

Law Offices
JOHN J. ELLINGTON
MT. VERNON ROAD
SOPERTON, GEORGIA 30457

JOHN J. ELLINGTON

September 30, 1996

Post Office Box 626
Phone 912-529-3908

VRTX, INC.
Mount Vernon Road
Soperton, Georgia 30457

Attention: Mr. Claude Simon

Re: Property transfer from Treutlen County Development Authority to Vrnx, Inc.

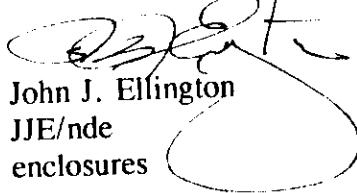
Dear Claude:

Please find enclosed the following:

1. Original Warranty Deed to Vrnx, Inc. (Recorded in Treutlen County Deed Book 80 Page 110).
2. Copy of Security Deed to Treutlen County Development Authority (Recorded in Treutlen County Deed Book 80 page 113. Bank has original).
3. Copy of Assignment from Treutlen County Development Authority to Bank of Soperton, (Recorded in Treutlen County Deed Book 80 page 122. Bank has original).
4. Original Minutes of VRTX, Inc. (Place these in your minute book).
5. Copy of Certificate of property insurance.
6. Copy of personal guaranty of debt of VRTX, Inc.
7. Copy of closing statement.
8. Copy of 1099 Form.
9. My bill for services rendered and title insurance.

The title insurance policy should arrive soon. I will forward it to you and the Bank. If you have any questions please call me at 529-3908. Thank You.

Very truly yours,


John J. Ellington
JJE/nde
enclosures

IRS FORM 1099

NOTICE TO SELLER(S)

The TAX REFORM ACT of 1986 amended Section 26 U.S.C. 6045 to require the reporting to the IRS of certain real estate transactions closed after December 31, 1986. The law firm or closing attorney listed below is required to file with the IRS certain information with respect to this transaction, which information is as follows:

NAME OF SELLER(S):

TREUTLEN COUNTY DEVELOPMENT AUTHORITY
MARTIN LUTHER KING DRIVE
SOPERTON, GEORGIA 30457

TAX ID#: _____

DATE OF SALE: August 2, 1994 GROSS PROCEEDS: \$ 295,000

PROPERTY DESCRIPTION: 6.22 ACRES, MORE OR LESS,

INCLUDING BUILDING AND IMPROVEMENTS

PROPERTY ADDRESS: MT. VERNON ROAD, 1386 GMD, SOPERTON, TREUTLEN COUNTY, GEORGIA

PRINCIPAL RESIDENCE () OTHER REAL ESTATE (XX)

Please sign and return this Notice verifying the information set forth above and your Social Security Number(s). By signing this Notice, you are also acknowledging receipt of a copy of this information which is being sent to the IRS.

Date: 08/02/94

Seller: S. W. S.
Authorized Agent

Purchaser: VRTX, INC.
MT. VERNON ROAD
SOPERTON, GEORGIA 30457

MINUTES
VRTX, INC.

SPECIAL MEETING OF THE BOARD

DATE JULY 30, 1996

The special meeting of Directors was held at the Corporate Office and was called to order by the President

The President then directed the Secretary to call the roll of Directors.

The Directors as listed were present:

Claude Simon

John M. Simon

The Secretary advised the President that a quorum was present and the President then declared the meeting was open for business.

The President then stated that the meeting was called at the request of the following Directors:

Claude Simon

to consider the following business:

Purchase and financing of 6.22 acres, more or less, including building and equipment, located in Treutlen County, Georgia, from the Treutlen County Development Authority and election of new corporate secretary.

The Secretary then reported the form of the notice of meeting and stated that said notice had been served upon each Director by the United States Mail.

Motion was then made and carried that the notice would be filed with the records of the Corporation.

The Directors then conducted the following business:

On a motion, duly, seconded, it was unanimously agreed to purchase the property, buildings, and equipment described in Exhibit "A", attached hereto, from the Treutlen County Development Authority as outlined in the attached sales contract. Darryl M. Vernon was elected unanimously as the new Corporate Secretary. The President inquired as to any further business to be transacted at the meeting. There was no response.

The President then stated there being no further business, the meeting was adjourned.

This the 30 day of July, 1996.


Secretary
Wei Chang
New Secretary
Darryl M. Vernon

ACORD CERTIFICATE OF PROPERTY INSURANCE

DATE (MM/DD/YY)

07/18/1996

PRODUCER (516)764-8330
Ruchman Associates Inc.
21 Morris Avenue
Rockville Centre, NY 11571

FAX

Attn C. Mikolajczyk
INSURED
VRTX Inc.
1101 Mt. Vernon Rd.
Soperton, GA. 30457

Ext 117

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERNS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

Providence Washington Ins. Co.

COMPANY A
COMPANY B
COMPANY C
COMPANY D

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	COVERED PROPERTY	LIMITS
	X PROPERTY				X BUILDING	\$ 600,000
	CAUSES OF LOSS				PERSONAL PROPERTY	\$
	BASIC				BUSINESS INCOME	\$
	BROAD				EXTRA EXPENSE	\$
A	X SPECIAL	CX0248292-06	03/01/1996	03/01/1997	BLANKET BUILDING	\$
	EARTHQUAKE				BLANKET PERS PROP	\$
	FLOOD				BLANKET BLDG & PP	\$
						\$
						\$
	INLAND MARINE					\$
	TYPE OF POLICY					\$
						\$
	CAUSES OF LOSS					\$
	NAMED PERILS					\$
	OTHER					\$
	CRIME					\$
	TYPE OF POLICY					\$
						\$
	BOILER & MACHINERY					\$
						\$
	OTHER					\$

LOCATION OF PREMISES/DESCRIPTION OF PROPERTY
1101 Mt. Vernon Rd., Soperton, GA. 30457

SPECIAL CONDITIONS/OTHER COVERAGES

The certificate holder is named mortgagee

CERTIFICATE HOLDER

The Bank of Soperton
PO Box 26
Soperton, GA 30457

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

STATE OF GEORGIA
COUNTY OF TREUTLEN

WARRANTY DEED

THIS CONVEYANCE, made on this the 2nd day of August, 1996, from the
TREUTLEN COUNTY DEVELOPMENT AUTHORITY, hereinafter referred to as
GRANTOR, to **VRTX, Inc.**, hereinafter referred to as GRANTEE:

WITNESSETH: That the said Grantor, for and in consideration of Ten (\$10.00) Dollars
and other good and valuable consideration, cash in hand paid at and before the sealing and
delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained,
sold, conveyed and confirmed, and by these presents does grant, bargain, sell, convey and
confirm unto the said Grantee, Grantee's heirs and assigns, the following described real
property, to-wit:

*State of Georgia, Treutlen County
CLERK'S OFFICE, SUPERIOR COURT*

*Filed Aug 05, 1996, 5:00 o'clock P.M.
Recorded Aug 06, 1996, Main Book 20, Page 442
Clerk*

All that certain tract or parcel of land lying, situate, and being in the
1386th G.M. District, Treutlen County, Georgia, containing 6.22 acres,
more or less, located on the Mount Vernon Highway in the City of
Soperton, Georgia. See attached Exhibit "A", incorporated herein by
reference and made a part and parcel of this description.

RESTRICTIVE COVENANTS:

1. As a specific condition of this conveyance, the property shall be used for manufacturing purposes so long as there is an outstanding deed to secure debt to the Treutlen County Development Authority and/or its assignees.
2. The Treutlen County Development Authority shall have the right of first refusal in the event VRTX, Inc. desires to sell this property.

TO HAVE AND TO HOLD said above granted and described real property, together with all
and singular the rights, members, improvements, easements and appurtenances thereunto
appertaining or in anywise belonging to the only proper use, benefit and behoof of the said
Grantee, Grantee's heirs, executors, administrators and assigns in fee simple.

AND THE SAID GRANTOR, for its successors and assigns, will warrant and forever
defend the right and title to the above described property unto the said Grantee, its successors
and assigns, against the lawful claims and demands of all and every other person or persons
whomsoever, by virtue of these presents.

IN WITNESS WHEREOF, the said Grantor has hereunto set Grantor's hand, affixed Grantor's seal, and delivered these presents on this the day and year first above written.

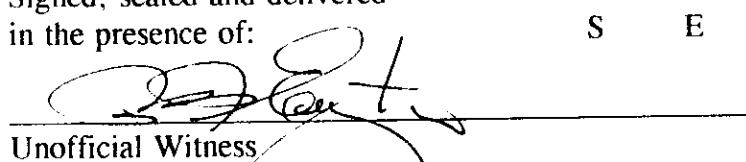
TREUTLEN COUNTY DEVELOPMENT AUTHORITY


Chairman (L.S.)


Secretary

Signed, sealed and delivered
in the presence of:

S E A L


Unofficial Witness

N.P.



My Commission Expires March 7, 1998

EXHIBIT "A"

All that tract or parcel of land lying and being in the City of Soperton, 1386th G.M. District, Treutlen County, Georgia, and being more particularly described as follows:

BEGINNING at a point at the intersection of the southern right-of-way line of Roydon Drive (60-foot right-of-way) and the eastern right-of-way line of Sessions Street (60-foot right-of-way) and running thence along the southern right-of-way line of Roydon Drive north 89 degrees 57 minutes east a distance of 463.0 feet to a point; thence leaving said right-of-way line and running along the western right-of-way line of Mount Vernon Highway (100-foot right-of-way) south 01 degree 58 minutes east a distance of 604.20 to a point; thence leaving said right-of-way line and running south 85 degrees 14 minutes west a distance of 384.0 feet to a point on the eastern right-of-way line of Sessions Street; running thence along said right-of-way line north 12 degrees 30 minutes west a distance of 400.0 feet to a point; continuing thence along said right-of-way line north 03 degrees 23 minutes west a distance of 245.26 feet to the Point of Beginning, according to survey for "Co-ordinated Apparel Services Corporation" dated July 1, 1982, prepared under the seal and certification of Jimmy M. Bloodworth, Georgia Registered Land Surveyor No. 1828, said tract containing 6.22 acres, according to said survey.

LESS AND EXCEPT: .0154 ACRES DEEDED TO THE DEPARTMENT OF TRANSPORTATION FOR RIGHT-OF-WAY ON 12/11/90 AND RECORDED IN TREUTLEN COUNTY DEED BOOK 68 PAGE 319.

When recorded return to:

THE BANK OF SOPERTON
114 SECOND STREET P O BOX 26
SOPERTON, GA 30457

State of Georgia

Space Above This Line For Recording Data

REAL ESTATE DEED TO SECURE DEBT (With Future Advance Clause)

1. DATE AND PARTIES. The date of this Deed to Secure Debt (Security Instrument) is **August 2, 1996**
and the parties, their addresses and tax identification numbers, if required, are as follows:

GRANTOR: VRTX, INC
MT VERNON ROAD
SOPERTON, GA 30457

If checked, refer to the attached Addendum incorporated herein, for additional Grantors, their signatures and acknowledgments.

GRANTEE:
("Lender") TREUTLEN COUNTY DEVELOPMENT AUTHORITY
MARTIN LUTHER KING DRIVE
CULLENS ANNEX - TREUTLEN COUNTY COURTHOUSE
SOPERTON, GEORGIA 30457

State of Georgia, Treutlen County
CLERK'S OFFICE, SUPERIOR COURT
Filed Aug 5, 1996, 5:00 O'clock PM
Recorded Aug 5, 1996, in Book 80, Page 113
Lester Leger, Clerk

2. CONVEYANCE. For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debt (defined below) and Grantor's performance under this Security Instrument, Grantor irrevocably grants, bargains, transfers, conveys and sells to Lender, with power of sale, the following described property:
REFER TO EXHIBIT 'A' WHICH IS ATTACHED HERETO AND MADE A PART HEREOF. 6.22 ACRES, MORE OR LESS, IN THE CITY OF SOPERTON, MT VERNON ROAD, TREUTLEN COUNTY, GEORGIA.

THIS SECURITY DEED IS MADE PURSUANT TO A DULY AUTHORIZED RESOLUTION OF
VRTX, INC.

PERSONAL PROPERTY AND EQUIPMENT NOT INCLUDED.

The property is located in TREUTLEN at
(County)
MT. VERNON ROAD , SOPERTON , Georgia 30457
(Address) (City) (ZIP Code)

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, crops, timber, all diversion payments or third party payments made to crop producers, all water and riparian rights, wells, ditches, reservoirs, and water stock and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described above (all referred to as "Property").

3. MAXIMUM OBLIGATION LIMIT. The total principal amount secured by this Security Instrument at any one time shall not exceed \$ **207,136.61**. This limitation of amount does not include interest and other fees and charges validly made pursuant to this Security Instrument. Also, this limitation does not apply to advances made under the terms of this Security Instrument to protect Lender's security and to perform any of the covenants contained in this Security Instrument.

4. SECURED DEBT AND FUTURE ADVANCES. The term "Secured Debt" is defined as follows:

A. Debt incurred under the terms of all promissory note(s), contract(s), guaranty(s) or other evidence of debt described below and all their extensions, renewals, modifications or substitutions. (When referencing the debts below it is suggested that you include items such as borrowers' names, note amounts, interest rates, maturity dates, etc.)

EXHIBIT "A"

All that tract or parcel of land lying and being in the City of Soperton, 1386th G.M. District, Treutlen County, Georgia, and being more particularly described as follows:

BEGINNING at a point at the intersection of the southern right-of-way line of Roydon Drive (60-foot right-of-way) and the eastern right-of-way line of Sessions Street (60-foot right-of-way) and running thence along the southern right-of-way line of Roydon Drive north 89 degrees 57 minutes east a distance of 463.0 feet to a point; thence leaving said right-of-way line and running along the western right-of-way line of Mount Vernon Highway (100-foot right-of-way) south 01 degree 58 minutes east a distance of 604.20 to a point; thence leaving said right-of-way line and running south 85 degrees 14 minutes west a distance of 384.0 feet to a point on the eastern right-of-way line of Sessions Street; running thence along said right-of-way line north 12 degrees 30 minutes west a distance of 400.0 feet to a point; continuing thence along said right-of-way line north 03 degrees 23 minutes west a distance of 245.26 feet to the Point of Beginning, according to survey for "Co-ordinated Apparel Services Corporation" dated July 1, 1982, prepared under the seal and certification of Jimmy M. Bloodworth, Georgia Registered Land Surveyor No. 1828, said tract containing 6.22 acres, according to said survey.

LESS AND EXCEPT: .0154 ACRES DEEDED TO THE DEPARTMENT OF TRANSPORTATION FOR RIGHT-OF-WAY ON 12/11/90 AND RECORDED IN TREUTLEN COUNTY DEED BOOK 68 PAGE 319.

- B. All future advances from Lender to Grantor or other future obligations of Grantor to Lender under any promissory note, contract, guaranty, or other evidence of debt existing now or executed after this Security Instrument whether or not this Security Instrument is specifically referenced. If more than one person signs this Security Instrument, each Grantor agrees that this Security Instrument will secure all future advances and future obligations that are given to or incurred by any one or more Grantor, or any one or more Grantor and others. All future advances and other future obligations are secured by this Security Instrument even though all or part may not yet be advanced. All future advances and other future obligations are secured as if made on the date of this Security Instrument. Nothing in this Security Instrument shall constitute a commitment to make additional or future loans or advances in any amount. Any such commitment must be agreed to in a separate writing.
- C. All obligations Grantor owes to Lender, which now exist or may later arise, to the extent not prohibited by law, including, but not limited to, liabilities for overdrafts relating to any deposit account agreement between Grantor and Lender.
- D. All additional sums advanced and expenses incurred by Lender for insuring, preserving or otherwise protecting the Property and its value and any other sums advanced and expenses incurred by Lender under the terms of this Security Instrument.

This Security Instrument will not secure any other debt if Lender fails to give any required notice of the right of rescission.

- 5. **PAYMENTS.** Grantor agrees that all payments under the Secured Debt will be paid when due and in accordance with the terms of the Secured Debt and this Security Instrument.
- 6. **WARRANTY OF TITLE.** Grantor warrants that Grantor is or will be lawfully seized of the estate conveyed by this Security Instrument and has the right to irrevocably grant, bargain, transfer, convey and sell the Property to Lender, with power of sale. Grantor also warrants that the Property is unencumbered, except for encumbrances of record.
- 7. **PRIOR SECURITY INTERESTS.** With regard to any other mortgage, deed of trust, deed to secure debt, security agreement or other lien document that created a prior security interest or encumbrance on the Property, Grantor agrees:
 - A. To make all payments when due and to perform or comply with all covenants.
 - B. To promptly deliver to Lender any notices that Grantor receives from the holder.
 - C. Not to allow any modification or extension of, nor to request any future advances under any note or agreement secured by the lien document without Lender's prior written consent.
- 8. **CLAIMS AGAINST TITLE.** Grantor will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utility, and other charges relating to the Property when due. Lender may require Grantor to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Grantor's payment. Grantor will defend title to the Property against any claims that would impair the lien of this Security Instrument. Grantor agrees to assign to Lender, as requested by Lender, any rights, claims or defenses Grantor may have against parties who supply labor or materials to maintain or improve the Property.
- 9. **DUE ON SALE OR ENCUMBRANCE.** Lender may, at its option, declare the entire balance of the Secured Debt to be immediately due and payable upon the creation of, or contract for the creation of, any lien, encumbrance, transfer or sale of the Property. This right is subject to the restrictions imposed by federal law (12 C.F.R. 591), as applicable. This covenant shall run with the Property and shall remain in effect until the Secured Debt is paid in full and this Security Instrument is released.
- 10. **TRANSFER OF AN INTEREST IN THE GRANTOR.** If Grantor is an entity other than a natural person (such as a corporation or other organization), Lender may demand immediate payment if:
 - A. A beneficial interest in Grantor is sold or transferred.
 - B. There is a change in either the identity or number of members of a partnership or similar entity.
 - C. There is a change in ownership of more than 25 percent of the voting stock of a corporation or similar entity.
 However, Lender may not demand payment in the above situations if it is prohibited by law as of the date of this Security Instrument.
- 11. **ENTITY WARRANTIES AND REPRESENTATIONS.** If Grantor is an entity other than a natural person (such as a corporation or other organization), Grantor makes to Lender the following warranties and representations which shall continue as long as the Secured Debt remains outstanding:
 - A. Grantor is duly organized and validly existing in the Grantor's state of incorporation or organization. Grantor is in good standing in all states in which Grantor transacts business. Grantor has the power and authority to own the Property and to carry on its business as now being conducted and, as applicable, is qualified to do so in each state in which Grantor operates.
 - B. The execution, delivery and performance of this Security Instrument by Grantor and the obligation evidenced by the Secured Debt are within the power of Grantor, have been duly authorized, have received all necessary governmental approval, and will not violate any provision of law, or order of court or governmental agency.
 - C. Other than previously disclosed in writing to Lender, Grantor has not changed its name within the last ten years and has not used any other trade or fictitious name. Without Lender's prior written consent, Grantor does not and will not use any other name and will preserve its existing name, trade names and franchises until the Secured Debt is satisfied.
- 12. **PROPERTY CONDITION, ALTERATIONS AND INSPECTION.** Grantor will keep the Property in good condition and make all repairs that are reasonably necessary. Grantor shall not commit or allow any waste, impairment, or deterioration of the Property. Grantor will keep the Property free of noxious weeds and grasses. Grantor agrees that the nature of the occupancy and use will not substantially change without Lender's prior written consent. Grantor will not permit any change in any license, restrictive covenant or easement without Lender's prior written consent. Grantor will notify Lender of all demands, proceedings, claims, and actions against Grantor, and of any loss or damage to the Property.

No portion of the Property will be removed, demolished or materially altered without Lender's prior written consent except that Grantor has the right to remove items of personal property comprising a part of the Property that become worn or obsolete. ~~Such removed personal property will be replaced with other personal property at least equal in value to the removed personal property, free from any liens, encumbrances, or other title defects.~~ Such

replacement of personal property will be deemed subject to the security interest created by this Security Instrument. Grantor shall not partition or subdivide the Property without Lender's prior written consent.

Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Lender shall give Grantor notice at the time of or before an inspection specifying a reasonable purpose for the inspection. Any inspection of the Property shall be entirely for Lender's benefit and Grantor will in no way rely on Lender's inspection.

13. AUTHORITY TO PERFORM. If Grantor fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, without notice, perform or cause them to be performed. Grantor appoints Lender as attorney in fact to sign Grantor's name or pay any amount necessary for performance. Lender's right to perform for Grantor shall not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may take all steps necessary to protect Lender's security interest in the Property, including completion of the construction.

14. ASSIGNMENT OF LEASES AND RENTS. Grantor irrevocably grants, bargains, transfers, conveys and sells to Lender, as additional security all the right, title and interest in and to any and all:

- A. Existing or future leases, subleases, guaranties and any other written or verbal agreements for the use and occupancy of any portion of the Property, including any extensions, renewals, modifications or substitutions of such agreements (all referred to as "Leases").
- B. Rents, issues and profits (all referred to as "Rents"), including but not limited to security deposits, minimum rent, percentage rent, additional rent, common area maintenance charges, parking charges, real estate taxes, other applicable taxes, insurance premium contributions, liquidated damages following default, cancellation premiums, "loss of rents" insurance, revenues, royalties, proceeds, bonuses, and all rights and claims which Grantor may have that in any way pertain to or are on account of the use or occupancy of the whole or any part of the Property.

In the event any item listed as Leases or Rents is determined to be personal property, this Security Instrument will also be regarded as a security agreement.

Grantor will promptly provide Lender with true and correct copies of all existing and future Leases. Grantor may collect, receive, enjoy and use the Rents so long as Grantor is not in default. Except for one lease period's rent, Grantor will not collect in advance any future Rents without Lender's prior written consent. Upon default, Grantor will receive Rents in trust for Lender and Grantor will not commingle the Rents with any other funds. Amounts collected shall be applied at Lender's discretion to payments on the Secured Debt as therein provided, to costs of managing, protecting and preserving the Property and to any other necessary related expenses including Lender's attorneys' fees and court costs.

Grantor agrees that this assignment is immediately effective between the parties to this Security Instrument and effective as to third parties on the recording of this Security Instrument. Upon default, Lender may enforce this assignment by notice and demand to Grantor's tenants that all future Rents be paid directly to Lender, by commencement of an action or proceeding for appointment of a receiver or for sequestration of rents, or as the law otherwise provides. Upon default, Grantor will endorse and deliver to Lender any payments of Rents. If Grantor becomes subject to a voluntary or involuntary bankruptcy, Grantor agrees that Lender is entitled to receive relief from the automatic stay in bankruptcy for the purpose of enforcing this assignment under state and federal law.

Grantor warrants that no default exists under the Leases or any applicable landlord law. Grantor also agrees to maintain, and to require the tenants to comply with, the Leases and any applicable law. Grantor will promptly notify Lender of any noncompliance. If Grantor neglects or refuses to enforce compliance with the terms of the Leases, then Lender may opt to enforce compliance. Grantor will obtain Lender's written authorization before Grantor consents to sublet, modify, cancel, or otherwise alter the Leases, to accept the surrender of the Property covered by such Leases (unless the Leases so require), or to assign, compromise or encumber the Leases or any future Rents. If Lender acts to manage, protect and preserve the Property, Lender does not assume or become liable for its maintenance, depreciation, or other losses or damages, except those due to Lender's gross negligence or intentional torts. Otherwise, Grantor will hold Lender harmless and indemnify Lender for any and all liability, loss or damage that Lender may incur as a consequence of the assignment under this section.

15. LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS. Grantor agrees to comply with the provisions of any lease if this Security Instrument is on a leasehold. If the Property includes a unit in a condominium or a planned unit development, Grantor will perform all of Grantor's duties under the covenants, by-laws, or regulations of the condominium or planned unit development.

16. DEFAULT. Grantor will be in default if any of the following occur:

- A. Any party obligated on the Secured Debt fails to make payment when due;
- B. A breach of any term or covenant in this Security Instrument or any other document executed for the purpose of creating, securing or guarantying the Secured Debt;
- C. The making or furnishing of any verbal or written representation, statement or warranty to Lender that is false or incorrect in any material respect by Grantor or any person or entity obligated on the Secured Debt;
- D. The death, dissolution, or insolvency of, appointment of a receiver for, or application of any debtor relief law to, Grantor or any other person or entity obligated on the Secured Debt;
- E. A good faith belief by Lender at any time that Lender is insecure with respect to any person or entity obligated on the Secured Debt or that the prospect of any payment is impaired or the value of the Property is impaired;
- F. A material adverse change in Grantor's business including ownership, management, and financial conditions, which Lender in its opinion believes impairs the value of the Property or repayment of the Secured Debt; or
- G. Any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as further explained in 7 C.F.R. Part 1940, Subpart G, Exhibit M.

17. REMEDIES ON DEFAULT. In some instances, federal and state law will require Lender to provide Grantor with notice of the right to cure, or other notices and may establish time schedules for foreclosure actions. Subject to these limitations, if any, Lender may accelerate the Secured Debt and foreclose this Security Instrument in a manner provided by law if Grantor is in default.

At the option of Lender, all or any part of the agreed fees and charges, accrued interest and principal shall become immediately due and payable, after giving notice if required by law, upon the occurrence of a default or anytime thereafter. In addition, Lender shall be entitled to all the remedies provided by law, the terms of the Secured Debt, this Security Instrument and any related documents, including without limitation, the power to sell the Property.

If there is a default, Lender may, in addition to any other permitted remedy, advertise and sell the Property as a whole or in separate parcels at public auction to the highest bidder for cash and convey absolute title free and clear of all right, title and interest of Grantor at such time and place as Lender designates. Lender shall give notice of sale including the time, terms and place of sale and a description of the Property to be sold as required by the applicable law in effect at the time of the proposed sale.

Upon sale of the Property and to the extent not prohibited by law, Lender shall make and deliver a deed to the Property sold which conveys absolute title to the purchaser. Lender shall apply the proceeds of the sale in the following order; (a) to all expenses of the sale, including but not limited to, reasonable attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it. Lender may purchase the Property. The recitals in any deed of conveyance shall be prima facie evidence of the facts set forth therein.

If the Property is sold pursuant to this section, Grantor, or any person holding possession of the Property through Grantor, shall immediately surrender possession of the Property to the purchaser at the sale. If possession is not surrendered, Grantor or such person shall be a tenant holding over and may be dispossessed in accordance with applicable law.

All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether or not expressly set forth. The acceptance by Lender of any sum in payment or partial payment on the Secured Debt after the balance is due or is accelerated or after foreclosure proceedings are filed shall not constitute a waiver of Lender's right to require full and complete cure of any existing default. By not exercising any remedy on Grantor's default, Lender does not waive Lender's right to later consider the event a default if it continues or happens again.

18. EXPENSES; ADVANCES ON COVENANTS; ATTORNEYS' FEES; COLLECTION COSTS. Except when prohibited by law, Grantor agrees to pay all of Lender's expenses if Grantor breaches any covenant in this Security Instrument. Grantor will also pay on demand any amount incurred by Lender for insuring, inspecting, preserving or otherwise protecting the Property and Lender's security interest. These expenses will bear interest from the date of the payment until paid in full at the highest interest rate in effect as provided in the terms of the Secured Debt. Grantor agrees to pay all costs and expenses incurred by Lender in collecting, enforcing or protecting Lender's rights and remedies under this Security Instrument. This amount may include, but is not limited to, attorneys' fees, court costs, and other legal expenses. Where the Secured Debt is collected by or through an attorney after maturity, Grantor agrees to pay 15 percent of the principal and interest owing as attorneys' fees. This Security Instrument shall remain in effect until released. Grantor agrees to pay for any recordation costs of such release.

19. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES. As used in this section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, 42 U.S.C. 9601 et seq.), all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste" or "hazardous substance" under any Environmental Law.

Grantor represents, warrants and agrees that:

- A. Except as previously disclosed and acknowledged in writing to Lender, no Hazardous Substance has been, is, or will be located, transported, manufactured, treated, refined, or handled by any person on, under or about the Property, except in the ordinary course of business and in strict compliance with all applicable Environmental Law.
- B. Except as previously disclosed and acknowledged in writing to Lender, Grantor has not and will not cause, contribute to, or permit the release of any Hazardous Substance on the Property.
- C. Grantor will immediately notify Lender if (1) a release or threatened release of Hazardous Substance occurs on, under or about the Property or migrates or threatens to migrate from nearby property; or (2) there is a violation of any Environmental Law concerning the Property. In such an event, Grantor will take all necessary remedial action in accordance with Environmental Law.
- D. Except as previously disclosed and acknowledged in writing to Lender, Grantor has no knowledge of or reason to believe there is any pending or threatened investigation, claim, or proceeding of any kind relating to (1) any Hazardous Substance located on, under or about the Property; or (2) any violation by Grantor or any tenant of any Environmental Law. Grantor will immediately notify Lender in writing as soon as Grantor has reason to believe there is any such pending or threatened investigation, claim, or proceeding. In such an event, Lender has the right, but not the obligation, to participate in any such proceeding including the right to receive copies of any documents relating to such proceedings.
- E. Except as previously disclosed and acknowledged in writing to Lender, Grantor and every tenant have been, are and shall remain in full compliance with any applicable Environmental Law.
- F. Except as previously disclosed and acknowledged in writing to Lender, there are no underground storage tanks, private dumps or open wells located on or under the Property and no such tank, dump or well will be added unless Lender first consents in writing.
- G. Grantor will regularly inspect the Property, monitor the activities and operations on the Property, and confirm that all permits, licenses or approvals required by any applicable Environmental Law are obtained and complied with.
- H. Grantor will permit, or cause any tenant to permit, Lender or Lender's agent to enter and inspect the Property and review all records at any reasonable time to determine (1) the existence, location and nature of any Hazardous Substance on, under or about the Property; (2) the existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Property; or (3) whether or not Grantor and any tenant are in compliance with applicable Environmental Law.

- I. Upon Lender's request and at any time, Grantor agrees, at Grantor's expense, to engage a qualified environmental engineer to prepare an environmental audit of the Property and to submit the results of such audit to Lender. The choice of the environmental engineer who will perform such audit is subject to Lender's approval.
- J. Lender has the right, but not the obligation, to perform any of Grantor's obligations under this section at Grantor's expense.
- K. As a consequence of any breach of any representation, warranty or promise made in this section, (1) Grantor will indemnify and hold Lender and Lender's successors or assigns harmless from and against all losses, claims, demands, liabilities, damages, cleanup, response and remediation costs, penalties and expenses, including without limitation all costs of litigation and attorneys' fees, which Lender and Lender's successors or assigns may sustain; and (2) at Lender's discretion, Lender may release this Security Instrument and in return Grantor will provide Lender with collateral of at least equal value to the Property secured by this Security Instrument without prejudice to any of Lender's rights under this Security Instrument.
- L. Notwithstanding any of the language contained in this Security Instrument to the contrary, the terms of this section shall survive any foreclosure or satisfaction of this Security Instrument regardless of any passage of title to Lender or any disposition by Lender of any or all of the Property. Any claims and defenses to the contrary are hereby waived.

20. CONDEMNATION. Grantor will give Lender prompt notice of any pending or threatened action, by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Grantor authorizes Lender to intervene in Grantor's name in any of the above described actions or claims. Grantor assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds shall be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, deed to secure debt, security agreement or other lien document.

21. INSURANCE. Grantor agrees to maintain insurance as follows:

- A. Grantor shall keep the Property insured against loss by fire, flood, theft and other hazards and risks reasonably associated with the Property due to its type and location. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Grantor subject to Lender's approval, which shall not be unreasonably withheld. If Grantor fails to maintain the coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property according to the terms of this Security Instrument.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard "mortgage clause" and, where applicable, "loss payee clause." Grantor shall immediately notify Lender of cancellation or termination of the insurance. Lender shall have the right to hold the policies and renewals. If Lender requires, Grantor shall immediately give to Lender all receipts of paid premiums and renewal notices. Upon loss, Grantor shall give immediate notice to the insurance carrier and Lender. Lender may make proof of loss if not made immediately by Grantor.

Unless otherwise agreed in writing, all insurance proceeds shall be applied to restoration or repair of the Property or to the Secured Debt, whether or not then due, at Lender's option. Any application of proceeds to principal shall not extend or postpone the due date of scheduled payment nor change the amount of any payments. Any excess will be paid to the Grantor. If the Property is acquired by Lender, Grantor's right to any insurance policies and proceeds resulting from damage to the Property before the acquisition shall pass to Lender to the extent of the Secured Debt immediately before the acquisition.

- B. Grantor agrees to maintain comprehensive general liability insurance naming Lender as an additional insured in an amount acceptable to Lender, insuring against claims arising from any accident or occurrence in or on the Property.
- C. Grantor agrees to maintain rental loss or business interruption insurance, as required by Lender, in an amount equal to at least coverage of one year's debt service, and required escrow account deposits (if agreed to separately in writing), under a form of policy acceptable to Lender.

22. ESCROW FOR TAXES AND INSURANCE. Unless otherwise provided in a separate agreement, Grantor will not be required to pay to Lender funds for taxes and insurance in escrow.

23. FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS. Grantor will provide to Lender upon request, any financial statement or information Lender may deem reasonably necessary. Grantor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Grantor's obligations under this Security Instrument and Lender's lien status on the Property.

24. JOINT AND INDIVIDUAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND. All duties under this Security Instrument are joint and individual. If Grantor signs this Security Instrument but does not sign an evidence of debt, Grantor does so only to convey Grantor's interest in the Property to secure payment of the Secured Debt and Grantor does not agree to be personally liable on the Secured Debt. If this Security Instrument secures a guaranty between Lender and Grantor, Grantor agrees to waive any rights that may prevent Lender from bringing any action or claim against Grantor or any party indebted under the obligation. ~~Grantor agrees that Lender and any party to this Security Instrument may amend, modify, or make any change in the terms of this Security Instrument or any evidence of debt without Grantor's consent.~~ Such a change will not release Grantor from the terms of this Security Instrument. The duties and benefits of this Security Instrument shall bind and benefit the successors and assigns of Grantor and Lender.

25. APPLICABLE LAW; SEVERABILITY; INTERPRETATION. This Security Instrument is governed by the laws of the jurisdiction in which Lender is located, except to the extent otherwise required by the laws of the jurisdiction where the Property is located. This Security Instrument is complete and fully integrated. This Security Instrument may not be amended or modified by oral agreement. Any section in this Security Instrument, attachments, or any agreement related to the Secured Debt that conflicts with applicable law will not be effective, unless that law expressly or impliedly permits the variations by written agreement. If any section of this Security Instrument cannot be enforced according to its terms, that section will be severed and will not affect the enforceability of the remainder of this Security Instrument. Whenever used, the singular shall include the plural and the plural the singular. The captions and headings of the sections of this Security Instrument are for convenience only and are not to be used to interpret or define the terms of this Security Instrument. Time is of the essence in this Security Instrument.

26. **NOTICE.** Unless otherwise required by law, any notice shall be given by delivering it or by mailing it by first class mail to the appropriate party's address on page 1 of this Security Instrument, or to any other address designated in writing. Notice to one grantor will be deemed to be notice to all grantors.

27. **WAIVERS.** Except to the extent prohibited by law, Grantor waives all homestead and other exemption rights provided for by the constitution and laws of Georgia relating to the Property.

28. **U.C.C. PROVISIONS.** If checked, the following are applicable to, but do not limit, this Security Instrument:

- Construction Loan.** This Security Instrument secures an obligation incurred for the construction of an improvement on the Property.
- Crops; Timber; Minerals; Rents, Issues, and Profits.** Grantor grants to Lender a security interest in all crops, timber, and minerals located on the Property as well as all rents, issues, and profits of them including, but not limited to, all Conservation Reserve Program (CRP) and Payment in Kind (PIK) payments and similar governmental programs (all of which shall also be included in the term "Property").
- Personal Property.** Grantor grants to Lender a security interest in all personal property located on or connected with the Property, including all farm products, inventory, equipment, accounts, documents, instruments, chattel paper, general intangibles, and all other items of personal property Grantor owns now or in the future and that are used or useful in the construction, ownership, operation, management, or maintenance of the Property (all of which shall also be included in the term "Property"). The term "personal property" specifically excludes that property described as "household goods" secured in connection with a "consumer" loan as those terms are defined in applicable federal regulations governing unfair and deceptive credit practices.

29. **OTHER TERMS.** If checked, the following are applicable to this Security Instrument:

- Line of Credit.** The Secured Debt includes a revolving line of credit provision. Although the Secured Debt may be reduced to a zero balance, this Security Instrument will remain in effect until released.

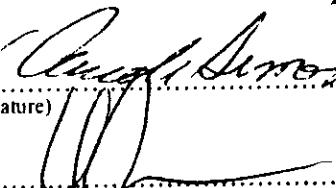
XX Additional Terms.

GRANTOR AND GRANTEE AGREE, BY THIS AFFIRMATIVE STATEMENT PURSUANT TO O.C.G.A. SECTION 44-14-80, TO ESTABLISH A PERPETUAL OR INDEFINITE SECURITY INTEREST IN THE PROPERTY CONVEYED TO SECURE THE SECURED DEBT.

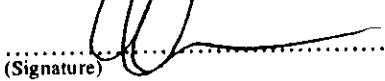
SIGNATURES: By signing below, Grantor agrees to the terms and covenants contained in this Security Instrument and in any attachments. Grantor also acknowledges receipt of a copy of this Security Instrument on the date stated on page 1. IN WITNESS WHEREOF, Grantor has signed and sealed this Security Instrument.

Entity Name: VRTX, INC.....

Entity Name:


(Signature) *Aug. 21/96* (Date) *8/2/96* (Seal)

..... (Seal)


(Signature) *8/2/96* (Date) *8/2/96* (Seal)

..... (Seal)

Signed, sealed and delivered in the presence of:


(Unofficial Witness) *Charles Calhoun*

Signed, sealed and delivered in the presence of:

(Unofficial Witness) *.....*

Notary Public, *Trenton* County, Georgia

Notary Public, County, Georgia

Commission Expires March 7, 1998

RIDER TO REAL ESTATE DEED TO SECURE DEBT
BETWEEN VRTX, INC., AS GRANTOR AND
TREUTLEN COUNTY DEVELOPMENT AUTHORITY, AS GRANTEE

1. Modifying paragraph 9, the secured debt shall be assumable (and not due on sale) provided the GRANTEE and/or its assignees grant consent, which consent will not be unreasonably withheld.
2. Modifying paragraph 10, and anything to the contrary notwithstanding, lender shall not demand payment upon the change of ownership of more than twenty-five (25%) percent of the voting stock of the grantor corporation, if such ownership is passed by virtue of death or disability.
3. Modifying paragraph 16, subdivision E shall be deleted. In subdivision F of paragraph 16, at line 2 thereof, the word "reasonably" shall be inserted after the word "opinion" and before the word "believes."
4. Supplementing paragraph 17, and anything to the contrary notwithstanding, the lender shall give grantor thirty (30) days written notice to cure any monetary default. As to non-monetary defaults, the grantor will be given ten (10) days written notice to cure, during which time grantor must commence curing and diligently pursue curing thereafter (i.e., if the non-monetary default cannot be cured in a ten day period, then grantor must continue to diligently pursue curing after the ten (10) day period expires and will then not be considered in default under this agreement).
5. Upon payment of all obligations under this agreement, grantee will no longer have any interest in the premises and will provide to grantor any documents necessary in furtherance thereof.

6. Supplementing paragraph 19, subdivision I, at line 1, the word "reasonable" shall be inserted after the word "lenders" and before the word "request."
7. Supplementing paragraph 20, the balance of any condemnation proceeds shall go to grantor.

Rider to Security Deed

Vrtx, Inc. to Treutlen County Development Authority
Treutlen County
State of Georgia

VRTX, INC.

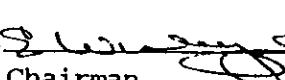
BY:

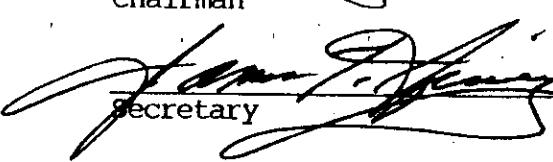

Claude Simon, President

Attest:

TREUTLEN COUNTY DEVELOPMENT
AUTHORITY

BY:


Chairman


Secretary

TREUTLEN COUNTY
STATE OF GEORGIA

ASSIGNMENT OF DEED TO SECURE DEBT

KNOW ALL MEN BY THESE PRESENTS, that the TREUTLEN COUNTY DEVELOPMENT AUTHORITY, existing under the laws of the State of Georgia, of the first part, in consideration of the sum of \$ TEN (\$10.00) Dollars and other good and valuable consideration, lawful money of the United States, to the TREUTLEN COUNTY DEVELOPMENT AUTHORITY in hand paid by the BANK OF SOPERTON, of the second part, at or before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold, assigned, transferred and set over, without recourse, and by these presents does grant, bargain, sell, assign, transfer and set over without recourse unto the said party of the second part a certain Note and Deed to Secure Debt, bearing date the 2nd day of August, 1996, made by VRTX, INC. to the TREUTLEN COUNTY DEVELOPMENT AUTHORITY and recorded in TREUTLEN County, Georgia, Deed Book 80 at page 113, upon the following described piece and parcel of land situate, lying and being in said County of Treutlen, State of Georgia, to-wit,

SEE ATTACHED EXHIBIT "A", INCORPORATED HEREIN BY REFERENCE

THIS ASSIGNMENT IS MADE PURSUANT TO A DULY AUTHORIZED RESOLUTION AND THE BY-LAWS OF THE TREUTLEN COUNTY DEVELOPMENT AUTHORITY.

Together with the NOTE described in said mortgage, and the money due and to become due thereon, with interest from the 2nd day of August, 1996.

Party of the first part covenants that there is now owing upon said Note, without offset or defense of any kind, the principal sum of \$207,136.61 Dollars, with interest thereon at the rate of 80% of prime percentum per annum from the 2nd day of August, 1996.

TO HAVE AND TO HOLD THE SAME UNTO SAID PARTY OF THE SECOND PART, AND ASSIGNS FOREVER.

In witness whereof, said party of the first part has caused these presents to be signed and its corporate seal affixed, attested this the 2nd day of August, 1996.

TREUTLEN COUNTY DEVELOPMENT AUTHORITY

By: John T. Herring
Authorized Officer

Attest: John T. Herring

Secretary

(L.S.)

Signed, sealed and delivered
in the presence of:

John T. Herring
Witness

Charlene Callahan
Notary Public My Commission Expires March 7, 1998

State of Georgia, Treutlen County
CLERK'S OFFICE, SUPERIOR COURT
Filed Aug 5, 1996 at 5:00 o'clock PM
Recorded Aug 6, 1996 in Book 80 Page 122
Charlene Callahan

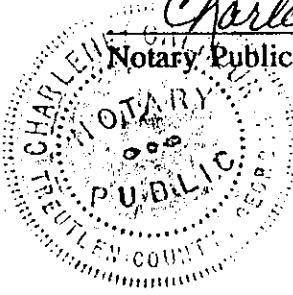


EXHIBIT "A"

All that tract or parcel of land lying and being in the City of Soperton, 1386th G.M. District, Treutlen County, Georgia, and being more particularly described as follows:

BEGINNING at a point at the intersection of the southern right-of-way line of Roydon Drive (60-foot right-of-way) and the eastern right-of-way line of Sessions Street (60-foot right-of-way) and running thence along the southern right-of-way line of Roydon Drive north 89 degrees 57 minutes east a distance of 463.0 feet to a point; thence leaving said right-of-way line and running along the western right-of-way line of Mount Vernon Highway (100-foot right-of-way) south 01 degree 58 minutes east a distance of 604.20 to a point; thence leaving said right-of-way line and running south 85 degrees 14 minutes west a distance of 384.0 feet to a point on the eastern right-of-way line of Sessions Street; running thence along said right-of-way line north 12 degrees 30 minutes west a distance of 400.0 feet to a point; continuing thence along said right-of-way line north 03 degrees 23 minutes west a distance of 245.26 feet to the Point of Beginning, according to survey for "Co-ordinated Apparel Services Corporation" dated July 1, 1982, prepared under the seal and certification of Jimmy M. Bloodworth, Georgia Registered Land Surveyor No. 1828, said tract containing 6.22 acres, according to said survey.

LESS AND EXCEPT: .0154 ACRES DEEDED TO THE DEPARTMENT OF TRANSPORTATION FOR RIGHT-OF-WAY ON 12/11/90 AND RECORDED IN TREUTLEN COUNTY DEED BOOK 68 PAGE 319.

A. U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT SETTLEMENT STATEMENT		B. TYPE OF LOAN		
		1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FMHA	3. <input type="checkbox"/> CONV. UNINS.
		4. <input type="checkbox"/> VA	5. <input type="checkbox"/> CONV. INS.	
		6. FILE NUMBER:		7. LOAN NUMBER:
		8. MORTGAGE INS. CASE NO. TR		

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. NAME OF BORROWER: VRTX. INC
ADDRESS OF BORROWER: MT. VERNON ROAD
SOPERTON, GEORGIA 30457 Guarantor: Claude Simon

E. NAME OF SELLER: TREATLEN COUNTY DEVELOPMENT AUTHORITY
ADDRESS OF SELLER: Martin Luther King Drive
Soperton, Georgia 30457

F. NAME OF LENDER: TREATLEN COUNTY DEVELOPMENT AUTHORITY
ADDRESS OF LENDER: ASSIGNMENT TO BANK OF SOPERTON

G. PROPERTY
LOCATION: MT. VERNON ROAD, SOPERTON, GEORGIA 30457

H. SETTLEMENT AGENT: JOHN J. ELLINGTON
PLACE OF SETTLEMENT: SOPERTON, GEORGIA

I. SETTLEMENT DATE: , 1996

J. SUMMARY OF BORROWER'S TRANSACTION		K. SUMMARY OF SELLER'S TRANSACTION	
100. GROSS AMOUNT DUE FROM BORROWER:		400. GROSS AMOUNT DUE TO SELLER:	
101. Contract sales price	295,000.00	401. Contract sales price	295,000.00
102. Personal property		402. Personal property	
103. Settlement charges to borrower: (from line 1400)		403.	
104.		404.	
105.		405.	
ADJUSTMENTS FOR ITEMS PAID BY SELLER IN ADVANCE:		ADJUSTMENTS FOR ITEMS PAID BY SELLER IN ADVANCE:	
106. City/town taxes to		406. City/town taxes to	
107. County taxes to		407. County taxes to	
108. Assessments to		408. Assessments to	
109. Deposit w/ Art Stone	4268.35	409. Deposit w/ Art Stone	4268.35
110. Electrical Repair - Breaker	1616.99	410. Electrical Repair - Breaker	1616.99
111. Principal Reduction	11,978.05	411. Principal Reduction	11,978.05
112.		412.	
120. GROSS AMOUNT DUE FROM BORROWER:	277,136.61	420. GROSS AMOUNT DUE TO SELLER:	277,136.61
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:		500. REDUCTIONS IN AMOUNT DUE TO SELLER:	
201. Deposit or earnest money		501. Excess deposit (see instructions)	
202. Principal amount of new loan(s) BOS	207,136.61	502. Settlement charges to seller (line 1400)	
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first mortgage loan BOS	
205.		505. Payoff of second mortgage loan	259,805.17
206.		506.	
207.		507.	
208.		508.	
209.		509.	
ADJUSTMENTS FOR ITEMS UNPAID BY SELLER:		ADJUSTMENTS FOR ITEMS UNPAID BY SELLER:	
210. City/town taxes to		510. City/town taxes to	
211. County taxes to		511. County taxes to	
212. Assessments to		512. Assessments to	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. TOTAL PAID BY/FOR BORROWER:		520. TOTAL REDUCTIONS IN AMOUNT DUE SELLER:	
300. CASH AT SETTLEMENT FROM/TO BORROWER:		600. CASH AT SETTLEMENT TO/FROM SELLER:	
301. Gross amount due from borrower (line 120)		601. Gross amount due to seller (line 420)	
302. Less amount paid by/for borrower (line 220)		602. Less total reductions in amount due seller (line 520)	
303. CASH <input checked="" type="checkbox"/> FROM) <input type="checkbox"/> TO) BORROWER:	70,000.00	603. CASH <input checked="" type="checkbox"/> TO) <input type="checkbox"/> FROM) SELLER:	17,331.44

SETTLEMENT			CHARGES		PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
700. TOTAL SALES/BROKER'S COMMISSION: BASED ON PRICE	\$	@	% =			
DIVISION OF COMMISSION (LINE 700) AS FOLLOWS:						
701. \$	to					
702. \$	to					
703. Commission paid at settlement						
704.						
800. ITEMS PAYABLE IN CONNECTION WITH LOAN:						
801. Loan Origination fee	%					
802. Loan Discount	%					
803. Appraisal Fee to:						
804. Credit Report to:						
805. Lender's Inspection fee						
806. Mortgage Insurance application fee to						
807. Assumption fee						
808.						
809.						
810.						
811.						
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE:						
901. Interest from	to	@ \$	/day			
902. Mortgage insurance premium for		mo. to				
903. Hazard Insurance premium for		yrs. to	PROVIDENT	Loss Payee: TCDA/BOS		
904. Flood Insurance Premium for		yrs. to				
905.						
1000. RESERVES DEPOSITED WITH LENDER:						
1001. Hazard insurance		months @ \$	per month			
1002. Mortgage insurance		months @ \$	per month			
1003. City property taxes		months @ \$	per month			
1004. County property taxes		months @ \$	per month			
1005. Annual assessments		months @ \$	per month			
1006. Flood Insurance		months @ \$	per month			
1007.		months @ \$	per month			
1008.		months @ \$	per month			
1100. TITLE CHARGES						
1101. Settlement or closing fee to						
1102. Abstract or title search to						
1103. Title examination to						
1104. Title Insurance binder to						
1105. Document preparation to						
1106. Notary fees to						
1107. Attorney's fees to	John Ellington					
(includes above items Numbers:					POC	
1108. Title insurance to	LAWYER'S TITLE INSURANCE COMPANY				POC	
(includes above items Numbers:						
1109. Lender's coverage	\$					
1110. Owner's coverage	\$					
1111.						
1112.						
1113.						
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES:						
1201. Recording fees: Deed \$	95.00	Mortgage \$		Releases \$	10.00	POC
1202. City/county tax/stamps: Deed \$		Mortgage \$				
1203. State tax/stamps: Deed \$		Mortgage \$				
1204. Intangible Tax						-0-
1205.						
1300. ADDITIONAL SETTLEMENT CHARGES:						
1301. Survey to						
1302. Pest inspection to						
1303.						
1304.						
1305.						
1306.						
1307.						
1400. TOTAL SETTLEMENT CHARGES (Enter on line 103, Section J – and – line 502, Section K)						

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of HUD-1 Settlement Statement.

John Ellington
VRTX. INC., Authorized Officer
Claude Simon

E. Wesley Crowe, Chairman

Sellers Treutlen County Development Authority

Borrowers

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

Settlement Agent

Date 6/2/96

WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine or imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

PERSONAL GUARANTY OF
DEBT OF VRTX, INC.

TO: TREUTLEN COUNTY DEVELOPMENT AUTHORITY
AND/OR THE BANK OF SOPERTON

Gentlemen:

For and in consideration of One Dollar and other valuable consideration, receipt of which is hereby acknowledged, the undersigned, jointly and severally, hereby guarantee, absolutely and unconditionally, at all times, unto you, the payment of any indebtedness or balance of indebtedness of: VRTX, INC., a GEORGIA corporation, hereinafter called debtor, to an amount not exceeding TWO HUNDRED SEVEN THOUSAND, ONE HUNDRED ~~THIRTY SIX AND 61/100~~ (\$ 207, 136.61) whether such indebtedness now exists, or is incurred hereafter, and in whatever form it may be evidenced.

I hereby waive notice of acceptance of the guaranty, and all notice of the goods, services and/or property/equipment sold by you to said debtor, and any loans or extensions of credit, and all notice of defaults by said debtor, and I consent to any extension or extensions of the time or times of payments and indebtedness, or any part thereof, or to any evidence thereof taken at any time by you.

This is to be a continuing guaranty, and the extension of the time of payment or the acceptance of any sum or sums on account, or the acceptance of notes, drafts or any security from said debtor, shall in no way weaken or impair the validity of this guaranty. Should any loan or debt heretofore or hereafter made by the said debtor, of you, be not paid at maturity, you shall have the right to proceed against me therefor at any time, without any notice whatsoever and without any proceedings or action against the said debtor, and I hereby waive any demand whatsoever for payment.

It is further understood that nothing herein contained shall prevent you from extending credit to the said debtor, to an amount exceeding the sum above stated, being the amount guaranteed hereunder at any time, and such action on your part shall not abrogate or affect this guaranty.

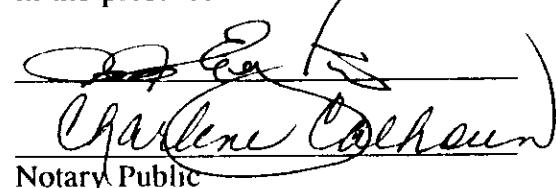
Should it become necessary to place this personal guaranty for collection, the guarantors hereby agree to pay all costs of collection including reasonable attorney's fees in the amount of 15% of the debt collected through said attorney.

This guaranty shall remain in full force and effect until the undersigned shall have given notice in writing by Registered Mail to make no further advances on the security of this guaranty. This guaranty shall be governed by the laws of the State of Georgia.

IN WITNESS WHEREOF, the guarantors hereunto set our hands and seals at Soperton, Georgia, this the 2nd day of August, 1996.


(L.S.)
Claude Simon, Guarantor

Signed, sealed and delivered
in the presence of:


Charlene Colhoun
Notary Public

My Commission Expires March 7, 1998