

Inst # 1996-38135

LEASE AGREEMENT

Dated September 1, 1996

Between

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF PELHAM

and

PELHAM INDUSTRIAL ENTERPRISES, L.L.C.

Inst # 1996-38135

11/19/1996-38135
08:33 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
035 MCD 94.50

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TABLE OF CONTENTS

	<u>Page</u>
Parties	1
Recitals	1

ARTICLE 1

Definitions and Other Provisions
of General Application

SECTION 1.01	Definitions	3
SECTION 1.02	Effect of Headings and Table of Contents	4
SECTION 1.03	Date of Lease Agreement	4
SECTION 1.04	Separability Clause	4
SECTION 1.05	Governing Law	4
SECTION 1.06	Counterparts	4

ARTICLE 2

Demising Clause 4

ARTICLE 3

Construction and Suitability of the Project

SECTION 3.01	Agreement to Acquire	5
SECTION 3.02	No Warranty of Suitability by Issuer; User Required to Complete Project in Certain Events	7
SECTION 3.03	Issuer to Pursue Remedies Against Vendors, Contractors and Subcontractors and Their Sureties	7
SECTION 3.04	Investment of Construction Fund Moneys	7
SECTION 3.05	Completion of the Project	8

ARTICLE 4

Lease Term and Rental Payments

SECTION 4.01	Lease Term	8
SECTION 4.02	Basic Rental Payments	8
SECTION 4.03	Additional Rental Payments	10
SECTION 4.04	Overdue Rental Payments	10
SECTION 4.05	Unconditional Obligation of User	10

ARTICLE 5

Concerning the Bonds,
the Indenture and the Trustee

SECTION 5.01	Assignment of Lease Agreement and Rental Payments by Issuer	11
SECTION 5.02	Redemption of Bonds	11

SECTION 5.03	Amendment of Indenture	12
SECTION 5.04	The Special Funds	12
SECTION 5.05	Effect of Full Payment of Indebtedness	12

ARTICLE 6

Provisions Respecting the Project

SECTION 6.01	Possession and Use of Project	12
SECTION 6.02	Maintenance and Other Operating Expenses	13
SECTION 6.03	Taxes, Assessments, Etc.	13
SECTION 6.04	Improvements, Alterations, Etc.	13
SECTION 6.05	Utility Easements	14
SECTION 6.06	Transfer or Encumbrance Created by Issuer	14
SECTION 6.07	Assignment, etc. of Leasehold Interest	14
SECTION 6.08	Insurance	15
SECTION 6.09	Damage and Destruction	15
SECTION 6.10	Condemnation	16

ARTICLE 7

Representations and Covenants

SECTION 7.01	General Representations	16
SECTION 7.02	Eligibility of Project for Financing	18
SECTION 7.03	Company Existence	19
SECTION 7.04	Further Assurances	19
SECTION 7.05	Inspection of Records	19
SECTION 7.06	Advances by Issuer or Trustee	19
SECTION 7.07	Indemnity of Issuer and Trustee	20

ARTICLE 8

Remedies

SECTION 8.01	Events of Default	20
SECTION 8.02	Remedies on Default	21
SECTION 8.03	No Remedy Exclusive	22
SECTION 8.04	Agreement to Pay Attorneys' Fees and Expenses	22
SECTION 8.05	No Additional Waiver Implied by One Waiver	22
SECTION 8.06	Remedies Subject to Applicable Law	22

ARTICLE 9

Options

SECTION 9.01	Option to Terminate	23
SECTION 9.02	Option to Purchase Project	23

SECTION 9.03	Conveyance on Exercise of Option to Purchase	23
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ARTICLE 10

Miscellaneous

SECTION 10.01	Issuer's Liabilities Limited	23
SECTION 10.02	Corporate Existence of Issuer	24
SECTION 10.03	Notices	24
SECTION 10.04	Successors and Assigns	25
SECTION 10.05	Benefits of Lease Agreement	25
SECTION 10.06	Municipal Public Service Payment	25
SECTION 10.07	Sign	25
SECTION 10.08	Prior Agreements Canceled	26
Testimonium		26
Signatures		26
Acknowledgments		27

Exhibit A - Parts 1, 2 and 3

LEASE AGREEMENT

THIS LEASE AGREEMENT dated as of September 1, 1996 is entered into by THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF PELHAM, a public corporation organized under the laws of the State of Alabama, and PELHAM INDUSTRIAL ENTERPRISES, L.L.C., an Alabama limited liability company.

Recitals

The Industrial Development Board of the City of Pelham (the "Issuer") has agreed with Pelham Industrial Enterprises, L.L.C. (the "User") to finance the acquisition and construction of a building or buildings as a warehouse and distribution center on real property located in the City of Pelham (such real property, and the building or buildings being herein together called the "1996 Project").

The Issuer and the User have also agreed to refinance the Issuer's \$1,675,000 Industrial Development Revenue Bond (Pelham Industrial Enterprises, L.L.C., Phase FIVE Project) dated September 15, 1995 (the "1995 Bond"), which was issued to finance the construction of warehouse and distribution facilities on the real property described in the Mortgage and Indenture of the Issuer dated as of September 1, 1995 (the "1995 Mortgage") (the said facilities and real property being herein together called the "1995 Project").

The Issuer has duly authorized the creation, execution and delivery of its \$3,250,000 aggregate principal amount of Adjustable/Fixed Rate Industrial Development Revenue Bonds, Series 1996 (Pelham Industrial Enterprises, L.L.C. Fifth Project) (the "Bonds") pursuant to a Trust Indenture dated as of September 1, 1996 (the "Indenture"). The proceeds of the Bonds will be used to fund the cost of the 1996 Project, to refund the 1995 Bond, and to pay expenses of issuance of the Bonds.

Simultaneously with the delivery of the Indenture the Issuer and the User have entered into a Lease Agreement dated as of September 1, 1996 (the "Lease Agreement"), whereby the Issuer has leased the 1996 Project and the 1995 Project (together, the "Project") to the User and the User has agreed to pay rentals to the Issuer at such times and in such amounts as shall be sufficient to pay when due the principal of, premium (if any) and interest ("Debt Service") on the Bonds and the purchase price of Bonds tendered for purchase pursuant to the mandatory or optional tender provisions of the Indenture.

The Bonds shall be limited obligations of the Issuer payable solely out of the rentals payable by the User pursuant to the Lease Agreement and any other revenues, rentals or receipts derived by the Issuer from the leasing or sale of the Project (the "Lease Revenues").

As security for the payment of Debt Service on the Bonds, the members of the User will enter into a Guaranty Agreement dated as of September 1, 1996 (the "Bond Guaranty") in favor of the Trustee, whereby they will guarantee payment when due of Debt Service on the Bonds, to the extent stated in the Bond Guaranty.

As additional security for the payment of the Bonds, Columbus Bank and Trust Company (in its capacity as issuer of the initial letter of credit referred to below, the "Credit Obligor") will issue an irrevocable letter of credit in favor of the Trustee in the amount of (i) the aggregate principal amount of the Bonds, to enable the Trustee to pay the principal amount of the Bonds when due and to pay the principal portion of the purchase price of Bonds tendered (or deemed tendered) for purchase, plus (ii) interest on the Bonds for a period of 105 days at the rate of 12% per annum, to enable the Trustee to pay interest on the Bonds when due and to pay the interest portion of the purchase price of Bonds tendered (or deemed tendered) for purchase. The initial letter of credit to be delivered to the Trustee and any substitute letter of credit delivered to the Trustee pursuant to the Indenture are herein referred to as the "Letter of Credit".

The initial Letter of Credit will be issued by the Credit Obligor pursuant to a Reimbursement Agreement dated as of September 1, 1996 (the "Reimbursement Agreement") between the Credit Obligor and First Commercial Bank, an Alabama banking corporation (the "Reimbursement Bank") which provides for the reimbursement of the Credit Obligor by the Reimbursement Bank for all amounts drawn under the Letter of Credit and for the exercise of certain rights by the Credit Obligor under the Indenture only at the direction or with the consent of the Reimbursement Bank as long as the Reimbursement Bank is not in default under the Reimbursement Agreement. Pursuant to a Credit Agreement dated as of September 1, 1996 between the Reimbursement Bank and the User (the "Credit Agreement") the User shall in turn reimburse the Reimbursement Bank for all amounts paid thereby under the Reimbursement Agreement.

As security for the User's obligations under the Credit Agreement, the members of the User (the "Guarantors"), will enter into a Credit Guaranty Agreement dated as of September 1, 1996 (the "Credit Guaranty") in favor of the Reimbursement Bank, whereby the Guarantors will guarantee payment when due of all indebtedness or obligations of the User to the Reimbursement Bank under the Credit Agreement, to the extent stated in the Credit Guaranty.

As additional security for the User's obligations under the Credit Agreement, the User and the Issuer shall execute a Mortgage, Assignment of Leases and Security Agreement dated as of September 1, 1996 (the "Mortgage") in favor of the Reimbursement Bank, whereby the Reimbursement Bank will be

granted a mortgage, assignment and pledge of, and security interest in, the Project, the rights of the Issuer and the User under the Lease Agreement, the Lease Revenues, and certain other collateral.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto covenant, agree and bind themselves as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 1.01 Definitions

For all purposes of this Lease Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(1) Capitalized terms not otherwise defined herein shall have the meaning assigned to them in the Indenture, a copy of which is on file with the Trustee at its principal office in Birmingham, Alabama.

(2) The terms defined in this Article shall have the meanings assigned to them in this Article. Singular terms shall include the plural as well as the singular, and vice versa. Any pronoun shall include both singular and plural and cover all genders.

(3) All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles. All references herein to "generally accepted accounting principles" refer to such principles as they exist at the date of application thereof.

(4) All references in this instrument to designated "Articles", "Sections" and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed.

(5) The terms "herein", "hereof" and "hereunder" and other words of similar import refer to this Lease Agreement as a whole and not to any particular Article, Section or other subdivision.

(6) The term "Person" shall include any individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization and any government or any agency or political subdivision thereof.

(7) The following word and phrase when used in this Lease Agreement have the following meanings, unless the context clearly indicates a different meaning:

"Buildings" means (i) the buildings, structures and fixtures constructed or installed or to be constructed and installed on the Project Sites, and (ii) all other buildings, structures and fixtures now or hereafter located on the Project Sites, as they may at any time exist.

"Project Sites" means the real property described in parts 1 and 2, as consolidated on Part 3, of Exhibit A attached hereto and hereby made a part hereof.

SECTION 1.02 Effect of Headings and Table of Contents

The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 1.03 Date of Lease Agreement

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

SECTION 1.04 Separability Clause

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

SECTION 1.05 Governing Law

This Lease Agreement shall be construed in accordance with and governed by the laws of the State of Alabama.

SECTION 1.06 Counterparts

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed an original, but all such counterparts shall together constitute but one and the same instrument.

ARTICLE 2

DEMISING CLAUSE

The Issuer, for and in consideration of the rents, covenants and agreements hereinafter reserved, mentioned and contained on the part of the User to be paid, kept and performed, does hereby demise and lease to the User, and the

User does hereby lease, take and hire from the Issuer, the real property located in the City of Pelham, Shelby County, Alabama, described in both parts of Exhibit A attached hereto and made a part hereof by this reference, together with the Buildings, as they may at any time exist, and all other properties which, under the terms hereof, are or subsequently become a part of the Project. The rights of the User hereunder are junior, subordinate and subject to the rights of the Reimbursement Bank under the Mortgage.

ARTICLE 3

CONSTRUCTION AND SUITABILITY OF THE PROJECT

SECTION 3.01 Agreement to Acquire

From the principal proceeds derived from the sale of the Bonds, the Issuer will, to the extent moneys are available (a) pay the costs incurred in connection with the issuance of the Bonds, (b) pay the principal of the 1995 Bond on the date of delivery of the Bonds, and (c) pay the costs of constructing or installing buildings, structures, improvements and fixtures on the 1996 Project Site in strict accordance with plans and specifications approved by the Reimbursement Bank.

In accordance with the Inducement Agreement from the Issuer to the User dated June 14, 1994, the User and the Issuer have proceeded with the acquisition and construction of the 1996 Project. The Issuer (i) shall cause withdrawals to be made from the Construction Fund to reimburse the User for funds advanced by it or to the Issuer on behalf of the User or expended by the User for such purpose after that date, and to pay the costs of acquisition, installation and construction of the 1996 Project, subject to the requirements of the Indenture with respect to withdrawals from the Construction Fund, and (ii) will assume or accept the assignment of such contracts and purchase orders entered into by the User prior to the execution and delivery of this Lease Agreement for the acquisition and construction of the 1996 Project as the User may request.

The Issuer will continue, or permit the User to continue, such acquisition, construction and installation with all reasonable dispatch and due diligence and will cause the 1996 Project to be completed as promptly as practicable. The User will promptly give its written instructions with respect to, and will enter into, such construction contracts and purchase orders for material, supplies, and equipment, and will take whatever other action may be provided for in this Lease Agreement, as shall be necessary to complete the 1996 Project. The Issuer will not execute any construction contract or purchase orders for the 1996 Project without the prior written consent of the User.

The User may cause changes or amendments to be made in the plans and specifications for the Buildings, provided such changes or amendments (i) will not change the nature of the 1996 Project to the extent that it would not constitute a "project" as authorized by the Enabling Law, (ii) will not materially affect the utility of the 1996 Project for its intended use, and (iii) have been approved in writing by the Reimbursement Bank.

If after the exercise of due diligence by the Issuer, it is impossible for the Issuer to construct or install any buildings, structures or fixtures which the User requests the Issuer so to construct or install, the Issuer will notify the User and the Reimbursement Bank in writing and the User (a) will withdraw the request in question, or (b) will itself effect the construction or installation so requested, for and in the name and on behalf of the Issuer, in which case the User shall be entitled to reimbursement from the Construction Fund for the costs incurred by it in effecting such construction or installation.

The Issuer and the User shall from time to time each appoint by written instrument an agent or agents authorized to act for each respectively in any or all matters relating to the acquisition of the 1996 Project and payments to be made out of the Construction Fund. One of the agents appointed by the User shall be designated its Project Supervisor. Either the Issuer or the User may from time to time, by written notice also filed with the Trustee, revoke, amend or otherwise limit the authorization of any agent appointed by it to act on its behalf, provided that there shall be at all times at least one agent authorized to act on behalf of the Issuer, and at least one agent (who shall be the Project Supervisor) authorized to act on behalf of the User, with reference to all the foregoing matters.

The Issuer shall cause withdrawals to be made from the Construction Fund for the payment of the costs of the 1996 Project, but only upon the written approval of the User and subject to the requirements of the Indenture with respect to withdrawals from the Construction Fund. In the event that, after reasonable request made to the Issuer by the User, the Issuer fails or refuses to issue or execute a payment requisition from the Construction Fund for payment of any such costs, the Project Supervisor then designated by the User, who is hereby irrevocably appointed as agent for the Issuer for such purposes, may issue and execute, also for and in the name and behalf of the Issuer and without any approval of any officer, employee or other agent thereof, a payment requisition on the Construction Fund.

SECTION 3.02 No Warranty of Suitability by Issuer; User Required to Complete 1996 Project in Certain Events

The User recognizes that since the plans and specifications for constructing and installing the 1996 Project were furnished by it, THE ISSUER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, NOR OFFERS ANY ASSURANCES THAT THE 1996 PROJECT WILL BE SUITABLE FOR THE USER'S PURPOSES OR NEEDS OR THAT THE PROCEEDS DERIVED FROM THE SALE OF THE BONDS WILL BE SUFFICIENT TO PAY IN FULL ALL COSTS OF THE 1996 PROJECT. In the event the proceeds derived from the sale of the Bonds are insufficient to pay in full all such costs, the User shall be obligated to complete the acquisition and construction of the 1996 Project at its own expense and the User shall pay any such deficiency and shall save the Issuer whole and harmless from any obligation to pay such deficiency. The User shall not by reason of the payment of such deficiency from its own funds be entitled to any diminution in the payment of the rents hereunder or to any lien on the Project.

SECTION 3.03 Issuer to Pursue Remedies Against Vendors, Contractors and Subcontractors and Their Sureties

In the event of default of any vendor, contractor or subcontractor under any contract or purchase order or warranty made by it for acquisition, construction or installation of the 1996 Project, the Issuer will promptly proceed (subject to the User's advice to the contrary), either separately or in conjunction with others, to exhaust the remedies of the Issuer against the vendor, contractor or subcontractor so in default and against his surety (if any) for the performance of such contract or warranty or purchase order. The Issuer will advise the User of the steps it intends to take in connection with any such default and the User will pay all costs, fees and expenses incurred in connection therewith. If the User shall so notify the Issuer, the User may, in its own name or in the name of the Issuer, prosecute or defend any action or proceeding or take any other action involving any such vendor, contractor, subcontractor or surety which the User deems reasonably necessary, and in such event the Issuer will cooperate fully with the User and will take all action necessary to effect the substitution of the User for the Issuer in any such action or proceeding. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing shall be paid into the Construction Fund.

SECTION 3.04 Investment of Construction Fund Moneys

The Issuer shall cause any moneys held as a part of the Construction Fund to be invested or reinvested by the Trustee in Qualified Investments at the request of, and as directed by, the User. Any interest bearing deposits, including certificates of deposit, issued by or deposited with the Trustee shall be deemed to be investments and not trust

deposits. The Trustee may make any and all such investments through its own investment services department.

SECTION 3.05 Completion of the 1996 Project

The completion of the 1996 Project shall be evidenced by delivery to the Trustee and the Credit Obligor of (a) a certificate signed by the Project Supervisor stating the (i) construction, acquisition and installation of the 1996 Project have been completed in accordance with the plans and specifications approved by the User and the Credit Obligor, (ii) all labor, services, materials and supplies in connection with such construction, acquisition and installation have been paid for, and (iii) all facilities necessary in connection with the 1996 Project have been constructed, acquired and installed and all costs and expenses incurred in connection therewith have been paid, and (b) an "as-built" survey covering the 1996 Project Site and the 1996 Project. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against any vendor, contractor, subcontractor or other person not a party to this Lease Agreement which exist at the date of such certificate or which may subsequently come into being. After delivery of the aforesaid certificate and survey, any moneys then remaining in the Construction Fund shall be applied as promptly as may be practicable to the redemption of the Bonds.

ARTICLE 4

LEASE TERM AND RENTAL PAYMENTS

SECTION 4.01 Lease Term

The term of this Lease Agreement shall begin on the date of the delivery of this Lease Agreement and, unless renewed and extended in accordance with the terms of this Lease Agreement and the Indenture, shall continue until midnight of September 1, 2007.

SECTION 4.02 Basic Rental Payments

(a) The User shall make Basic Rental Payments to the Trustee, for the account of the Issuer, at times and in amounts as follows:

(1) at or before 10:00 a.m. (Birmingham, Alabama time) on each Bond Payment Date, the User shall pay to the Trustee, for the account of the Issuer, an amount equal to the Debt Service on the Bonds due on such Bond Payment Date; provided, however, that (i) any amount already on deposit in the Bond Fund on the due date of such Basic Rental Payment and available for the payment of Debt Service on such Bond Payment Date shall be credited against the amount of such Basic Rental Payment, and

(ii) any amount drawn by the Trustee pursuant to the Letter of Credit for the payment of such Debt Service shall be credited against such Basic Rental Payment; and

(2) at or before 10:00 a.m. (Birmingham, Alabama time) on each Tender Date with respect to the Bonds, the User shall pay to the Trustee, for the account of the Issuer, an amount equal the purchase price of Bonds tendered (or deemed tendered) for purchase on such Tender Date; provided, however, that (i) any amount already on deposit in the Bond Purchase Fund on such Tender Date that is available for the payment of the purchase price of such Tendered Bonds shall be credited against the amount of such Basic Rental Payment, and (ii) any amount drawn by the Trustee pursuant to the Letter of Credit for the payment of the purchase price of such Tendered Bonds shall be credited against such Basic Rental Payment.

(b) Prior to 9:30 a.m. (Birmingham, Alabama time) on each Bond Payment Date the Trustee is required in the Indenture to, without making any prior claim or demand on the User for the payment of Basic Rental Payments with respect to Bonds other than Pledged Bonds, make a draw on the Letter of Credit in an amount equal to the amount of Debt Service due on such Bond Payment Date on Bonds other than Pledged Bonds. The User shall receive a credit against Basic Rental Payments for the amount so drawn. No draw shall be made under the Letter of Credit with respect to Debt Service on Pledged Bonds, and the User shall receive no credit against Basic Rental Payments with respect to Pledged Bonds for any amounts drawn under the Letter of Credit.

(c) Prior to 9:30 a.m. (Birmingham, Alabama time) on each Tender Date the Trustee is required in the Indenture to, without making any prior claim or demand on the User for Basic Rental Payments with respect to the purchase price of Bonds, and without taking into account any proceeds anticipated from the remarketing of Bonds by the Remarketing Agent, make a draw under the Letter of Credit in an amount equal to the purchase price of all Bonds to be purchased on such Tender Date. The User shall receive a credit against Basic Rental Payments for the amount so drawn, as provided in Section 4.02(a)(2).

(d) All Basic Rental Payments shall be made in funds immediately available to the Trustee at its Principal Office on the related Bond Payment Date or Tender Date, as the case may be.

(e) If any Basic Rental Payment is due on a day which is not a Business Day, such payment may be made on the first succeeding day which is a Business Day with the same effect as if made on the day such payment was due.

SECTION 4.03 Additional Rental Payments

(a) The User shall make Additional Rental Payments to the Issuer or to the Trustee, as the case may be, as follows:

(1) the acceptance fee of the Trustee and the annual (or other regular) fees, charges and expenses of the Trustee and Remarketing Agent;

(2) any amount to which the Trustee may be entitled under Section 13.07 of the Indenture; and

(3) the reasonable expenses of the Issuer incurred at the request of the User, or in the performance of its duties under any of the Financing Documents, or in connection with any litigation which may at any time be instituted involving the Project, the Financing Documents, or in the pursuit of any remedies under the Financing Documents.

(b) All Additional Rental Payments shall be due and payable within 10 days after receipt by the User of an invoice therefor.

SECTION 4.04 Overdue Rental Payments

Any overdue Basic Rental Payment shall bear interest from the related Bond Payment Date until paid at the Post-Default Rate for overdue Debt Service payments. Any overdue Additional Rental Payment shall bear interest from the date due until paid at the Post-Default Rate for such Additional Rental Payments specified in the Indenture.

SECTION 4.05 Unconditional Obligation of User

The User's obligation to make Rental Payments and to perform and observe the other agreements and covenants on its part herein contained shall be absolute and unconditional, irrespective of any rights of set-off, recoupment or counterclaim it might otherwise have against the Issuer or the Trustee. The User will not suspend or discontinue any such Rental Payment or fail to perform and observe any of its other agreements and covenants contained herein or terminate this Lease Agreement for any cause whatsoever, including, without limiting the generality of the foregoing, (i) failure to complete the 1996 Project, (ii) any acts or circumstances that may constitute an eviction or constructive eviction, (iii) failure of consideration or commercial frustration of purpose, (iv) the invalidity of any provision of this Lease Agreement, (v) any damage to or destruction of the Project or any part thereof, (vi) the taking by eminent domain of title to, or the use of, all or any part of the Project, (vii) any change in the laws or regulations of the United States, the State of Alabama or any other governmental authority, or

(viii) any failure of any party to any of the Financing Documents or the Remarketing Agent to perform and observe any agreement or covenant, whether express or implied, to be performed or observed by it under any of the Financing Documents or under any agreement to which it is a party.

ARTICLE 5

CONCERNING THE BONDS, THE INDENTURE AND THE TRUSTEE

SECTION 5.01 Assignment of Lease Agreement and Rental Payments by Issuer

(a) As security for the Reimbursement Bank Indebtedness, simultaneously with the delivery of this Lease Agreement the Issuer shall, pursuant to the Mortgage, (i) assign and pledge to the Credit Obligor all right, title and interest of the Issuer in and to the Lease Revenues and this Lease Agreement (except for certain rights personal to the Issuer) and (ii) mortgage the Project to the Reimbursement Bank; provided, however, that the terms of such assignment and pledge shall provide that, unless and until the Bonds are accelerated pursuant to Section 12.02 of the Indenture and the Credit Obligor pays the draw on the Letter of Credit made pursuant to Section 12.02 of the Indenture, the Lease Revenues shall be applied as provided in this Lease Agreement and the Indenture. The User hereby consents to such assignment, pledge and mortgage.

(b) Until all Reimbursement Bank Indebtedness has been Fully Paid, the Reimbursement Bank may exercise all rights and remedies herein accorded to the Issuer (subject to the provisions of subsection (a) of this Section) and any references herein to the Issuer shall be deemed, with the necessary changes in detail, to include the Reimbursement Bank; provided, however, that the Issuer shall retain the rights to indemnification and reimbursement of expenses granted to it by this Lease Agreement.

SECTION 5.02 Redemption of Bonds

(a) The Issuer will redeem any or all of the Bonds in accordance with the scheduled mandatory redemption provisions of the Bonds and the Indenture and upon the occurrence of any event or contingency requiring the mandatory redemption of Bonds, all in accordance with the applicable provisions of the Bonds and the Indenture.

(b) If no Lease Default exists, the Issuer will exercise any right of optional redemption with respect to the Bonds only upon the written request of the User and the written consent of the Reimbursement Bank.

SECTION 5.03 Amendment of Indenture

The Issuer will not cause or permit the amendment of the Indenture or the execution of any amendment or supplement to the Indenture without the prior written consent of the User.

SECTION 5.04 The Special Funds

If no Lease Default exists, the Issuer shall cause any money held as part of a Special Fund shall be invested or reinvested by the Trustee in accordance with the terms of the Indenture and the instructions of the User.

SECTION 5.05 Effect of Full Payment of Indebtedness

(a) After the Indenture Indebtedness is Fully Paid, all references in this Lease Agreement to the Bonds, the Indenture and the Trustee shall be ineffective and neither the Trustee nor the Holders of the Bonds shall thereafter have any rights hereunder, except those rights that shall have theretofore vested.

(b) After the Reimbursement Bank Indebtedness is Fully Paid, (i) all references in this Lease Agreement to the Credit Obligor shall be ineffective and thereafter the Credit Obligor shall have no rights hereunder, except those rights that shall have theretofore vested, and (ii) all references in this Lease Agreement to the Mortgage shall be ineffective.

(c) After all Indebtedness is Fully Paid, any money or investments remaining in the Special Funds shall be delivered to the User.

(d) If all Indebtedness is Fully Paid prior to the expiration of the term of this Lease Agreement, the User shall be entitled to the use and occupancy of the Project until the expiration of the term of this Lease Agreement without the payment of any further Basic Rental Payments, but otherwise subject to all the terms and conditions hereof, except that the User shall no longer be required to perform and observe the agreements and covenants of this Lease Agreement that are for the sole benefit of the Credit Obligor, the Trustee or the Holders of the Bonds.

ARTICLE 6

PROVISIONS RESPECTING THE PROJECT

SECTION 6.01 Possession and Use of Project

(a) So long as no Lease Default exists, the User shall be permitted to possess, use, manage, operate and enjoy the Project without hindrance on the part of the Issuer, subject,

however, to all the terms and conditions of this Lease Agreement.

(b) The Issuer shall be permitted such possession of the Project as shall be necessary and convenient for it to construct and install any additions, improvements, modifications, repairs or renovations to the Project that are required to be made by it pursuant to the terms of this Lease Agreement.

SECTION 6.02 Maintenance and Other Operating Expenses

The User will, at its own expense, (i) cause the Project to be maintained and kept in good condition, repair and working order, (ii) cause to be made all necessary repairs, renewals, replacements, betterments and improvements to the Project as may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times, and (iii) pay all gas, electric, water, sewer and other charges for the operation, use and upkeep of the Project.

SECTION 6.03 Taxes, Assessments, Etc.

The User will pay or cause to be paid as they become due and payable all taxes, assessments and other governmental charges lawfully levied or assessed or imposed upon the Project or any part thereof or upon any income therefrom, and also all taxes, assessments and other governmental charges lawfully levied, assessed or imposed upon the lien or interest of the Trustee or of the Credit Obligor in the Trust Estate, so that the lien of the Indenture shall at all times be wholly preserved at the cost of the User and without expense to the Issuer, the Trustee or the Credit Obligor; provided, however, that the User shall not be required to pay and discharge or cause to be paid and discharged any such tax, assessment or governmental charge to the extent that the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings and the User shall have established and shall maintain adequate reserves on its books for the payment of the same.

SECTION 6.04 Improvements, Alterations, Etc.

The User may, at its own expense, subject to the requirements of the Mortgage, make changes, additions, improvements or alterations to the Buildings, provided that the User determines, in its judgment, that such changes, additions, improvements or alterations are necessary or desirable in connection with the business of the User with respect to the Project. At the written request of the User, the Issuer will enter into a contract for such changes, additions, improvements, or alterations, subject, however, to the requirements of Section 10.01.

SECTION 6.05 Utility Easements

The Issuer will, upon request of the User, subject to the requirements of the Mortgage, grant such utility and other similar easements over, across or under the Project Sites as shall be necessary or convenient for the furnishing of utility and other similar services to the Project or to real property adjacent to the Project Sites that is owned or leased by the User; provided, that such easements shall not, in the opinion of the User, materially impair the use of the Project for the purposes for which it is leased by the User.

SECTION 6.06 Transfer or Encumbrance Created by Issuer

Without the prior written consent of the User, and except as otherwise provided in the Mortgage, the Issuer (i) will not sell, transfer or convey the Project or any part thereof, except as provided in this Lease Agreement, and (ii) will not create or incur or suffer or permit to be created or incurred or to exist any mortgage, lien, charge or encumbrance on the Project or any part thereof.

SECTION 6.07 Assignment, etc. of Leasehold Interest

The User may, subject to the requirements of the Mortgage, assign its rights under this Lease Agreement or mortgage its leasehold interest in the Project, or sublease the Project or any part thereof, subject to the following limitations:

(1) the User shall continue to be primarily liable for the performance and observance of the agreements and covenants to be performed and observed by it under this Lease Agreement, and no such assignment, mortgage or sublease shall in any way diminish or abate the obligations of the User hereunder;

(2) any such sublessee shall be a trade or business described in any of 1987 Standard Industrial Classification Group Number 0724, Major Groups 20 to 39, inclusive, 50 and 51, Industrial Group Number 737, and Industry Numbers 8731, 8733, and 8734, as set forth in the Standard Industrial Classification Manual published by the United States Government Office of Management and Budget;

(3) no such assignment, mortgage or sublease shall permit or result in the use of the Project or any part thereof for any purpose that would not be permitted for facilities financed under the Enabling Law; and

(4) within 30 days after the delivery of any such assignment, mortgage or sublease, the User shall deliver a copy thereof to the Issuer and to the Trustee.

SECTION 6.08 Insurance

(a) Until the Reimbursement Bank Indebtedness is Fully Paid, the User will at all times keep the Project insured as provided in the Mortgage.

(b) The User will at all times (whether or not all Reimbursement Bank Indebtedness is Fully Paid) maintain insurance against liability for bodily injury to or death of persons and for damage to or loss of property occurring on or about the Project Sites or in any way related to the condition or operation of the Project, in the minimum amounts of \$1,000,000 for death of or bodily injury to any one person, \$3,000,000 for all death and bodily injury claims resulting from any one accident, and \$100,000 for property damage. Such insurance shall insure the Issuer, as well as the User, against such liability.

(c) All insurance required by subsection (b) of this Section shall be effected with responsible insurance carriers. All policies or other contracts evidencing such insurance or a certificate of the respective insurers attesting the fact that such insurance is in force and effect, shall be deposited with the Issuer. Prior to the expiration of such insurance, the User shall furnish to the Issuer evidence that such insurance has been renewed or replaced. Each policy or other contract for such insurance shall contain an agreement by the insurer that, notwithstanding any right of cancellation reserved to such insurer, such policy or contract shall continue in force for the benefit of the Issuer for at least 10 days after written notice to the Issuer of cancellation.

SECTION 6.09 Damage and Destruction

(a) If the Project or any part thereof is damaged or destroyed by fire or other casualty, the User shall, as promptly as practicable, repair, rebuild, restore or replace the property damaged or destroyed (herein referred to as the "Restoration Work"). If the amount of loss proceeds of insurance on the Project available to pay the costs of such Restoration Work is not sufficient for such purpose, the User shall complete the Restoration Work at its own expense. At the request of the User, the Issuer shall enter into contracts and purchase orders necessary for the Restoration Work, subject to the requirements of Section 10.01.

(b) If the Reimbursement Bank Indebtedness has been Fully Paid, loss proceeds from any insurance payable with respect to such casualty shall be paid to the User and shall be applied by the User to pay the costs of the Restoration Work.

(c) If the Reimbursement Bank Indebtedness has not been Fully Paid, loss proceeds from any insurance payable with

respect to such casualty shall be paid to the Reimbursement Bank and shall be applied as provided in the Mortgage.

SECTION 6.10 Condemnation

(a) If title to, or the use of, the Project or any part thereof shall be taken by the exercise of the power of eminent domain and the Reimbursement Bank Indebtedness has not been Fully Paid, the entire proceeds of any award referable thereto shall be paid to the Reimbursement Bank and shall be applied as provided in the Mortgage.

(b) If the Reimbursement Bank Indebtedness has been Fully Paid, the entire proceeds of any award referred to in subsection (a) of this Section shall be paid to the User and applied to the cost of acquiring, constructing and equipping additional facilities in accordance with the instructions of the User, which additional facilities shall forthwith become, without further action, property of the Issuer and a part of the Project subject to this Lease Agreement.

(c) The Issuer shall cooperate in good faith with the User in the conduct of any condemnation proceeding with respect to the Project and will, to the extent it may lawfully do so, permit the User to appear in such proceeding in the name and on behalf of the Issuer. The Issuer will not settle, or consent to the settlement of, any condemnation proceeding without the prior written consent of the User.

ARTICLE 7

REPRESENTATIONS AND COVENANTS

SECTION 7.01 General Representations

The User makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(1) It is duly organized as a limited liability company under the laws of the State of Alabama and is not in default under any of the provisions contained in its articles of organization or in the laws of the state of its organization.

(2) It has the power to consummate the transactions contemplated by the Financing Documents to which it is a party.

(3) By proper action of its members it has duly authorized the execution and delivery of the Financing Documents to which it is a party and the consummation of the transactions contemplated therein.

(4) It has obtained all consents, approvals, authorizations and orders of governmental authorities that are required to be obtained by it as a condition to the execution and delivery of the Financing Documents to which it is a party.

(5) The execution and delivery by it of the Financing Documents to which it is a party and the consummation by it of the transactions contemplated therein will not (i) conflict with, be in violation of, or constitute (upon notice or lapse of time or both) a default under its articles of organization, or any agreement, instrument, order or judgment to which it is a party or is subject, or (ii) result in or require the creation or imposition of any lien of any nature upon or with respect to any of its properties now owned or hereafter acquired, except as contemplated by the Financing Documents.

(6) The Financing Documents to which it is a party constitute legal, valid and binding obligations and are enforceable against it in accordance with the terms of such instruments, except as enforcement thereof may be limited by (i) bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights and (ii) general principles of equity, regardless of whether such enforceability is considered in a proceeding at equity or at law.

(7) The Guarantors constitute all of the members of the User.

(8) The financing of the Project through the issuance of the Bonds, the leasing of the Project to the User, and the subleasing of the Project to the sublessees thereof, induced the User and such sublessees to locate in the Municipality or to expand existing facilities in the Municipality.

(9) The User will sublease the Project only to one or more tenants and only for uses of the type described in the definition of "project" in the Enabling Law.

(10) The Project will constitute a "project" within the meaning of the Enabling Law.

(11) The Project is located wholly within the corporate limits of the Municipality.

(12) As of the date of delivery of this Lease Agreement, the User does not have any plans and is not a party to any arrangement which, if consummated, would result in the Project being used by any person other than

the User and sublessees described in clauses (8) and (9) next above and in Section 6.07(2).

SECTION 7.02 Eligibility of Project for Financing

The Issuer makes the following representations and warranties:

(a) The Issuer is duly incorporated under the provisions of the Enabling Law and has the power to enter into the transactions contemplated by this Lease Agreement and to carry out its obligations hereunder. The Issuer is not in default under any of the provisions contained in its certificate of incorporation, its by-laws, or in the laws of the State. By proper corporate action the Issuer has duly authorized the execution and delivery of those of the Financing Documents to which it is a party.

(b) The execution and delivery of those of the Financing Documents to which it is a party by the Issuer, the consummation of the transactions therein contemplated and the fulfillment of the terms thereof will not conflict with, be in violation of, or constitute a default under any indenture, mortgage, deed of trust or other contract, agreement or instrument or any statute or rule of law to which the Issuer is now a party or is subject, or the certificate of incorporation or by-laws of the Issuer, or any resolution, order, rule or regulation, writ, injunction, decree or judgment of any government, governmental instrumentality or court, domestic or foreign, having jurisdiction over the Issuer.

(c) All consents, approvals, authorizations and orders of governmental or regulatory authorities, if any, which are required to be obtained by the Issuer as conditions precedent to the issuance of the Bonds and the execution and delivery by the Issuer of those of the Financing Documents to which it is a party have been obtained.

(d) The Issuer has determined that the issuance of the Bonds, the acquisition, improvement and construction of the 1996 Project and the leasing of the Project to the User promote industry, develop trade and further the use of agricultural products and natural and human resources of the State of Alabama and the development and preservation of the said resources by inducing manufacturing, industrial, commercial and research enterprises to locate in the State or to enlarge, expand and improve existing operations in the State, including the User and those which will sublease the Project or portions thereof from the User.

(e) The Project does and will constitute a "project" within the meaning of the Enabling Law.

(f) The Indenture will be delivered by the parties thereto and the Bonds will be issued and delivered by the Issuer contemporaneously with the delivery of this Lease Agreement.

(g) The Project is located wholly within the corporate limits of the Municipality.

(h) All of the proceeds of the Bonds will be applied on the date of delivery thereof as required by the Indenture.

SECTION 7.03 Company Existence

The User will do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights and franchises.

SECTION 7.04 Further Assurances

(a) The User will do, execute, acknowledge and deliver such further acts, conveyances, mortgages, financing statements and assurances as the Issuer or the Trustee or the Reimbursement Bank shall require for accomplishing the purposes of the Financing Documents.

(b) The User will cause this instrument, any amendments to this Lease Agreement and other instruments of further assurance, including financing statements and continuation statements, to be promptly recorded, registered and filed, and at all times to be kept recorded, registered and filed in such places as may be required by law fully to preserve and protect the rights of the Issuer and the Trustee to all property comprising the Project.

SECTION 7.05 Inspection of Records

The User will at any and all times, upon the written request of the Issuer or the Trustee, permit the Issuer or the Trustee by their representatives to inspect the Project and any books, records, reports and other papers of the User relating to the Project, and to make copies therefrom, and will afford and procure a reasonable opportunity to make any such inspection, and the User will furnish to the Issuer and the Trustee any and all information as the Issuer or the Trustee may reasonably request with respect to the performance by the User of its covenants in this Lease Agreement.

SECTION 7.06 Advances by Issuer or Trustee

If the User shall fail to perform any of its covenants in this Lease Agreement, the Issuer or the Trustee may, at any time and from time to time, after written notice to the User if no Lease Default exists, make advances to effect performance of any such covenant on behalf of the User. Any money so advanced

by the Issuer or the Trustee, together with interest at the Post-Default Rate, shall be repaid upon demand.

SECTION 7.07 Indemnity of Issuer and Trustee

(a) To the extent permitted by law, the User agrees to indemnify the Issuer and the Trustee for, and hold each of them harmless against, any loss, liability or expense (including reasonable attorneys' fees) incurred without bad faith or willful misconduct on their part, arising out of or in connection with the issuance of the Bonds, the acceptance of their duties and responsibilities under the Financing Documents, or their performance or observance of any agreement or covenant on their part to be observed or performed under the Financing Documents, including without limitation (i) the acquisition or construction of, or other work on, the Project, (ii) any injury to, or the death of, any person or any damage to property at the Project, or in any manner growing out of, or connected with, the use, nonuse, condition or occupation of the Project or any part thereof, (iii) any damage, loss or destruction of the Project, (iv) violation or breach by the User of any contract, agreement or restriction affecting the Project or the use thereof or of any law, ordinance or regulation affecting the Project or any part thereof or the ownership, occupancy or use thereof, (v) the offer and sale of the Bonds or a subsequent sale or distribution of any of the Bonds, (vi) the exercise, or failure to exercise, any right, privilege or power of the Issuer or the Trustee under the Financing Documents and (vii) the administration of the trust established by the Indenture.

(b) The covenant of indemnity by the User contained in this Section shall survive the termination of this Lease Agreement.

ARTICLE 8

REMEDIES

SECTION 8.01 Events of Default

Any one or more of the following shall constitute an event of default (a "Lease Default") under this Lease Agreement (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- (1) default in the payment of any Basic Rental Payment when such Basic Rental Payment becomes due and payable; or

(2) default in the performance, or breach, of any covenant or warranty of the User in this Lease Agreement (other than a covenant or warranty, a default in the performance or breach of which is elsewhere in this Section specifically dealt with), and the continuance of such default or breach for a period of 30 days after there has been given, by registered or certified mail, to the User and the Credit Obligor by the Issuer or by the Trustee a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "notice of default" hereunder; or

(3) the occurrence of an event of default, as therein defined, under any other Financing Document, other than the Credit Agreement or the Mortgage, and the expiration of the applicable grace period, if any, specified therein.

SECTION 8.02 Remedies on Default

If a Lease Default occurs and is continuing, the Credit Obligor (or, if the Indebtedness has been Fully Paid, the Issuer) may exercise any of the following remedies:

(1) declare all installments of Basic Rental Payments for the remainder of the term of this Lease Agreement to be immediately due and payable in an amount not to exceed the principal amount of all Outstanding Bonds, plus the redemption premium (if any) payable with respect thereto, plus the interest accrued thereon to the date of such declaration;

(2) reenter the Project, without terminating this Lease Agreement, and, upon 10 days' prior written notice to the User, relet the Project or any part thereof for the account of the User, for such term (including a term extending beyond the term of this Lease Agreement) and at such rentals and upon such other terms and conditions, including the right to make alterations to the Project or any part thereof, as the Reimbursement Bank may deem advisable, and such reentry and reletting of the Project shall not be construed as an election to terminate this Lease Agreement nor relieve the User of its obligations to pay Basic Rental Payments and to perform and observe any of its other agreements and covenants under this Lease Agreement, all of which shall survive such reentry and reletting, and the User shall continue to pay all Rental Payments until the end of the term of this Lease Agreement, less the net proceeds, if any, of any reletting of the Project after deducting all of the Reimbursement Bank's expenses in connection with such reletting, including, without limitation, all repossession costs, brokers' commissions, attorneys' fees, alteration costs and expenses of preparation for reletting;

(3) terminate this Lease Agreement, exclude the User from possession of the Project and, if the Reimbursement Bank elects so to do, lease the same for the account of the Issuer, holding the User liable for all Rental Payments due up to the date such lease is made for the account of the Issuer; and

(4) take whatever legal proceedings may appear necessary or desirable to collect the Rental Payments then due, whether by declaration or otherwise, or to enforce any obligation or covenant or agreement of the User under this Lease Agreement or by law.

SECTION 8.03 No Remedy Exclusive

No remedy herein conferred upon or reserved to the Issuer, the Reimbursement Bank or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right or power may be exercised from time to time and as often as may be deemed expedient.

SECTION 8.04 Agreement to Pay Attorneys' Fees and Expenses

If the User should default under any of the provisions of this Lease Agreement and the Issuer, the Reimbursement Bank or the Trustee should employ attorneys or incur other expenses for the collection of Rental Payments or the enforcement of performance or observance of any agreement or covenant on the part of the User herein contained, the User will on demand therefor pay to the Issuer, the Reimbursement Bank or the Trustee (as the case may be) the reasonable fee of such attorneys and such other expenses so incurred.

SECTION 8.05 No Additional Waiver Implied by One Waiver

In the event any agreement contained in this Lease Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

SECTION 8.06 Remedies Subject to Applicable Law

All rights, remedies and powers provided by this Article may be exercised only to the extent the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be

subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Lease Agreement invalid or unenforceable.

ARTICLE 9

OPTIONS

SECTION 9.01 Option to Terminate

If no Lease Default exists, the User shall have the option to cancel or terminate this Lease Agreement at any time after the Indebtedness has been fully paid, by giving the Issuer notice in writing of such termination. Such termination shall become effective 10 days after such notice is given.

SECTION 9.02 Option to Purchase Project

If no Lease Default exists, the User shall have the option to purchase the Project or any part thereof for a purchase price of \$100 after the Indebtedness has been fully paid. Such option may be exercised by the User prior to the termination of this Lease Agreement or within 300 days thereafter upon written notice to the Issuer. The closing for such purchase shall take place on (i) a Business Day designated by the User that is not less than 7 days nor more than 21 days from the date of such notice, or the date of termination of this Lease Agreement, as the case may be, or (ii) such other date as shall be mutually acceptable to the Issuer and the User.

SECTION 9.03 Conveyance on Exercise of Option to Purchase

Upon the exercise of the option to purchase granted herein, the Issuer will upon receipt of the purchase price deliver to the User documents conveying to the User the property with respect to which such option was exercised, as such property then exists, subject to the following: (i) those liens and encumbrances, if any, to which title to said property was subject when conveyed to the Issuer; (ii) those liens and encumbrances created by the User or to the creation or suffering of which the User consented; and (iii) those liens and encumbrances resulting from the failure of the User to perform or observe any of the agreements or covenants on its part contained in this Lease Agreement.

ARTICLE 10

MISCELLANEOUS

SECTION 10.01 Issuer's Liabilities Limited

(a) The covenants and agreements contained in this Lease Agreement shall never constitute or give rise to a personal or

pecuniary liability or charge against the general credit or assets of the Issuer, and in the event of a breach of any such covenant or agreement, no personal or pecuniary liability or charge payable directly or indirectly from the general assets or revenues of the Issuer shall arise therefrom. Nothing contained in this Section, however, shall relieve the Issuer from the observance and performance of the covenants and agreements on its part contained herein.

(b) No recourse under or upon any covenant or agreement of this Lease Agreement shall be had against any past, present or future incorporator, officer, agent, or member of the Board of Directors of the Issuer, or of any successor corporation, either directly or through the Issuer, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Lease Agreement is solely a corporate obligation, and that no personal liability whatever shall attach to, or is or shall be incurred by, any incorporator, officer, agent, or member of the Board of Directors of the Issuer or any successor corporation, or any of them, under or by reason of the covenants or agreements contained in this Lease Agreement.

SECTION 10.02 Corporate Existence of Issuer

The Issuer shall not consolidate with or merge into any other corporation or transfer its property substantially as an entirety, except as provided in Section 10.07 of the Indenture.

SECTION 10.03 Notices

(a) Any request, demand, authorization, direction, notice, consent, or other document provided or permitted by this Lease Agreement to be made upon, given or furnished to, or filed with, the Issuer, the User, the Trustee or the Credit Obligor shall be sufficient for every purpose hereunder if in writing and (except as otherwise provided in this Lease Agreement) either (i) delivered personally to the party or, if such party is not an individual, to an officer, partner or other legal representative of the party to whom the same is directed (provided that any document delivered personally to the Trustee must be delivered to a corporate trust officer at its Principal Office during normal business hours) at the hand delivery address specified in Section 17.01 of the Indenture or (ii) mailed by first-class, registered or certified mail, postage prepaid, addressed as specified in Section 17.01 of the Indenture. Any of such parties may change the address for receiving any such notice or other document by giving notice of the change to the other parties as provided in this Section.

(b) Any such notice or other document shall be deemed delivered when actually received by the party to whom directed (or, if such party is not an individual, to an officer, partner

or other legal representative of the party) at the address specified pursuant to this Section, or, if sent by mail, 3 days after such notice or document is deposited in the United States mail, proper postage prepaid, addressed as provided above.

SECTION 10.04 Successors and Assigns

All covenants and agreements in this Lease Agreement by the Issuer or the User shall bind their respective successors and assigns, whether so expressed or not.

SECTION 10.05 Benefits of Lease Agreement

Nothing in this Lease Agreement, express or implied, shall give to any person, other than the parties hereto and their successors hereunder, the Trustee and the Holders of the Bonds, any benefit or any legal or equitable right, remedy or claim under this Lease Agreement.

SECTION 10.06 Municipal Public Service Payment

The User and the Issuer acknowledge that under present law parts of the Project are exempt from part or all taxation in the State of Alabama, including, without limitation ad valorem taxes levied by the Municipality. The User further acknowledges that public services provided by the Municipality (including, without limitation, fire and police protection) benefit the User in the utilization and leasing of the Project and enhance the value of the interest of the User in the Project.

In order to compensate the Municipality for providing the aforesaid services, the User shall pay directly to the Municipality as a third party beneficiary to this Lease Agreement (and not to the Issuer or the Trustee or the Credit Obligor) on October 1, 1996, and on the first day of each October thereafter during the Lease Term, until and including October 1, 2005, the sum of \$4,857.50, with respect to the 1995 Project, and on October 1, 1997, and on the first day of each October thereafter until October 1, 2006, the sum of \$4,567.50 with respect to the 1996 Project, each so long as the Project is otherwise exempt from ad valorem taxation by the Municipality.

SECTION 10.07 Sign

The Issuer and the User agree that the Reimbursement Bank and the Remarketing Agent, and either of them, may erect a sign in a conspicuous location on the 1996 Project Site during and throughout the construction phase indicating that the financing for the 1996 Project is provided by the Reimbursement Bank and the Remarketing Agent, and either of them, and that the Reimbursement Bank and the Remarketing Agent, and either of them, may publicize and advertise such financing including,

without limitation, newspaper, magazine, radio and television advertising.

SECTION 10.08 Prior Agreements Canceled

Except for the Inducement Agreement dated September 14, 1994 between the Issuer and the User, and any deed or other instrument by which the Project, the Project Sites, or any part thereof, or any interest therein has been transferred and conveyed by the User to the Issuer, this Lease Agreement shall completely and fully supersede all prior agreements, both written and oral, between the Issuer and the User relating to the leasing of the Project and any options to renew or to purchase, including, without limitation, the Lease Agreement between the User and the Issuer dated as of June 1, 1995. Neither the Issuer nor the User shall hereafter have any rights under such prior agreements not excepted hereby but shall look solely to this Lease Agreement for definition and determination of all of their respective rights, liabilities and responsibilities relating to the Project.

IN WITNESS WHEREOF, the Issuer and the User have caused this Lease Agreement to be executed in their respective names, the Issuer has caused its corporate seal to be hereunto affixed and attested, all by their duly authorized officers or members, and the parties have caused this Lease Agreement to be dated as of September 1, 1996.

THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF PELHAM

By *David J. Speck, Chairman*
Chairman of its Board of
Directors

S E A L

Attest: *Tillman T. Ewing*
Its Secretary

PELHAM INDUSTRIAL ENTERPRISES, L.L.C.

By *[Signature]*
A Member

By *[Signature]*
A Member

By *[Signature]*
A Member

By *Charles W. Stepler*
A Member

STATE OF ALABAMA
SHELBY COUNTY

I, Robert H. Walston, a Notary Public in and for said County in said State, hereby certify that Daniel M. Spitler, whose name as Chairman of the Board of Directors of The Industrial Development Board of the City of Pelham, a public corporation, is signed to the foregoing Lease Agreement and who is known to me, acknowledged before me on this day that, being informed of the contents of said Lease Agreement, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this the 16th day of November, 1996.

Robert H. Walston

Notary Public

NOTARIAL SEAL

My commission expires: 12-30-98

STATE OF ALABAMA
JEFFERSON COUNTY

I, Carolee S. Greenbow, a Notary Public in and for said County in said State, hereby certify that Marvin R. Engel, Marc A. Eason and David Bunkin, whose names as members of Pelham Industrial Enterprises, L.L.C., an Alabama limited liability company, are signed to the foregoing Lease Agreement, and who are known to me, each acknowledged before me on this day that, being informed of the contents of said Lease Agreement, he, as such member and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand this the 15th day of November, 1996.

Carolee S. Greenbow
Notary Public

NOTARIAL SEAL

My commission expires: 2-10-2000

STATE OF ALABAMA
JEFFERSON COUNTY

I, Carolee S. Creel, a Notary Public in and for said County in said State, hereby certify that Charles H. Stephens, whose name as a member of Pelham Industrial Enterprises, L.L.C., an Alabama limited liability company, is signed to the foregoing Lease Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Lease Agreement, he, as such member and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand this the 15th day of November 1996.

Carolee S. Creel
Notary Public

NOTARIAL SEAL

My commission expires: 2-10-2000

This instrument was prepared by:

R. H. Walston
Walston, Stabler, Wells,
Anderson & Bains
505 20th Street North
Suite 500
Birmingham, Alabama 35203
(205) 251-9600

Part of Block 2 of Cahaba Valley Park North as recorded in Map Book 13 page 140, in the Office of the Judge of Probate, Shelby County, Alabama, being more particularly described as follows: Commence at the centerline intersection point of the intersection of Cahaba Valley Parkway (Sta. 47 + 73.41) and Cahaba Valley Circle (Sta. 0 + 00); thence run East along the centerline of said Cahaba Valley Parkway for 18.72 feet; thence 90 deg. 00 min. 00 sec. left and run Northerly for 30.00 feet to a point on the North right of way line of Cahaba Valley Parkway, said point being the Southeast corner of the Rainbow Technology site and the point of beginning of the property herein described; thence run North along the last stated course and along the east property line of Rainbow Technology site for 345.16 feet to a point on the North boundary line of Block 2 of Cahaba Valley Park North, said point also being on the South line of a 50 foot wide Alabama Power Company right of way; thence 78 deg. 21 min. 58 sec. right and run Northeasterly along said boundary line and along the said right of way line for 636.76 feet to a point on the West right of way line of Cahaba Valley Parkway North; thence 103 deg. 17 min. 19 sec. right and run South along said right of way line for 425.19 feet to the beginning of a curve to the right, said curve subtending a central angle of 88 deg. 20 min. 43 sec. and having a radius of 50.00 feet; thence run Southwesterly along the arc of said curve and along said right of way line for 77.09 feet to the end of said curve, and to a point on the North right of way line of Cahaba Valley Parkway; thence at tangent to said curve run West along said right of way line for 561.42 feet to the point of beginning; being situated in Shelby County, Alabama.

EXHIBIT A

PART 1

DESCRIPTION OF PROPERTY SURVEYED AND SHOWN HEREON: PART OF BLOCK 4 OF CAHABA VALLEY PARK NORTH AS RECORDED IN MAP BOOK 13, PAGE 140, IN THE PROBATE OFFICE OF SHELBY COUNTY, ALABAMA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE CENTERLINE POINT OF CAHABA VALLEY PARKWAY (STATION 47+73.41) AND CAHABA VALLEY CIRCLE (STATION 0+00); THENCE RUN EAST ALONG THE CENTERLINE OF SAID CAHABA VALLEY PARKWAY FOR 345.00 FEET; THENCE 90°-00'-00" RIGHT AND RUN SOUTHERLY FOR 30 FEET TO A POINT ON THE NORTH LINE OF SAID CAHABA VALLEY PARKWAY, SAID POINT BEING THE N.E. CORNER OF THE CAHABA VALLEY BUSINESS PARK PHASE III SITE AND THE POINT OF BEGINNING OF THE PROPERTY HEREIN DESCRIBED; THENCE CONTINUE SOUTH ALONG THE LAST STATED COURSE FOR 537.78 FEET TO A POINT ON THE NORTHERLY LINE OF THE WALKER DRUG SITE; THENCE 115°-28'-21" LEFT AND RUN NORTHEASTERLY ALONG SAID WALKER DRUG PROPERTY LINE FOR 340.12 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF CAHABA VALLEY PARKWAY, SAID POINT BEING ON A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 1,419.64 FEET AND SUBTENDING A CENTRAL ANGLE OF 13°-00'-08"; THENCE 75°-52'-30" LEFT TO BECOME TANGENT TO SAID CURVE AND RUN NORTHERLY ALONG THE ARC OF SAID CURVE AND ALONG SAID RIGHT OF WAY LINE FOR 322.16 FEET TO THE END OF SAID CURVE; THENCE AT TANGENT TO SAID CURVE RUN NORTHERLY FOR 19.75 FEET TO THE BEGINNING OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 50.00 FEET AND SUBTENDING A CENTRAL ANGLE OF 91°-39'-17"; THENCE RUN NORTHWESTERLY ALONG THE ARC OF SAID CURVE AND ALONG SAID RIGHT OF WAY LINE FOR 79.98 FEET TO THE END OF SAID CURVE; THENCE AT TANGENT TO SAID CURVE RUN WESTERLY ALONG THE SOUTHERLY RIGHT OF WAY LINE OF SAID CAHABA VALLEY PARKWAY FOR 230.51 FEET TO THE POINT OF BEGINNING. SAID PARCEL CONTAINS 133,942.67 SQUARE FEET, MORE OR LESS, OR 3.07 ACRES, MORE OR LESS.

rfcvbpiv22.crt

EXHIBIT A

Part 2

DESCRIPTION OF CAHABA VALLEY BUSINESS PARK PHASE III AND PHASE IV:

PART OF BLOCK 4 OF CAHABA VALLEY PARK NORTH AS RECORDED IN MAP BOOK 15, PAGE 140, IN THE PROBATE OFFICE OF SHELBY COUNTY, ALABAMA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE CENTERLINE POINT OF CAHABA VALLEY PARKWAY (STATION 47+73.41) AND CAHABA VALLEY CIRCLE (STATION 0+00); THENCE RUN EASTERLY ALONG THE CENTERLINE OF SAID CAHABA VALLEY PARKWAY FOR 345.00 FEET TO A POINT; THENCE 90°-00'-00" RIGHT AND RUN SOUTHERLY FOR 30.00 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF CAHABA VALLEY PARKWAY, SAID POINT BEING THE N.E. CORNER OF CAHABA VALLEY BUSINESS PARK, PHASE III AND THE N.W. CORNER OF CAHABA VALLEY BUSINESS PARK, PHASE IV, SAID POINT ALSO BEING THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED; THENCE 90°-00'-00" LEFT AND RUN EASTERLY ALONG THE SOUTH RIGHT OF WAY LINE OF CAHABA VALLEY PARKWAY FOR 230.51 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 50.00 FEET AND SUBTENDING A CENTRAL ANGLE OF 91°-39'-17"; THENCE RUN SOUTHEASTERLY ALONG THE ARC OF SAID CURVE AND ALONG THE RIGHT OF WAY LINE OF CAHABA VALLEY PARKWAY FOR 79.98 FEET TO THE END OF SAID CURVE; THENCE AT TANGENT TO SAID CURVE RUN SOUTHERLY ALONG THE WEST RIGHT OF WAY LINE OF CAHABA VALLEY PARKWAY FOR 19.75 FEET TO THE BEGINNING OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 1,419.64 FEET AND SUBTENDING A CENTRAL ANGLE OF 13°-00'-08"; THENCE RUN SOUTHEASTERLY ALONG THE ARC OF SAID CURVE AND ALONG THE WESTERLY RIGHT OF WAY LINE OF CAHABA VALLEY PARKWAY FOR 322.18 FEET TO THE END OF SAID CURVE AND TO THE N.E. CORNER OF THE WALKER DRUG SITE; THENCE FROM TANGENT OF SAID CURVE 75°-52'-30" RIGHT AND RUN SOUTHWESTERLY ALONG THE NORTHERLY LINE OF SAID WALKER DRUG SITE FOR 340.12 FEET TO THE S.W. CORNER OF CAHABA VALLEY BUSINESS PARK PHASE III AND THE S.E. CORNER OF CAHABA VALLEY BUSINESS PARK PHASE IV; THENCE CONTINUE SOUTHWESTERLY ALONG THE LAST STATED COURSE AND ALONG THE NORTHERLY LINE OF SAID WALKER DRUG SITE FOR 249.65 FEET TO THE S.W. CORNER OF CAHABA VALLEY BUSINESS PARK PHASE III; THENCE 90°-00'-00" RIGHT AND RUN NORTHWESTERLY FOR 283.31 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF CAHABA VALLEY CIRCLE, SAID POINT BEING ON A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 228.01 FEET AND SUBTENDING A CENTRAL ANGLE OF 30°-49'-35"; THENCE TURN AN ANGLE TO THE RIGHT OF 56°-17'-56" TO BECOME TANGENT TO SAID CURVE; THENCE RUN ALONG THE ARC OF SAID CURVE AND THE EASTERLY RIGHT OF WAY LINE OF CAHABA VALLEY CIRCLE FOR 122.67 FEET TO THE END OF SAID CURVE; THENCE AT TANGENT TO SAID CURVE RUN NORTHERLY ALONG THE EASTERLY RIGHT OF WAY LINE OF CAHABA VALLEY CIRCLE FOR 222.54 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 50.00 FEET AND SUBTENDING A CENTRAL ANGLE OF 90°-00'-00"; THENCE RUN ALONG THE ARC OF SAID CURVE SAID CURVE AND THE EASTERLY RIGHT OF WAY LINE OF CAHABA VALLEY CIRCLE FOR 78.54 FEET TO THE END OF SAID CURVE, SAID POINT BEING AT THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF CAHABA VALLEY CIRCLE AND THE SOUTH RIGHT OF WAY LINE OF CAHABA VALLEY PARKWAY; THENCE AT TANGENT TO SAID CURVE RUN EASTERLY ALONG THE SOUTH RIGHT OF WAY LINE OF CAHABA VALLEY PARKWAY FOR 265.00 FEET TO THE POINT OF BEGINNING.

Inst # 1996-38135

PART 3

EXHIBIT A

11/19/1996-38135
08:33 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
035 MCD 94.50