgagor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Laws.

6.01.3 Lender shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims if Lender, in its reasonable judgment, believes such joinder or participation to be necessary to ensure the timely repayment of the obligations secured by this Mortgage, or to

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protect the security of this Mortgage or Lender from incurring liability in connection with any Hazardous Materials Claim. Mortgagor shall pay Lender's reasonable attorneys' fees incurred in connection with any such proceeding. Mortgagor shall be solely responsible for, and shall indemnify and hold harmless Lender, its directors, officers, employees, agents, successors and assigns from and against, any loss, damage, cost, expense, claim or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge or disposal or presence of hazardous materials on or about the Property, including, without limitation: (i) all direct damages incurred by Lender; (ii) the costs of any required or necessary repair, cleanup or detoxification of the Property and the preparation and implementation of any closure, remedial or other required plans; and (iii) all reasonable costs and expenses incurred by Lender in connection with clauses (i) and (ii), including, without limitation, reasonable attorneys' fees; provided, that Mortgagor shall not be liable to Lender for any of consequential, special, indirect or punitive damages arising out of or attributable to the use, generation, storage, release, threatened release, discharge or disposal or presence of hazardous materials on or about the Property.

6.01.4 Mortgagor shall promptly undertake all necessary remedial work ("Remedial Work ") in response to any Hazardous Materials Claims or the actual or threatened presence or release of any hazardous materials on or about the Property. All Remedial Work shall be conducted (i) in a diligent and timely fashion by licensed contractors acting under the supervision of a consulting environmental engineer; (ii) pursuant to a detailed written plan for the Remedial Work approved by each agency or person whose approval is legally required or who has a legal or contractual right to such approval; and (iii) only following receipt of any required permits, licenses or approvals. Mortgagor shall not undertake any Remedial Work or enter into any settlement agreement, consent decree, or other compromise in respect of any Hazardous Materials Claim without Lender's prior written consent, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing sentence, Lender's prior written consent shall not be necessary if the presence of hazardous materials on or about the Property either poses an immediate threat to the health or safety of any person or is of such a nature that an immediate remedial response is necessary and it is not possible to obtain Lender's consent before taking such action. In any such event, Mortgagor shall notify Lender as soon as practicable of any action so taken. Mortgagor shall submit to Lender, promptly upon receipt or preparation, copies of all reports, studies, analyses, correspondence, governmental comments or approvals, proposed removal or other Remedial Work contracts and similar information prepared or received by Mortgagor in connection with any Remedial Work or Hazardous Materials relating to the Property. Mortgagor shall pay Lender's reasonable fees and costs incurred in connection with monitoring or review of the Remedial Work.

6.01.5 The obligations of Mortgagor and the rights of Lender under this Section 6.01 are in addition to and not in substitution of the obligations of Mortgagor and the rights of Lender under any applicable Hazardous Materials Law. Lender's rights and Mortgagor's obligations under Section 6.01.3 above shall survive the repayment of the loans evidenced by the

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Loan Agreement, the reconveyance of the lien of this Mortgage, foreclosure under this Mortgage and Lender's acceptance of a deed in lieu of such foreclosure.

6.02 Tests and Studies.

6.02.1 Mortgagor agrees to permit Lender and any prospective bidder at any foreclosure sale and their respective agents and contractors to enter upon the Property for the purpose of conducting such tests, inspections, studies, surveys and other information gathering activities (collectively, the "Tests and Studies") with respect to the Property as any of them may reasonably deem necessary or appropriate, including, without limitation, Tests and Studies with respect to the structural integrity of the Improvements, the presence of hazardous materials in or around the Property, the occurrence of any violation of any Hazardous Material Law in or around the Property and the status of leasing and occupancy of the Improvements. Except in case of an emergency, or when Mortgagor or any tenant has abandoned the Property, or if it is impracticable to do so, Lender shall give Mortgagor reasonable advance notice of Lender's intent to enter the Property and enter the Property only during normal business hours. Mortgagor agrees to fully cooperate with such parties in their efforts to conduct the Tests and Studies, and further agrees to make available such portions of the Property as any of them may designate. If Lender or any such person is refused the right of entry and inspection by Mortgagor or any tenant of the Property, or is otherwise unable to enter and conduct Tests and Studies on the Property without a breach of peace, Lender may obtain an order from a court of competent jurisdiction, the appointment of a receiver, or both, to enable Lender or such other persons to exercise the rights under this Section.

6.02.2 Mortgagor authorizes Lender to make available to any party (including, without limitation, any governmental authority and any prospective bidder at any foreclosure sale of the Property), all information which Lender may have with respect to the Property, whether provided by Mortgagor or any third party or obtained as a result of Tests and Studies, including, without limitation, environmental reports, surveys and engineering reports. Mortgagor consents to Lender's notifying any party (either as part of a notice of sale or otherwise) of the availability of any of the Tests and Studies and the information contained in them. Mortgagor acknowledges that Lender cannot control or otherwise assure the truthfulness or accuracy of the Tests and Studies, and that the release of Tests and Studies, or any information contained in them, to prospective bidders at any foreclosure sale of the Property may have a material and adverse effect upon the amount which a party may bid at such sale. Mortgagor agrees that Lender shall have no liability as a result of delivering any of the Tests and Studies or any information contained in them to any third party, and Mortgagor releases Lender from all claims, damages or causes of action arising out of or incidental to the Tests and Studies or their delivery.

6.02.3 All reasonable costs and expenses incurred by Lender pursuant to this Section, including, without limitation, costs of consultants and contractors, costs of repair of any physical injury to the Property customarily incurred during the conduct of the Tests and Studies,

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court costs and attorneys' fees, whether incurred in litigation or not and whether before or after judgment, shall be payable by Mortgagor and, to the extent advanced or incurred by Lender, shall be reimbursed to Lender by Mortgagor upon demand.

[signatures on next page]

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IN WITNESS WHEREOF, Mortgagor has caused this Mortgage and Security Agreement to be duly executed under seal in its corporate name by its duly authorized corporate officers on the day and year first above written.

MORTGAGOR:

Elastic Corporation of America, Inc.

By: _____

Name: Mitchell R Setzer

Title: Treasurer

ACKNOWLEDGMENT

STATE OF North Carolina)
COUNTY OF Catawba)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Mitchell R. Setzer, whose name as 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/she, 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 the 16th day of June, 2005.

_____
Notary Public

AFFIX SEAL

My commission expires: 5-10-2007

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The Industrial Development Board of the City of Columbiana

By: _____

Name: George Bentley

Title: Chairman

ACKNOWLEDGMENT

STATE OF ALABAMA)
COUNTY OF SHELBY)

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, 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 the 8th day of June, 2005.

Mary Beth O'Neill
Notary Public

AFFIX SEAL

My commission expires: 7-26-2005

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SCHEDULE A TO
MORTGAGE, ASSIGNMENT
OF LEASES AND RENTS AND SECURITY AGREEMENT

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.

Situation in Shelby County, Alabama.

According to survey of Jimmy A. Gay, RLS #8759, dated June 27, 1991, and updated revised survey of Jon P. Stength, RLS #21181, of Gonzales-Strength & Associates, updated March 21, 2002, certified March 27, 2002, Job No. Rev. 12288.-11609.

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 mintues 41 seconds and run in a Southwesterly direction along 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

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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, and updated revised survey of Jon P. Stength, RLS #21181, of Gonzales-Strength & Associates, updated March 21, 2002, certified March 27, 2002, Job No. Rev. 12288.-11618.

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 mintues 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 to 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 to 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.

According to survey of Jimmy A. Gay, RLS #8759, dated June 27, 1991, and updated revised survey of Jon P. Stength, RLS #21181, of Gonzales-Strength & Associates, updated March 21, 2002, certified March 27, 2002, Job No. 11618.

PARCEL FOUR:

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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 849.27 feet to a point on the Northwest right-of-way of Industrial Road; thence turn an angle to the right of 55 degrees 51 minutes 35 seconds and run in a Southwesterly direction along the Northwest right-of-way for a distance of 384.75 feet; thence turn an angle to the left of 90 degrees 00 minutes and run in a Southeasterly direction for a distance of 80.00 feet to a point on the Southeast right-of-way of Industrial Road, to the point of beginning; from said point of beginning thus obtained, thence turn an angle to the right of 90 degrees 00 minutes to the tangent of a curve to the left having a central angle of 45 degrees 24 minutes 53 seconds and a radius of 355.14 feet; thence run in a Southwesterly direction along the arc of said curve and the Southeast right-of-way of Industrial Road for a distance of 281.50 feet; thence turn an angle to the left from the tangent if extended to said curve of 44 degrees 35 minutes 10 seconds and run in a Southeasterly direction for a distance of 94.43 feet to a point at the intersection of the North right-of-way of Alabama Highway No. 70 and the Northwest right-of-way of the Southern Railroad right-of-way; thence turn an angle to the left of 90 degrees 00 minutes and run in a Northeasterly direction along the Northwest right-of-way of the Southern Railroad for distance of 523.87 feet; thence turn an angle to the left of 89 degrees 54 minutes 58 seconds and run in a Northwesterly direction for a distance of 200.26 feet to a point on the Southeast right-of-way of Industrial Road; thence turn an angle to the left of 90 degrees 04 minutes 59 seconds and run in a Southwesterly direction along the Southeast right-of-way of Industrial Road a distance of 271.23 feet to the point of beginning.

Being in Shelby County, Alabama.

According to survey of Jimmy A. Gay, RLS #8759, dated June 27, 1991, and updated revised survey of Jon P. Stength, RLS #21181, of Gonzales-Strength & Associates, updated March 21, 2002, certified March 27, 2002, Job No. Rev. 12288.-17267.

PARCEL FIVE:

Commence at the Southwest corner of the Northwest quarter of Section 26, Township 21 South, Range 1 West; thence run in a Northerly direction along the West line of the Northwest quarter for a distance of 459.85 feet to a point in the centerline of a Creek and the point of beginning; from the point of beginning thus obtained turn an angle to the right of 74 degrees 51 minutes 04 seconds and run in a Northeasterly direction along the centerline of a creek for a distance of 127.96 feet; thence turn an angle to the left of 3 degrees 53 minutes 24 seconds and continue in a Northeasterly direction along the centerline of a creek for a distance of 148.04 feet; thence turn an angle to the left of 73 degrees 21 minutes 32 seconds and run in a Northerly direction for a distance of 182.00 feet; thence turn an angle to the left of 100 degrees 48 minutes 34 seconds and run in a Southwesterly direction for a distance of 262.79 feet; thence turn an angle to the left of 76 degrees 47 minutes 34 seconds and run in a Southerly direction for a distance of 203.53 feet to the point of beginning.

Being in Shelby County, Alabama.

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According to survey of Jimmy A. Gay, RLS #8759, dated June 27, 1991, and updated revised survey of Jon P. Stength, RLS #21181, of Gonzales-Strength & Associates, updated March 21, 2002, certified March 27, 2002, Job No. Rev. 12288.-17267.

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SCHEDULE B TO
MORTGAGE, ASSIGNMENT
OF LEASES AND RENTS AND SECURITY AGREEMENT

Permitted Exceptions

1. The Lien for ad valorem taxes on the Property so long as such taxes are not delinquent.

2. The exceptions set forth in Schedule B-2 of the mortgagee's title insurance policy issued or to be issued pursuant to that certain Commitment to Issue Title Insurance No. S-05-13519-A prepared by Shelby County Abstract & Title Company, as agent for Stewart Title Guaranty Company having an effective date of April 19, 2005, at 8:00 a.m. [(as marked down by said title insurance agent through the date of closing),], to the extent only that such exceptions refer expressly to instruments recorded against, or otherwise specifically affect, the Property and not to any general, standard or similar exceptions that may appear in said policy.

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SCHEDULE C TO
MORTGAGE, ASSIGNMENT
OF LEASES AND RENTS AND SECURITY AGREEMENT

List of Leases

That certain lease agreement (the "Ground Lease") by and between IDB (the "Ground Lessor") and NFA Corp., dated June 1, 1992, filed for record in the Probate Office of Shelby County, Alabama as Instrument #1992-12554, said Ground Lease being amended by First Amendment to lease Agreement by and between the Ground Lessor and NFA Corp., dated May 1, 1997, recorded in said Probate Office as Instrument #1997-17481, as assigned and assumed by Assignment and Assumption of lease Agreement and Guaranty Agreement, by and between the Ground Lessor, NFA Corp. and Mortgagor, dated December 1, 1997, filed for record in said Probate Office as Instrument #1997.