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Steven D. Delaney, Esquire
LeClair Ryan, A Professional Corporation
951 East Byrd Street, Eighth Floor
Richmond, Virginia 23219

REVOLVING CREDIT LINE
MORTGAGE AND SECURITY AGREEMENT
(Collateral is or includes fixtures)

Dated as of March 31, 2006

From

GRAY PROPERTY 7102, LLC, a Virginia limited liability company

and

GRAY LUMBER COMPANY,
a Virginia corporation

and

GRAYLAND COMPANY, L.P.,
a Virginia limited partnership

To

WACHOVIA BANK, NATIONAL ASSOCIATION,
a national banking association

REVOLVING CREDIT LINE MORTGAGE AND SECURITY AGREEMENT

This Revolving Credit Line Mortgage and Security Agreement is made on March 31, 2006 from GRAY PROPERTY 7102, LLC, a Virginia limited liability company, GRAY LUMBER COMPANY, a Virginia corporation, and GRAYLAND COMPANY, L.P., a Virginia limited partnership, (hereinafter, jointly and severally referred to as "Mortgagor"), to WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association ("Mortgagee").

Capitalized terms herein are defined in Article II.

ARTICLE I

RECITALS

1.1 The Loan--Gray Property 7102, LLC ("Borrower") is indebted to Mortgagee for that certain loan in the outstanding principal amount not to exceed Fifteen Million Seven Hundred Ninety Five Thousand and 00/100 Dollars (\$15,795,000.00) as evidenced by the Note of Borrower.

1.2 Obligations Secured--This Mortgage secures (a) the full and punctual payment of the Loan according to the terms of the Note, (b) the payment of all sums due to Mortgagee according to the terms of any of the Loan Documents, and (c) the performance of, and compliance with, all of the obligations of the Mortgagor (express or implied) contained in the Loan Documents. The Note secured by this Mortgage is a revolving credit line promissory note and availability under the Note may be used to issue letters of credit for the benefit of the Mortgagor. In such case the amounts secured hereunder shall include all amounts drawn under such letters of credit and otherwise due under any reimbursement agreements executed in connection with such letters of credit. The Mortgage is given to secure all present and future obligations of Mortgagor to Mortgagee under the Note and the other Loan Documents. The period in which future obligations may be incurred under the Note and the other Loan Documents and secured by this Mortgage is the period between the date hereof and that date which is the earlier of (i) the stated maturity date of the Note or (ii) fifteen (15) years from the date hereof. The amount of present obligations secured by this Mortgage is ZERO DOLLARS. The maximum principal amount, including present and future obligations, which may be secured by this Mortgage at any one time is FIFTEEN MILLION SEVEN HUNDRED NINETY FIVE THOUSAND AND 00/100 DOLLARS (\$15,795,000.00), and any additional amounts advanced by necessary expenditures for the protection of the security. The Mortgagor is not required to sign any instrument or notation evidencing or stipulating that future advances are secured by this Mortgage.

ARTICLE II

DEFINITIONS

Whenever capitalized in this Mortgage, the following terms shall have the meaning given in this Article II, unless the context clearly indicates a contrary intent.

2.1 Assignment of Leases and Rents--"Assignment of Leases and Rents" means the Assignment of Rents and Leases in favor of Mortgagee executed by Mortgagor of even date herewith, pursuant to which the Mortgagor has, among other things, assigned rents under all Leases to the Mortgagee as additional security for the Loan.

2.2 Controlling Party--"Controlling Party" means any Person, directly or indirectly, possessing the power to direct or cause the direction of the management and policies of Mortgagor, whether through the ownership or control of voting securities or rights, by contract or otherwise.

2.3 Default--"Default" means: (a) the failure of Mortgagor to perform, cause to be performed, abide by, comply with, or observe any duty or obligation imposed upon Mortgagor by the Loan Documents; (b) the breach of any of Mortgagor's warranties or covenants contained in any of the Loan Documents; (c) a misrepresentation by Mortgagor, its counsel, or any other Person on behalf of Mortgagor, in any of the Loan Documents; and (d) any event, happening, or condition which would constitute an Event of Default if not cured within any applicable grace period.

2.4 Default Rate--"Default Rate" means an interest rate of three (3) percent per annum above the interest rate otherwise payable on the Loan pursuant to the terms and provisions of the Note, during the time period that the Default Rate is applicable.

2.5 Encumbrances--"Encumbrances" includes all liens, mortgages, rights, leases, restrictions, easements, deeds of trust, covenants, agreements, rights of way, rights of redemption, security interests, conditional sales agreements, land installment contracts, options, and all other burdens or charges.

2.6 Event of Default--"Event of Default" has the meaning given and provided in Section 10.1.

2.7 Expense Account--"Expense Account" means the account which may be maintained pursuant to Section 6.2.

2.8 Mortgagor--"Mortgagor" means the party identified as such in the introductory paragraph of this Mortgage, its successors and assigns, including any subsequent owner of all or any portion of Mortgagor's interest in the Security Property.

2.9 Guaranty--“Guaranty” means that certain Unconditional and Continuing Guaranty Agreement of Gray Holdings, LLC, a Virginia limited liability company (the “Guarantor”) dated of even date herewith, in favor of the Mortgagee, pursuant to which Guarantor guarantees, among other things, the full and prompt payment and performance of a portion of the Mortgagor’s obligations under the Loan Documents, as set forth therein.

2.10 Land--“Land” means the land more particularly described in Exhibit A to this Mortgage.

2.11 Law--“Law” means all federal, state, county, and municipal laws, regulations, rules, and ordinances, and all rules, regulations and orders of any other governmental authority including common law and rulings, decisions and interpretations of all judicial, quasi-judicial, and administrative bodies.

2.12 Lease--“Lease” means each lease which purports to convey any interest of Mortgagor in any portion of the Security Property and includes subleases and assignments of leases.

2.13 Legal Action--“Legal Action” includes all suits or other proceedings brought at law or in equity or before any administrative agency, governmental body, or arbitrator which in any manner relate to the Security Property or arise out of or relate to any of the Loan Documents.

2.14 Loan--“Loan” means the loan by the Mortgagee to the Borrower in the maximum principal amount not to exceed at any one time Fifteen Million Seven Hundred Ninety Five Thousand and 00/100 Dollars (\$15,795,000.00) as evidenced by the Note.

2.15 Loan Documents--“Loan Documents” means this Mortgage, the Note, the Assignment of Rents and Leases, the Guaranty, and any and all other certificates, opinions, assignments and documents executed in connection herewith or therewith, and all current and future supplements, amendments, and attachments thereto.

2.16 Mortgage--“Mortgage” means this instrument, including all current and future supplements, amendments, and attachments thereto.

2.17 Mortgagee--“Mortgagee” means Wachovia Bank, National Association, a national banking association, its successors and assigns, and any subsequent holder of the Note.

2.18 Note of Borrower or Note--“Note of Borrower” or “Note” means the revolving credit line promissory note of Borrower of even date herewith in the original principal amount of Fifteen Million Seven Hundred Ninety Five Thousand and 00/100 Dollars (\$15,795,000.00), payable to the order of Mortgagee and evidencing the Loan, including all current and future supplements, amendments, extensions and attachments thereto and any restatements thereof, which Note, if not sooner paid, is due and payable in full on March 31, 2009, or March 31, 2011, if extended pursuant to the terms thereof.

2.19 Operate--“Operate” means to operate, use, manage, lease, contract, and control, including the right to repair, renew, replace, alter, add, better, and improve.

2.20 Permitted Encumbrances--“Permitted Encumbrances” means this Mortgage and all Encumbrances as to which Mortgagee has given its prior written approval (including those special exceptions listed on schedule B, section 2 of the title commitment issued to Mortgagee by Lawyers Title Insurance Corporation dated March 9, 2006, commitment number ALTA05-15587 (Revision A), liens arising for real estate taxes or public charges for sewage, water, drainage or other public improvements not yet due and payable, liens being contested as permitted herein, and Leases not in violation of Section 7.4.

2.21 Person--“Person” means any individual, corporation, partnership, association, trust, joint venture, or any other legal entity.

2.22 Property--“Property” has the meaning given in Section 3.3.

2.23 Real Property--“Real Property” means the Land, together with the improvements and rights identified in Section 3.1 and all other portions of the Security Property which may legally be deemed to be real property under Section 3.7.

2.24 Rents--“Rents” includes all rents, profits, royalties, issues, revenues, income, proceeds, earnings, and products generated by or arising out of the Security Property.

2.25 Risk--“Risk” includes risk of loss or damage by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil strife, civil commotion, aircraft, vehicles, smoke, vandalism, malicious mischief, boiler explosion, and any other risk customarily insured against by persons operating property similar in kind to the Security Property.

2.26 Taking--“Taking” includes any taking by condemnation or eminent domain, any sale in lieu of condemnation under threat thereof, the alteration of the grade of any street, or any other injury to or decrease in the value of the Security Property by any public or quasi-public authority or corporation or any other person having the power of eminent domain.

2.27 Taxes--“Taxes” includes all taxes, excises, documentary stamp and transfer taxes, recording taxes, assessments, water rents, sewer rents, metropolitan district charges, sanitary district charges, public dues, and other public charges levied or assessed upon the Security Property, upon the Loan, or upon any Loan Document.

2.28 Tenant--“Tenant” means any lessee of Mortgagor under any Lease, and any sub-lessee or assignee of a Lease.

2.30 Security Property--“Security Property” has the meaning given in Section 3.6.

2.31 Uniform Commercial Code--“Uniform Commercial Code” means Article 9A of Section 7 of the Code of Alabama and any amendments thereto or reenactments thereof.

ARTICLE III

GRANTING CLAUSES

3.1 Lien on Real Property--The Mortgagor, in consideration of the Loan and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has mortgaged, granted and conveyed with power of sale and by these presents does hereby mortgage, grant and convey with power of sale unto the Mortgagee, its successors and assigns, subject to the Permitted Encumbrances, all the Land situate in Shelby County, Alabama, described more particularly in Exhibit A attached hereto as a part hereof, together with (a) all buildings and improvements now or hereafter located thereon, (b) all rights, rights of way, air rights, riparian rights, franchises, licenses, easements, tenements, hereditaments, appurtenances, accessions and other rights and privileges now or hereafter belonging to the Land or the buildings and improvements thereupon, now owned or hereafter acquired by the Mortgagor.

3.2 Lien on Fixtures and Personal Property--The Mortgagor further grants and assigns to the Mortgagee all of the machines, apparatus, equipment, fixtures and articles of personal property now or hereafter located on the Land or in any improvements thereon (other than that owned by any Tenant), and all the right, title and interest of the Mortgagor in and to any of such property which may be subject to any title retention or security agreement or instrument having priority over this Mortgage.

3.3 Property--All of the property described in Sections 3.1 and 3.2 is hereinafter collectively called the “Property”.

3.4 Lien on Leases and Rents and Other Rights--The Mortgagor further grants and assigns to the Mortgagee (a) all Leases and Rents, including, without limitation, all cash or security deposits to secure performance by Tenants (whether such cash or securities are to be held until the expiration of the terms of Leases or are to be applied to one or more of the installments of rent coming due immediately prior to the expiration of such terms), (b) all of the estate, right, title, use, claim and demand of every nature whatsoever, at law or in equity, which the Mortgagor may now have or may hereafter acquire in and to the Property, and (c) all right, title and interest of the Mortgagor in and to all extensions, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to, the Property, hereafter acquired by or released to the Mortgagor, or constructed, assembled or placed by or for the Mortgagor on the Property, and all conversions of the security constituted thereby.

3.5 Lien on Insurance Policies and Condemnation Awards--The Mortgagor further grants and assigns to the Mortgagee all insurance policies and insurance proceeds pertaining to the Property and all awards or payments, including interest thereon and the right to receive the

same, which may be made with respect to any of the Property as a result of any Taking or any injury to or decrease in the value of the Property.

3.6 The Security Property--All of the property described in this Article III is collectively called the "Security Property."

3.7 Security Interest Under the Uniform Commercial Code--Any portion of the Security Property which by law is or may be real property shall be deemed to be a part of the Real Property for the purposes of this Mortgage. The remainder of the Security Property shall be subject to the Uniform Commercial Code, and this Mortgage shall constitute a Security Agreement with respect thereto. Mortgagor hereby grants to the Mortgagee a security interest in that portion of the Security Property not deemed a part of the Real Property for the purpose of securing performance of all of Mortgagor's obligations under the Loan Documents. With respect to such security interest (a) the Mortgagee may exercise all rights granted or to be granted a secured party under the Uniform Commercial Code as enacted in Alabama, and (b) upon the occurrence of an Event of Default as defined hereunder, the Mortgagee shall have a right of possession superior to any right of possession of the Mortgagor or any person claiming through or on behalf of the Mortgagor.

ARTICLE IV

HABENDUM CLAUSE AND DEFEASANCES

4.1 Habendum Clause--TO HAVE AND TO HOLD all the estate, right, title and interest, in law and in equity, of Mortgagor in the Mortgaged Property unto Mortgagee forever.

4.2 Termination of the Mortgage--If all the Obligations (including without limitation, all termination payments and any other amounts due under or in connection with any swap agreements (as defined in 11 U.S.C. § 101) secured hereunder) are paid in full, (ii) each and every representation, warranty, agreement, covenant and condition of this Mortgage, and the other Loan Documents, are complied with and abided by, and (iii) any and all swap agreements (as defined in 11 U.S.C. § 101) secured hereunder have matured or been terminated, then this Mortgage and the estate hereby created shall cease and be null, void, and canceled of record, in accordance with the terms of the Loan Documents and applicable Alabama law.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

5.1 Warranty of Title and Further Assurances--The Mortgagor covenants and warrants that the Mortgagor is seized of the Security Property in fee simple and that it has the right and authority to convey the Security Property in fee simple with Power of Sale; that the same are free and clear of all encumbrances except Permitted Encumbrances; that Mortgagor

warrants generally title to the Security Property against the claims of all persons whomsoever; and that it will execute such further assurances as may be requested by the Mortgagee.

5.2 Existence, Good Standing, Power and Authority of Mortgagor--Each of the entities constituting the Mortgagor is duly organized and in good standing under the laws of the Commonwealth of Virginia, is in good standing in the State of Alabama, and will maintain its good standing and existence until all of Mortgagor's obligations under the Loan Documents have been performed and satisfied. The execution and delivery of the Loan Documents, the performance of the transactions contemplated by the Loan Documents, and the performance of Mortgagor's and Guarantor's obligations under the Loan Documents, have been duly authorized by all necessary action and will not conflict with or result in a breach of Law or any agreement or other instrument to which Mortgagor or Guarantor is bound. The Loan Documents are valid and binding on Mortgagor and Guarantor and are enforceable against Mortgagor and Guarantor in accordance with their respective terms, as applicable.

ARTICLE VI

COVENANTS, RIGHTS, AND DUTIES OF MORTGAGOR GENERALLY

6.1 Covenant to Pay Loan and to Perform Obligations under the Terms of the Loan Documents--Each Mortgagor covenants that it will punctually (a) pay to the Mortgagee the principal and interest of the Loan and all other costs and indebtedness secured hereby according to the terms of the Note and other Loan Documents to which it is a party, and (b) perform and satisfy all other obligations of the Mortgagor under the Loan Documents.

6.2 Expense Account--

6.2.1 Upon written request of the Mortgagee after an Event of Default, the Mortgagor will pay to the Mortgagee monthly installments, each of which shall be equal to one-twelfth (1/12) of the sum of (a) the estimated annual premiums for all insurance policies required by Sections 8.1, 8.2 and 8.3, and (b) the estimated annual Taxes pertaining to the Security Property, to be held by the Mortgagee in the Expense Account and disbursed by the Mortgagee to pay the insurance premiums as they become due, and Taxes before any penalty or interest shall accrue thereon. Estimates are to be made solely by the Mortgagee and payments shall be made on the day of the month designated by the Mortgagee. No interest shall be payable by the Mortgagee on the Expense Account unless, and then only to the extent that, applicable Law shall otherwise require. All overpayments to the Expense Account shall be applied to reduce future payments to the Expense Account, if any, or shall be returned to the Mortgagor, in the sole discretion of the Mortgagee.

6.2.2 Upon the request of the Mortgagee after an Event of Default, the Mortgagor shall pay such additional sums into the Expense Account as the Mortgagee determines are necessary, so that one month prior to the date the Mortgagee is required to make payments of insurance premiums or Taxes, as the case may be, payments can be made therefor out of the Expense Account.

6.2.3 The Mortgagor hereby grants the Mortgagee a security interest in the sums on deposit in the Expense Account to secure the obligations secured hereby, and upon the occurrence of an Event of Default, the Mortgagee may, unless prohibited by applicable Law, apply the balance of the Expense Account to Operate the Security Property or to satisfy Mortgagor's obligations under the Loan Documents, as the Mortgagee may elect.

6.3 Compliance with Laws--The Mortgagor shall comply with all Laws a breach of which would materially and adversely affect (a) the financial condition of the Mortgagor, (b) the ability to use buildings and other improvements on the Land for the purposes for which they were designed or intended, (c) the value or status of the Security Property, or (d) the value or status of the Mortgagee's title to the Security Property.

6.4 Notice with Respect to Ownership and Control of Mortgagor--

6.4.1 If Mortgagor is a corporation, it will at all times promptly notify Mortgagee of all changes in the ownership of the stock of Mortgagor and any other change with respect to the identity of a Controlling Party. At any time Mortgagee may request, Mortgagor shall furnish a complete statement, sworn to under penalty of perjury by an officer of Mortgagor, setting forth all of the stockholders, officers, directors and Controlling Parties of Mortgagor, and the extent of their respective stock ownership or control. In the event the Mortgagor is aware of any other Person having a beneficial interest in such stock, the statement shall also set forth the name of such Person and the extent of their interest.

6.4.2 If Mortgagor is a partnership, it will at all times promptly notify Mortgagee of all changes in ownership of partnership interests of Mortgagor and any other change with respect to the identity of a Controlling Party. At any time Mortgagee may request, Mortgagor shall furnish a complete statement, sworn to under penalty of perjury by a general partner of Mortgagor setting forth all of the partners of Mortgagor and the extent of their respective partnership interest or control. In the event any other Person has a beneficial interest in such partnership interests, the statement shall also set forth the name of such Person and the extent of their interest.

6.3.4 If Mortgagor is a limited liability company, it will at all times promptly notify Mortgagee of all changes in the ownership of the membership interests of Mortgagor. At any time Mortgagee may request, Mortgagor shall furnish a complete statement, sworn to under penalty of perjury by an officer of Mortgagor, setting forth all of the members, managers, officers, and Controlling Parties of Mortgagor, and the extent of their respective membership interest or control. In the event the Mortgagor is aware of any other Person having a beneficial interest in such membership interest, the statement shall also set forth the name of such Person and the extent of their interest.

6.5 Statement of Amount Owing and Defenses--Within ten (10) days after request from the Mortgagee, the Mortgagor shall certify, in writing, the amount of principal and interest

then owing on the Loan and whether the Mortgagor has any defenses or offsets with respect to the Loan.

6.6 Changes in Applicable Tax Laws--In the event (a) any Law is hereafter enacted which imposes a Tax upon the Loan, any of the Loan Documents, or the transactions evidenced or contemplated by any of the Loan Documents, or (b) any Law now in force governing the taxation of deeds of trust, debts secured by deeds of trust, or the manner of collecting any such Tax shall be changed or modified, in any manner, so as to impose a Tax upon the Loan, any of the Loan Documents, or the transactions evidenced or contemplated by any of the Loan Documents, (including, without limitation, a requirement that revenue stamps be affixed to any or all of the Loan Documents), the Mortgagor will pay any such Tax promptly upon notice from Mortgagee that such Tax is due. If the Mortgagor fails to make prompt payment, or if any Law either prohibits the Mortgagor from making the payment or would penalize the Mortgagee if Mortgagor makes the payment, then the failure, prohibition, or penalty shall entitle the Mortgagee, after 120 days notice and failure of the Mortgagor to pay off the Loan in full, without penalty or premium, to exercise all rights hereunder as though an Event of Default had occurred.

6.7 Further Assurances and Continuation Statements--The Mortgagor from time to time will execute, acknowledge, deliver and record, at the Mortgagor's sole cost and expense, all further instruments, deeds, conveyances, supplemental deeds of trust, assignments, financing statements, transfers, and assurances as in the opinion of the Mortgagee's counsel, reasonably exercised, may be necessary (a) to preserve, continue, and protect the interest of the Mortgagee in the Security Property, (b) to perfect the grant to the Mortgagee of every part of the Security Property, (c) to facilitate the execution of this trust, (d) to secure the rights and remedies of the Mortgagee under this Mortgage and the other Loan Documents, or (e) to transfer to any purchaser at a sale hereunder the Security Property, funds, and powers now or hereafter held in trust hereunder. The Mortgagor, at the request of the Mortgagee, shall promptly execute any continuation statements required by the Uniform Commercial Code to maintain the lien on any portion of the Security Property subject to the Uniform Commercial Code.

6.8 Expenses--The Mortgagor shall reimburse the Mortgagee for any sums, including reasonable attorney's fees and expenses, incurred or expended by them (a) in connection with any action or proceeding deemed necessary or prudent to sustain the lien, security interest, priority, or validity of any Loan Document, (b) to protect, enforce, interpret, or construe any of their rights under the Loan Documents, (c) for any title examination relating to the title to the Security Property undertaken after a Default, or (d) for any other purpose contemplated by the Loan Documents. The Mortgagor shall, upon demand, pay all such sums together with interest thereon at the Default Rate accruing from the time the expense is paid and notice thereof is received if such expense is not paid by the Mortgagor within seven (7) days of receipt of such notice. All such sums so expended by the Mortgagee shall be secured by this Mortgage. In any action or proceeding to foreclose this Mortgage or to recover or collect the Loan, the provisions of Law allowing the recovery of costs, disbursements, and allowances shall be in addition to the rights given by this Section 6.8.

ARTICLE VII

RIGHTS AND DUTIES OF MORTGAGOR WITH RESPECT TO MANAGEMENT AND USE OF THE SECURITY PROPERTY

7.1 Control by the Mortgagor--Until the happening of an Event of Default, the Mortgagor shall have the right to possess and enjoy the Security Property and, except as prohibited by the Loan Documents, to receive the Rents.

7.2 Management--At all times, the Mortgagor shall provide competent and responsible management to Operate the Security Property. If the Mortgagee so requests, all management and, if an Event of Default has occurred and is continuing, all service contracts involving the Security Property shall be subject to approval in writing by the Mortgagee prior to their execution and, once approved by Mortgagee, shall not be amended or terminated without Mortgagee's prior written approval.

7.3 Financial Statements--The Borrower shall furnish to the Mortgagee financial statements as provided in the Note. The Borrower's fiscal year ends December 31. Borrower will promptly advise the Mortgagee of any change in such fiscal year. The Mortgagor agrees to make its books and records relating to the operation of the Security Property available for inspection by the Mortgagee, upon request at any reasonable time, at Mortgagor's principal place of business, which Mortgagor represents and warrants is located at 5004 Monument Avenue, Suite 200 Richmond, Virginia 23230.

7.4 Leases--The Mortgagor will comply with its obligations under all Leases. The Mortgagor, within thirty (30) days after written request from the Mortgagee, shall deliver to the Mortgagee a detailed list and description of all Leases with copies thereof and such additional information as may be reasonably requested by the Mortgagee. Upon demand by the Mortgagee, Mortgagor will transfer and assign to the Mortgagee, in a form satisfactory to the Mortgagee, Mortgagor's interest in any Lease as further security for the obligations secured hereby. No such assignment shall impose upon the Mortgagee any liability to perform the Mortgagor's obligations under any Lease.

7.5 Enforcement of Leases, Amendment, Waiver, etc.--The Mortgagor will enforce all Leases according to their terms subject, however, to the exercise of prudent management decisions. The Mortgagor shall not, except in the exercise of prudent management decisions as to subparagraphs (a), (b) and (c) below, (a) cancel or terminate, or consent to or accept any cancellation, termination, or surrender of any Lease, or permit any event within the Mortgagor's control to occur which would terminate or cancel any Lease, (b) amend or modify any Lease, (c) waive any default under or breach of any Lease, (d) consent to or permit any prepayment or discount of rent or advance rent under any Lease, except for the current month or following month, or (e) give any consent, waiver, or approval under any Lease or take any other action with respect to any Lease which may impair the value of the Mortgagee's interest in the Security Property or the position or interest of the Mortgagee with respect to the Security Property.

Mortgagor shall comply with and perform all duties and obligations imposed upon or assumed by it in all Leases.

7.6 Subordination and Attornment--In the event of a sale pursuant to this Mortgage, each Tenant shall, upon request, attorn to and acknowledge any purchaser at foreclosure or grantee in lieu of foreclosure as landlord and the purchaser will not be required to credit any Tenant under any Lease with rent paid more than one (1) month in advance. All Leases shall be subject and subordinate to modifications of and amendments to the Loan Documents and any additional financing or refinancing of the Security Property by or for the Mortgagee.

7.7 Restriction on Assignment of Rents--The Mortgagor shall not assign the Rents arising from the Security Property or any part thereof or any interest therein without the prior written consent of the Mortgagee. Any attempted assignment, pledge, hypothecation, or grant without such consent shall be null and void.

7.8 Alterations and Additional Improvements--The Mortgagor shall make no structural alterations or material nonstructural alterations to the Security Property or construct any additional improvements on the Land, without the prior written consent of the Mortgagee, which consent shall not be unreasonably delayed or withheld. All alterations or improvements consented to by Mortgagee shall be completed and paid for by the Mortgagor within a reasonable time. All such alterations or improvements shall be erected (a) in a good and workmanlike manner strictly in accordance with all applicable Law, (b) entirely on the Land, (c) without encroaching upon any easement, right of way, or land of others, (d) so as not to violate any applicable use, height, set-back or other applicable restriction, and (e) without permitting any mechanic's lien to attach to the Security Property which is not being contested as permitted in Section 7.13. All alterations, additions, and new improvements to the Security Property shall automatically be a part of the Security Property and shall be subject to this Mortgage.

7.9 Restrictions on Sale and Transfer of the Security Property--The Mortgagor shall not permit the Security Property, or any part or portion thereof or any interest therein, to be transferred (whether by voluntary or involuntary conveyance, merger, operation of law, or otherwise) without the prior written consent of the Mortgagee which the Mortgagee shall not be obligated to give. Any transferee of the Security Property or any part or portion thereof or any interest therein (other than a transfer among any entity presently holding an interest in the Mortgagor or any entity presently holding an interest in an entity holding an interest in the Mortgagor), by virtue of its acceptance of the transfer, shall (without in any way affecting Mortgagor's liability under the Loan Documents) be conclusively deemed to have agreed to assume primary personal liability for the performance of the Mortgagor's obligations under the Loan Documents, notwithstanding any non-recourse provisions set forth in the Loan Documents. Any transfer or transfers resulting in a change of fifty-one percent (51%) or more in (i) the legal or equitable ownership of Mortgagor, (ii) any of the entities holding an interest in Mortgagor or (iii) any entities holding an interest in any entity holding an interest in Mortgagor (whether by voluntary or involuntary conveyance, merger, operation of law, or otherwise) without the prior written consent of the Mortgagee, which the Mortgagee shall not be obligated to give, shall be considered a transfer of the Security Property subject to the provisions of this Section. This

Section shall not apply to any Taking, any disposition permitted by Section 7.12, any Lease entered into in compliance with Section 7.4, or any disposition by the Mortgagee by foreclosure hereunder or as otherwise permitted by the Loan Documents.

7.10 Restriction on Encumbrances--The Mortgagor shall not allow any Encumbrances on the Security Property except the Permitted Encumbrances. The Mortgagor shall give the Mortgagee prompt notice of any defaults in or under any Permitted Encumbrances and any notice of foreclosure or threat of foreclosure. The Mortgagor shall comply with its obligations under all Permitted Encumbrances. The Mortgagee may, at its election, satisfy any Encumbrance (other than a Permitted Encumbrance not then in default), and the Mortgagor shall, on demand, reimburse the Mortgagee for any sums advanced for such satisfaction together with interest at the Default Rate accruing from the date of satisfaction, which sums shall be secured hereby.

7.11 Maintenance, Waste, Repair and Inspection--Mortgagor shall (a) keep and maintain the Security Property in good order, condition, and repair and make all equipment replacements and repairs necessary to insure that the security for the Loan is not impaired, (b) not commit or suffer any waste of the Security Property, (c) promptly protect and conserve any portion of the Security Property remaining after any damage to, or partial destruction of, the Security Property, provided any insurance proceeds which may have been received by the Mortgagee as a result of such damage or destruction of the Security Property are given to the Mortgagor for such purposes, (d) promptly repair, restore, replace or rebuild any portion of the Security Property which is damaged or destroyed, provided any insurance proceeds which may have been received by the Mortgagee as a result of such damage or destruction of the Security Property are given to the Mortgagor for such purposes, (e) promptly restore the balance of the Security Property remaining after any Taking, provided any condemnation proceeds which may have been received by the Mortgagee as a result of such Taking, of the Security Property are given to the Mortgagor for such purposes, (f) permit the Mortgagee or its designee to inspect the Security Property at all reasonable times, and (g) not make any material change in the grade of the Security Property or permit any excavation of or on the Security Property.

7.12 Removal and Replacement of Equipment and Improvements--No part of the Security Property, except supplies consumed in the normal course of business and operations, shall be removed from the Land, demolished, or materially altered without the prior written consent of the Mortgagee. The Mortgagor may, without consent and free from the lien and security interest of this Mortgage, remove and dispose of any worn out or obsolete fixtures or equipment which are a part of the Security Property. Prior to or simultaneously with their removal, such fixtures and equipment shall be replaced with fixtures or equipment of equal or greater value. The replacement fixtures or equipment shall be free of all Encumbrances, shall automatically be subject to the lien and security interest of this Mortgage, and shall automatically be subject to the granting clauses hereof. Upon the sale of any removed fixtures and equipment which are not replaced, the proceeds shall be applied as a prepayment of the Loan, to be applied to installments in inverse order of maturity. All sales shall be conducted in a commercially reasonable manner with a bona fide effort to obtain a sale price of at least market value.

7.13 Taxes and Permitted Contests--The Mortgagor shall pay (a) all Taxes (other than those payable by the Mortgagee from the Expense Account) on or before the date any interest or penalty begins to accrue or attach thereto, and (b) all lawful claims which, if unpaid, might become a lien or charge upon the Security Property to such an extent as to materially and adversely affect the Mortgagor's ability to use the Security Property for the purposes for which it was designed or intended. Provided however, that the Mortgagor shall not be required to pay any Taxes or claim the amount, validity or payment of which is being contested, in good faith, by appropriate legal proceedings, and so long as, in the sole opinion of the Mortgagee, no part of the Security Property is in danger of being sold, forfeited or lost and the contest is not impairing the security for the Loan. Upon payment thereof, the Mortgagor shall promptly supply the Mortgagee with receipts showing the payment of the Taxes or claim.

7.14 Restrictive Covenants, Zoning, etc.--No restrictive covenant, zoning change, or other restriction affecting the Security Property may be entered into, requested by or consented to by Mortgagor without the prior written consent of the Mortgagee which consent shall not be unreasonably withheld or delayed.

7.15 Preservation of Appurtenances--The Mortgagor will do all things necessary to preserve intact and unimpaired, all easements, appurtenances, and other interests and rights in favor of, or constituting any portion of, the Security Property.

7.16 Financial Covenants--The Borrower shall comply with the financial covenants set forth in the Note.

ARTICLE VIII

INSURANCE AND CONDEMNATION

8.1 Casualty Insurance--The Mortgagor shall keep the Security Property insured against loss by fire casualty, and such other hazards and contingencies, including but not limited to lightning, hail, windstorm, explosion, malicious mischief and vandalism, as are covered by extended coverage policies in effect in the area where the Land is located and such other risks as may be reasonably specified by the Mortgagee in the amount of the full replacement cost of the improvements and the equipment. Such insurance shall be written on policy forms and by insurance companies licensed and lawfully operating in the jurisdiction in which the Real Property is located with a rating of "A" or better according to A.M. Best Co. Insurance Guide and reasonably satisfactory to the Mortgagee, shall be in an amount equal to the full insurable replacement cost of any such improvements and personalty, as determined by an appraisal of such improvements, acceptable to the Mortgagee and paid for by the Mortgagor, but in any event shall be in an amount sufficient to prevent co-insurance liability, shall name the Mortgagee as a mortgagee and sole loss payee and shall be endorsed such that the losses thereunder shall be payable to the Mortgagee and not to the Mortgagor and the Mortgagee, jointly. The policy or policies of such insurance shall include a replacement cost or restoration endorsement and a waiver of subrogation endorsement reasonably satisfactory to the Mortgagee. Certificates evidencing the policy or policies of such insurance, or upon request of Mortgagee, originals or

certified true copies of the policy or policies of such insurance and all renewals thereof, shall be delivered to and retained by the Mortgagee, and the Mortgagor shall provide the Mortgagee with receipts evidencing the payment of all premiums due on such policies and the renewals thereof not less than thirty (30) days prior to the renewal or expiration date thereof. All policies required hereby shall provide and shall bear an endorsement that they shall not be canceled, terminated, endorsed or amended without not less than thirty (30) days prior written notice to the Mortgagee. The Mortgagor shall give the Mortgagee prompt notice of any material loss covered by such insurance, and, the Mortgagee shall have the right to adjust and compromise such material loss, to collect, receive and receipt the proceeds of insurance for such material loss. For purposes of this Section 8.1, a "material loss" shall mean a loss, damage or destruction of the Security Property which would cost \$200,000 or more to replace, repair or rebuild. All monies received as payment for a material loss covered by an insurance policy shall be paid over to the Mortgagee and applied, after deducting Mortgagee's reasonable expenses incurred in the collection of the proceeds of any insurance to be applied, at the option of Mortgagee, either (1) to the payment of other charges or expenses actually incurred by the Mortgagor in the restoration, reconstruction, repair, renovation or replacement of the affected improvements and personalty, provided that: (i) the Mortgagee has approved the plans and specifications for the repair or restoration of the damaged portion of the improvements and personalty, the contract for such repair or restoration and the contractor that will perform the same, (ii) the Mortgagor has deposited with the Mortgagee (or if permitted by the Mortgagee, has made provision satisfactory to the Mortgagee for the payment of) any amounts required for such repair or restoration which exceed the available insurance proceeds, (iii) no Event of Default, or event that with the passage of time would constitute an Event of Default, has occurred and is continuing under the Loan Documents, (iv) the repair or restoration of the improvements and personalty reasonably can be completed before the maturity date of the Loan, and (v) the Tenants will continue to pay rent without abatement (or the proceeds of business interruption insurance will be adequate in the Mortgagee's judgment to offset any such abatement of rent), or if Mortgagor is unable to satisfy the provisions of (1) above then (2) to the prepayment of the Loan including any prepayment premium set forth in the Loan Documents.

8.2 Liability and Worker's Compensation Insurance--The Mortgagor will maintain liability and indemnity insurance with respect to the Security Property written on an occurrence basis, with a Two Million Dollar (\$2,000,000.00) general aggregate limit and a One Million Dollar (\$1,000,000.00) per occurrence limit, with such companies, and subject to the same terms and conditions specified in Section 8.1 above (excepting that such insurance shall not have to list Mortgagee as first mortgagee and loss payee or state that insurance coverage shall not be affected by any act or neglect of the Mortgagor or owner of the insured property), and as the Mortgagee may reasonably direct and approve. Additionally, the Mortgagor shall obtain and maintain worker's compensation insurance in such minimum amounts required by applicable law, with an insurance company, and in a form acceptable to and approved by the Mortgagee, if Mortgagor has any employees. The Mortgagor shall supply to the Mortgagee a copy of the aforesaid liability insurance policies and receipts evidencing the payment of premiums due thereon or, alternatively, certificates from the insurance company certifying to the existence of the policies, summarizing the terms of the policies, and indicating the payment of premiums due thereon. Each of the

policies specified herein shall provide that they cannot be modified or canceled without at least thirty (30) days prior written notice to Mortgagee.

8.3 Rental Loss Interruption Insurance--The Mortgagor shall also carry and maintain rental interruption insurance on the Security Property in the same manner and under the same conditions as provided in Section 8.1 covering debt service, real estate taxes and insurance premiums for a period of at least twelve (12) months.

8.4 Flood Insurance--In the event that all or any portion of the Real Property currently or at any time in the future is determined to be located in a specially designated flood hazard area by the Secretary of Housing and Urban Development or the Director of the Federal Emergency Management Agency, pursuant to the provisions of the National Flood Insurance Act of 1968, or the Flood Disaster Protection Act of 1973, as amended, the Mortgagor shall obtain and maintain flood hazard insurance in the full insurable value of the improvements or any portion of the Real Property located within such area, or the full amount of flood insurance available, naming the Mortgagee as sole loss payee and complying with all applicable provisions of Section 8.1 hereof. The proceeds of any loss payable under a flood insurance policy shall be applied, at the option of the Mortgagee, as set forth in Section 8.1 above with respect to casualty insurance proceeds.

8.5 Separate Insurance--The Mortgagor may not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder unless the Mortgagee is included thereon as a named insured with losses payable to the Mortgagee as above provided. The Mortgagor shall immediately notify the Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to the Mortgagee the policy or policies of such insurance.

8.6 Condemnation--The Mortgagor, immediately upon obtaining knowledge of the institution or threatened institution of any proceedings for the Taking shall notify the Mortgagee of the pendency of such proceedings, describing in detail the nature and extent of such Taking or condemnation. The Mortgagee may participate in any such proceedings and the Mortgagor from time to time shall deliver to the Mortgagee all instruments requested by them to permit such participation. The Mortgagee shall be under no obligation to question the amount of any such award or compensation and may accept the same in the amount in which the same shall be paid. In any such condemnation proceedings, the Mortgagee may be represented by counsel selected by them and the Mortgagor shall pay the reasonable attorneys' fees incurred by them at the Mortgagor's sole expense. The proceeds of any award or compensation so received shall be, and hereby are, assigned by the Mortgagor to the Mortgagee, shall be payable to the Mortgagee and the net proceeds thereof may be applied by the Mortgagee to repayment of the Loan, provided, if less than a substantial portion of the Security Property is damaged, taken or transferred in a condemnation, or if the Mortgagee does not elect to accelerate the Loan as a consequence of such condemnation, then the Mortgagee may require the Mortgagor to repair, restore or replace the Security Property or the affected portion thereof as nearly as practical to its condition immediately before the condemnation, and in such event any net proceeds of the condemnation will be applied to the costs of such repair, restoration or replacement. The term "substantial portion" as used above and further herein means so much of the Security Property as will have, in the Mortgagee's

opinion, a material effect on the appraised value of the remainder, the use and occupancy of the Security Property or on the ability of the Mortgagor to make required payments of principal and interest on the Note.

ARTICLE IX

INTENTIONALLY OMITTED

ARTICLE X

DEFAULT

10.1 Event of Default--The occurrence of any of the following shall constitute an Event of Default.

10.1.1 Monetary Defaults--The failure of any Mortgagor to pay any amounts due under the Loan Documents to which it is a party when due and payable, whether at maturity, by obligation or election to prepay or otherwise, within fifteen (15) days following receipt of written notice of such default.

10.1.2 Breach of Representations and Warranties--Any representation or warranty made by the Mortgagor herein or any statement or representation made in any of the Loan Documents shall prove to have been incorrect in any material respect when made or shall be breached.

10.1.3 Insurance Provisions--The failure of Mortgagor to perform its obligations set forth in Section 8.1, 8.2 or 8.3 within one (1) business day after receipt of written notice of default to the Mortgagor.

10.1.4 Receiver; Bankruptcy--If the Mortgagor or Guarantor of the Loan (a) applies for, or consents in writing to, the appointment of a receiver, trustee, or liquidator for it of the Security Property, or of all or substantially all of its or his assets, (b) files a voluntary petition in bankruptcy or admits in writing its inability to pay its debts as they become due, (c) makes an assignment for the benefit of creditors, (d) files a petition or an answer seeking a reorganization, composition, adjustment, arrangement with creditors, or takes advantage of any insolvency law, (e) files an answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization, composition, adjustment, arrangement, or insolvency proceeding, or (f) is dissolved as a result of an adversary suit or proceeding.

10.1.5 Receiver; Bankruptcy (Involuntary)--If (a) any execution or attachment levied against the assets of the Mortgagor or Guarantor of the Loan is not set aside, discharged, or stayed within sixty (60) days after the same was levied or within ten (10) days after the expiration of any stay thereof, (b) an order, judgment, or decree is entered by any court of competent jurisdiction on the application of a creditor, adjudicating the Mortgagor or any guarantor of the Loan a bankrupt or insolvent, or appointing a receiver, trustee, or liquidator for

the Mortgagor or Guarantor, or of all or substantially all of its assets, or (c) an order of relief is entered against the Mortgagor or Guarantor pursuant to any bankruptcy statute or law and such order, judgment, or decree continues unstayed and in effect for a period of sixty (60) days and is not discharged within ten (10) days after the expiration of any stay thereof.

10.1.6 Assignment of Rents--Any attempted assignment by the Mortgagor of the whole or any part of the Rents in contravention of Section 7.7.

10.1.7 Prohibited Transfer or Encumbrance--Any transfer or event in violation of the provisions of Sections 7.9, 7.10 (other than easements and conditions of record subordinate to this Mortgage, but not including liens and encumbrances), or 7.11.

10.1.8 Loss of License--The loss of any franchise agreement, license or permit necessary for the operation, occupancy, or use of the Security Property, other than as a result of casualty or condemnation, if the same is not restored within thirty (30) days after the loss.

10.1.9 Judgments--Any judgment against the Mortgagor or Guarantor of the Loan for an amount in excess of Five Thousand Dollars (\$5,000.00) (individually or in the aggregate) remains unpaid, unstayed, undischarged, unbonded or undismissed for a period of thirty (30) days following the date which the judgment becomes final or any appeal thereof is finally determined.

10.1.10 Other Obligations--Any obligation of the Mortgagor (other than the obligations secured hereunder) in excess of Five Thousand Dollars (\$5,000.00) (individually or in the aggregate) becomes or is declared to be due and payable prior to the expressed maturity thereof and the same is not paid within thirty (30) days of the accelerated maturity date.

10.1.11 Other Defaults--The failure of the Mortgagor to perform or observe any of its obligations or covenants under this Mortgage or any Loan Document not previously specifically referred to in this Article X, which failure continues for a period of thirty (30) days after receipt by Mortgagor (or refusal of delivery of written notice given in accordance with the provisions of this Mortgage); provided, however, Mortgagor shall have an additional period not to exceed one hundred twenty (120) days to complete a cure of a non-monetary default so long as Mortgagor has begun such cure within the initial thirty (30) day period and is diligently pursuing the cure of such default.

10.2 Payment or Performance by Mortgagee--Upon the occurrence of an Event of Default, Mortgagee may, at its option, make any payments or take any other actions it deems necessary or desirable to cure the Event of Default or conserve the Security Property. The Mortgagor shall, upon demand, reimburse the Mortgagee for all sums so advanced or expenses incurred by it, together with interest at the Default Rate from the date of advance or payment of the same, which sums shall be secured by this Mortgage. The Mortgagee may enter upon the Security Property without prior notice to the Mortgagor in the event of an emergency (but otherwise after reasonable prior notice to the Mortgagor) or judicial process and may take any

action to enforce its rights under this Section 10.2 without liability to the Mortgagor, except for its gross negligence or willful misconduct.

10.3 Possession by Mortgagee--Upon the occurrence of an Event of Default, the Mortgagee may enter upon and take possession of the Security Property without notice to the Mortgagor, judicial process, or the appointment of a receiver. The Mortgagee may exclude all persons from the Security Property and may proceed to Operate the Security Property and receive all Rents. The Mortgagee shall have the right to Operate the Security Property and carry on the business of the Mortgagor, either in the name of the Mortgagor or otherwise. The Mortgagee shall not be liable to the Mortgagor for taking possession of the Security Property, as aforesaid, nor shall Mortgagee be required to make repairs or replacements, and Mortgagee shall be liable to account only for Rents actually received by it. All Rents collected by the Mortgagee shall be applied (a) first, to pay all expenses incurred in taking possession of the Security Property, (b) second, to pay costs and expenses to operate the Security Property, and/or to comply with the terms of the Loan Documents, including reasonable attorney's fees, (c) third, to pay all sums secured by the Loan Documents in the order of priority selected by Mortgagee, and (d) fourth, with the balance, if any, to the Mortgagor or such other Person as may be entitled thereto. No assignment of Leases shall impose upon Mortgagee any liability to perform Mortgagor's obligations under such Leases.

10.4 Acceleration of the Note--Upon an Event of Default, Mortgagee may, at its option and by written notice to the Mortgagor, declare the entire balance of the Note and all other amounts due under the Loan Documents, immediately due and payable. Acceleration of maturity, once claimed by the Mortgagee, may at the option of the Mortgagee, be rescinded by written acknowledgment to that effect by the Mortgagee, but the tender and acceptance of partial payments alone shall not in any way affect or rescind such acceleration of maturity.

10.5 Collection of Rents--Upon the occurrence of an Event of Default and written demand by the Mortgagee to the Tenants, all Rents shall be payable directly to the Mortgagee.

10.6 Sale--Subject to applicable law, upon the occurrence of an Event of Default, Mortgagee may exercise all the remedies of a mortgagee as provided by law and in equity including, without limitation, sale of the Mortgaged Property, or any part of the Mortgaged Property, pursuant to power of sale (which is hereby granted) by public sale (referred to as "Sale") conducted at the courthouse door in Shelby County, Alabama, where the Mortgaged Property is located after publishing once a week for three successive weeks in a newspaper of general circulation published in Shelby County, Alabama, notice of such sale providing the time of such Sale, and republish and conduct in the same manner additional Sales as may be required until all of the Mortgaged Property is sold or the Obligations are satisfied. If Mortgagee invokes the power of sale, Mortgagee shall mail a copy of a notice of sale to Mortgagor in the manner provided in paragraph 11.4 below. With respect to any portion of the Mortgaged Property governed by the UCC, Mortgagee shall have all of the rights and remedies of a secured party thereunder. Mortgagee may elect to foreclose upon any Mortgaged Property that is fixtures under law applicable to foreclosure of interests in real estate or law applicable to personal property. Mortgagee may bid at Sale and may accept, as

successful bidder, credit of the bid amount against the Obligations as payment of any portion of the purchase price. Mortgagee shall apply the proceeds of Sale, first to any fees or attorney fees permitted Mortgagee by law in connection with Sale, second to expenses of foreclosure, publication, and sale permitted Mortgagee by law in connection with Sale, third to the Obligations, and any remaining proceeds as required by law. Mortgagee shall have the right to designate the place of sale in compliance with applicable law and the sale shall be held at the place designated by the notice of sale. The Mortgaged Property may be sold in such parcels or lots as Mortgagee may determine without regard to principles of marshaling and the Mortgaged Property may be sold at one sale or in multiple sales as determined by Mortgagee.

10.7 Deficiency of Proceeds--If, after a foreclosure sale, a deficiency exists in the net proceeds of such sale, the Mortgagee shall be entitled to collect the deficiency from the Mortgagor and other persons liable therefor which deficiency shall bear interest at the Default Rate.

10.8 Insurance or Condemnation After Deficiency--If the Security Property is sold at a foreclosure sale prior to receipt of an insurance or a condemnation award or payment, the Mortgagee shall receive and apply the proceeds of the award or payment toward the satisfaction of any deficiency resulting from the foreclosure sale, whether or not a deficiency judgment is sought, recovered, or denied.

10.9 Appointment of a Receiver--Upon the occurrence of an Event of Default, the Mortgagee shall be entitled to the immediate appointment of a receiver for the Security Property, without notice to the Mortgagor and without regard to the value of the Security Property or the solvency of any person liable for payment of the amounts due under the Loan Documents.

10.10 Remedies Cumulative--All rights, powers, and remedies of the Mortgagee provided for in the Loan Documents are cumulative and concurrent and shall be in addition to and not exclusive of any appropriate legal or equitable remedy provided by Law or contract. Exercise of any right, power, or remedy shall not preclude the simultaneous or subsequent exercise of any other by the Mortgagee.

10.11 Rights under the Uniform Commercial Code--Upon the occurrence of an Event of Default, the Mortgagee may, at its option, proceed against any portion of the Security Property which consists of personal property in accordance with Mortgagee's rights and remedies under the Uniform Commercial Code. The Mortgagor shall, upon request of Mortgagee, assemble and make available to the Mortgagee those portions of the Security Property which consist of personal property at a place to be designated by the Mortgagee and the Mortgagee may exercise all the rights and remedies of a secured party under the Uniform Commercial Code. Any notices required by the Uniform Commercial Code shall be deemed reasonable if mailed certified mail, return receipt requested, postage prepaid, by the Mortgagee to the Mortgagor at least five (5) days prior to the event as to which notice is given.

ARTICLE XI

MISCELLANEOUS

11.1 Waivers--No term of any Loan Document shall be deemed waived unless the waiver shall be in writing and signed by the parties making the waiver. Any failure by the Mortgagee to insist upon the Mortgagor's strict performance of any of the terms of the Loan Documents shall not be deemed or construed as a waiver of those or any other terms. Any delay in exercising or enforcing any rights with respect to a Default or an Event or Default shall not bar the Mortgagee from exercising any rights under the Loan Documents, or at law or in equity.

11.2 Consents--

11.2.1 The Mortgagee may (a) release any person liable under the Loan Documents, (b) release any part of the security, (c) extend the time of payment of the Loan, and/or (d) modify the terms of the Loan Documents, regardless of consideration and without notice to or consent by the holder of any subordinate lien on the Security Property. No release, extension or modification of the security held under the Loan Documents shall impair or affect the lien of this Mortgage or the priority of such lien over any subordinate lien.

11.2.2 Regardless of whether a Person has been given notice or has given its prior consent, such Person shall not be relieved of any obligation under any Loan Documents by reason of (a) the failure of the Mortgagee or any other Person to take any action, foreclose, or otherwise enforce any provision of the Loan Documents, (b) the release of any other Person liable under any Loan Document, (c) the release of any portion of the security under the Loan Documents, or (d) any agreement or stipulation between any subsequent owners of the Security Property and Mortgagee extending the time of payment or modifying the terms of any Loan Document.

11.3 Headings--All Article and Section headings are for convenience only and shall not be interpreted to enlarge or restrict the provisions of this Mortgage.

11.4 Notices--All notices shall be in writing and, unless otherwise specified in a written notice, shall be sent to the respective addresses of the parties as follows:

If to Mortgagor:

Gray Property 7102, LLC
Gray Lumber Company
Grayland Company, L.P.
c/o Charles W. Ewing II
GrayCo, Inc.
5004 Monument Avenue, Suite 200
Richmond, Virginia 23230

If to Mortgagee:

Wachovia Bank, National Association
1021 East Cary Street, 8th Floor
Richmond, Virginia 23219
Attn: Teresa T. Fallon, Vice President

With a copy to:

Steven D. Delaney, Esquire
LeClair Ryan, A Professional Corporation
951 East Byrd Street
Richmond, Virginia 23219
Fax: (804) 783-7676

If to Borrower:

Gray Property 7102, LLC
c/o Charles W. Ewing II
GrayCo, Inc.
5004 Monument Avenue
Suite 200
Richmond, Virginia 23230

With a copy to:

Christine H. Rogerson, Esquire
McGuireWoods LLP
One James Center
901 East Cary Street
Richmond, Virginia 23219
Fax: (804) 698-2180

A notice may be hand delivered or mailed, postage prepaid, first class, registered or certified mail or by overnight courier service for next day delivery. Any notice sent by mail shall be deemed to have been received on the second business day following the date of mailing or as of the date specified for delivery if sent by overnight courier service. Rejection or other refusal to accept or the inability to deliver because of a changed address of which no notice was given shall not invalidate the effectiveness of any notice, demand, request or other communication.

11.5 Binding Effect--No transfer of any portion of the Security Property or any interest therein shall relieve any transferor of its obligations under the Loan Documents. No transferor of any obligation under any Loan Document shall be relieved of its obligations by any modification of any Loan Document subsequent to the transfer.

11.6 Amendment--No Loan Document may be modified except in writing signed by (a) the Mortgagee and (b) the Mortgagor.

11.7 Severability--In the event any provision of this Mortgage shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

11.8 Notices from Governmental Authorities Affecting The Security Property--Any notice from any governmental or quasi-governmental authority or corporation with respect to the Security Property sent to or known by the Mortgagor shall be promptly transmitted to the Mortgagee.

11.9 Applicable Law--All Loan Documents shall be governed by the Laws of the Commonwealth of Virginia, without regard to the principles of conflict of laws, provided however, this Mortgage and the Assignment of Leases shall be governed by the Laws of the State of Alabama.

11.10 Time of the Essence--Time is of the essence with respect to the Loan Documents.

11.11 Effect of Payments--Any payment or other performance made in accordance with the Loan Documents by any Person other than Mortgagor shall not entitle such Person to any right of subrogation under the Loan Documents, unless expressly consented to in writing by the Mortgagee.

11.12 Commitment--Mortgagor hereby ratifies and confirms the Commitment Letter dated March __, 2006 (the "Commitment") from the Mortgagee to Mortgagor, the terms and provisions of which are incorporated herein unless inconsistent with the provisions of any of the Loan Documents.

11.13 Word Forms--The use of any gender, tense, or conjugation herein shall be applicable to all genders, tenses and conjugations. The use of the singular shall include the plural and the plural shall include the singular.

11.14 Limited Recourse Provisions--Notwithstanding any provisions of this Mortgage or any other Loan Document to the contrary, and except as provided in Section 7.9, in any action commenced to enforce the obligations of the Mortgagor created or arising hereunder the judgment shall not be enforceable personally against the Mortgagor or its successors or assigns (or against any affiliate, subsidiary or corporate parent of the Mortgagor), or against any assets of the Mortgagor or its successors or assigns (or against the assets of any affiliate, subsidiary or corporate parent of the Mortgagor), except for the collateral under the Loan Documents and all rents, issues, profits, proceeds, revenues, insurance proceeds and awards and other income from the collateral. The foregoing shall not impair or affect the personal liability of the Guarantor under the Guaranty or the Environmental Indemnity Agreement of even date herewith made by the Guarantor for the benefit of the Mortgagee.

11.15 Attorneys' Fees--Notwithstanding any statutory provision or presumption to the contrary, where the phrase "reasonable attorneys' fees" is used in this Mortgage or any of the

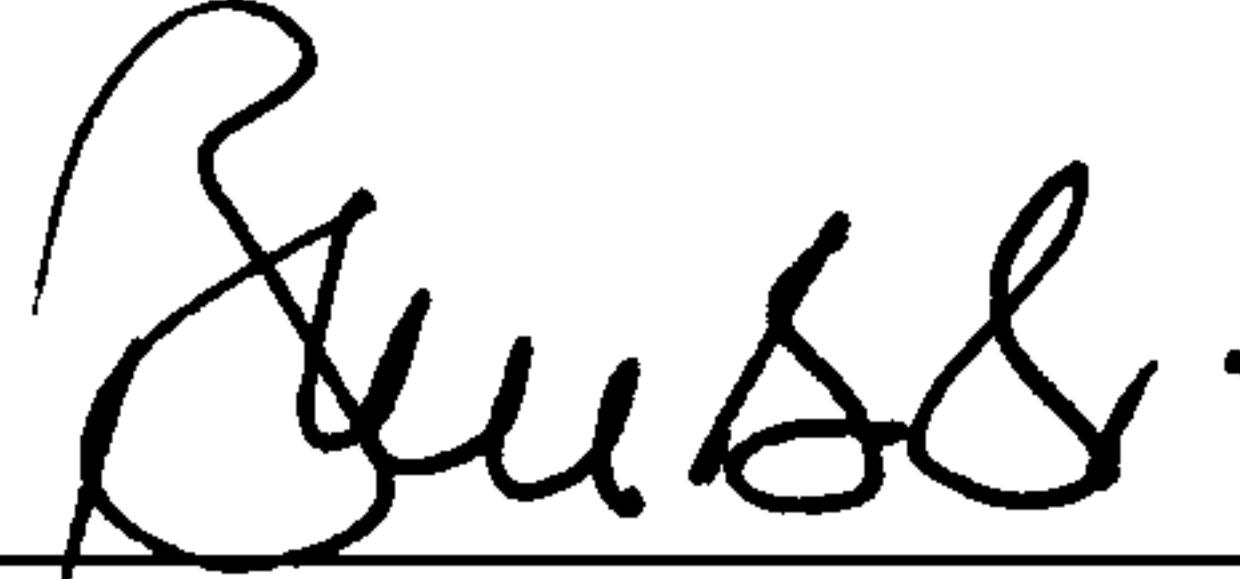
other Loan Documents, such phrase shall mean fees calculated as the product of the actual time spent by such attorney(s) multiplied by such attorney(s) customary billing rate.

WITNESS the execution hereof by the Mortgagor and the affixing of the Mortgagor's seal.

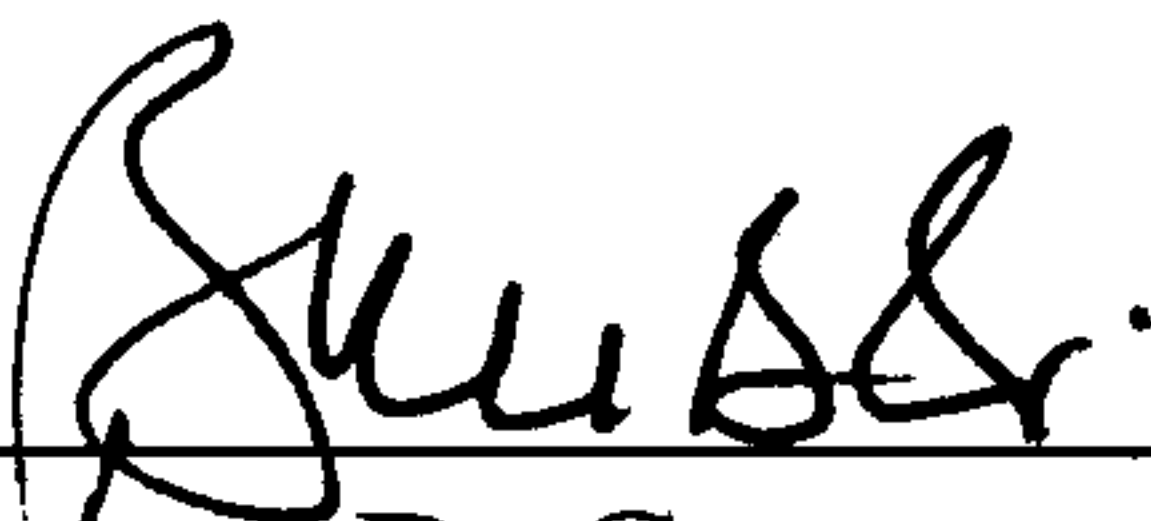
MORTGAGOR:

GRAY PROPERTY 7102, LLC, a Virginia limited liability company

By: Gray Holdings, LLC, its sole member

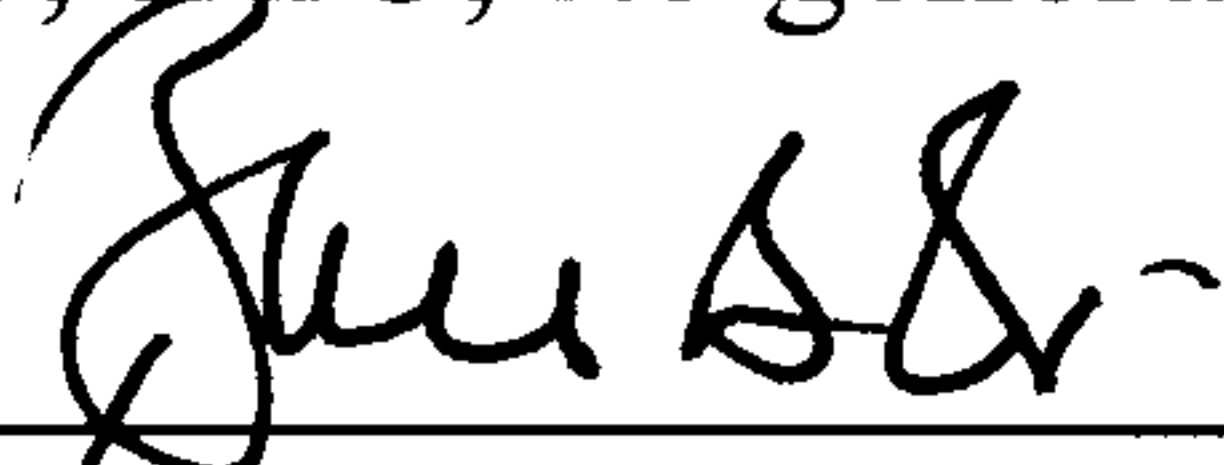
By: 
Name: Bruce B. Gray
Title: Vice President

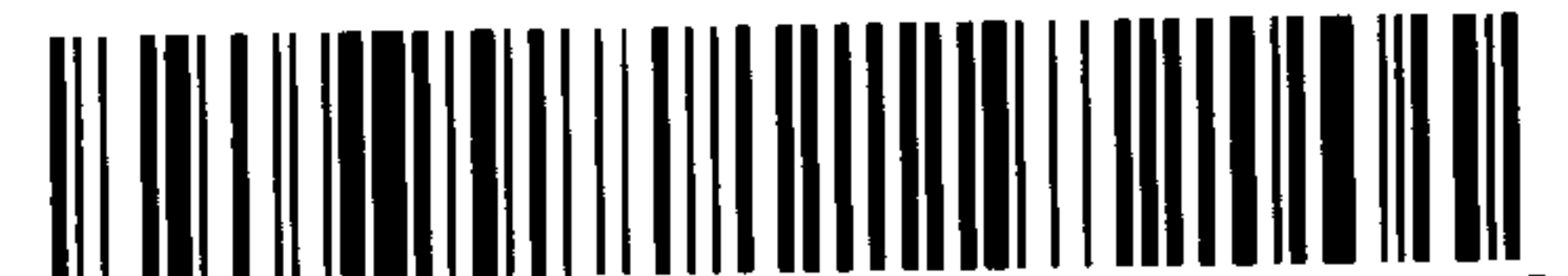
GRAY LUMBER COMPANY, a Virginia corporation

By: 
Name: Bruce B. Gray
Title: Vice President

GRAYLAND COMPANY, L.P., a Virginia limited partnership

By: Grise, LLC, its general partner

By: 
Name: Bruce B. Gray
Title: Vice President



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Shelby Cnty Judge of Probate, AL
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COMMONWEALTH OF VIRGINIA)
) to-wit:
COUNTY OF HENRICO)

I Debra C Stultz, a notary for the aforesaid county and state, hereby
certify that on this 29 day of March, 2006, came Bruce B. Gray, in his capacity as Vice
President of Gray Holdings, LLC, the sole member of Gray Property 7102, LLC, a Virginia limited
liability company, and acknowledged the execution of the foregoing instrument on behalf of the
limited liability company.

Debra C Stultz
Notary Public
(Notarial Seal)

My Commission Expires: 6/30/07

Commission Expiration Date:

(NOTARIAL SEAL)

COMMONWEALTH OF VIRGINIA)
) to-wit:
COUNTY OF HENRICO)

I Debra C Stultz, a notary for the aforesaid county and state, hereby
certify that on this 29 day of March, 2006, came Bruce B. Gray, in his capacity as Vice
President of Gray Lumber Company, a Virginia corporation, and acknowledged the execution of
the foregoing instrument on behalf of the corporation.

Debra C Stultz
Notary Public
(Notarial Seal)

My Commission Expires: 6/30/07

Commission Expiration Date:

(NOTARIAL SEAL)

20060403000151350 26/27 \$23782.50
Shelby Cnty Judge of Probate, AL
04/03/2006 08:54:51AM FILED/CERT

COMMONWEALTH OF VIRGINIA)

) to-wit:

COUNTY OF HENRICO)

I Debra C. Shultz, a notary for the aforesaid county and state, hereby certify that on this 29 day of March, 2006, came Bruce B. Gray, in his capacity as Vice President of Grise, LLC, general partner of Grayland Company, L.P., a Virginia limited partnership, and acknowledged the execution of the foregoing instrument on behalf of the limited partnership.

Debra C. Shultz

Notary Public
(Notarial Seal)

My Commission Expires: 6/30/07

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(NOTARIAL SEAL)

EXHIBIT A
(Legal Description)

Part of Section 35, Township 18 South, Range 2 West and Section 2, Township 19 South, Range 2 West, Shelby County, Alabama and being more particularly described as follows:

Commence at the Northeast corner of the Southeast quarter of the Southeast quarter of Section 35, Township 18 South, Range 2 West, Shelby County, Alabama and run North $88^{\circ} 48' 03''$ West along the North line of same 734.25 feet; thence run South $41^{\circ} 25' 52''$ West 1019.03 feet to the point of beginning, said point being on the Southeasterly right of way of Inverness Parkway; thence the following courses paralleling the existing paved drive to the Lake Heather boat launch, South $49^{\circ} 19' 19''$ East, 44.63 feet to the point of curve of a curve to the right, having a radius of 50.00 feet and a central angle of $60^{\circ} 20' 45''$; thence run South $19^{\circ} 08' 56''$ East along the chord of said curve 50.26 feet to the point of tangent; thence run South $11^{\circ} 01' 26''$ West, 96.35 feet; thence South $19^{\circ} 53' 48''$ West, 72.94 feet to the point of curve of a curve to the left, having a radius of 213.40 feet and a central angle of $87^{\circ} 13' 13''$; thence run South $23^{\circ} 42' 48''$ East along the chord of said curve 294.38 feet to the point of tangent; thence run South $67^{\circ} 19' 24''$ East, 84.72 feet; thence North $48^{\circ} 34' 32''$ East, 58.21 feet to a point on the 496.00 elevation contour, being the mean water elevation of Lake Heather; thence run in a general Southerly direction along the meanderings of said 496.00 contour 2283.6 feet, more or less to a point on the Northerly boundary of the proposed Inverness Cove Garden Home development, not yet recorded; thence the following courses along the Northerly boundary of said proposed subdivision South $62^{\circ} 27' 53''$ West, 70.91 feet; thence run North $36^{\circ} 25' 48''$ West, 133.59 feet; thence run South $64^{\circ} 00' 15''$ West, 148.44 feet; thence run North $44^{\circ} 32' 37''$ West, 48.97 feet; thence run South $80^{\circ} 43' 18''$ West, 88.09 feet; thence run North $39^{\circ} 17' 36''$ West, 35.87 feet; thence run North $54^{\circ} 04' 01''$ East, 141.72 feet; thence run North $35^{\circ} 08' 09''$ West, 73.08 feet; thence run North $53^{\circ} 32' 36''$ West, 192.86 feet; thence run North $80^{\circ} 58' 43''$ West, 200.08 feet; thence run South $58^{\circ} 30' 01''$ West, 94.92 feet to a point on the Southeasterly right of way of Inverness Parkway; thence run North $49^{\circ} 38' 52''$ East along said right of way 444.74 feet to the point of curve of a curve to the left, having a radius of 1254.79 feet and a central angle of $18^{\circ} 36' 00''$; thence run North $40^{\circ} 20' 52''$ East along the chord of said curve, 405.56 feet to the point of tangent; thence run North $31^{\circ} 02' 52''$ East along said right of way, 324.91 feet to the point of curve of a curve to the right, having a radius of 2087.94 feet and a central angle of $10^{\circ} 23' 00''$; thence run North $36^{\circ} 14' 22''$ East along the chord of said curve, 377.87 feet to the point of tangent; thence run North $41^{\circ} 25' 52''$ East along said right of way, 69.32 feet to the point of beginning.