
**FIRST SUPPLEMENTAL
TRUST INDENTURE**

Dated May 1, 1997

Between

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF COLUMBIANA**

and

AMSOUTH BANK OF ALABAMA

**Relating to
\$8,100,000 Revenue Bonds (NFA Corp. Project),
Series 1992-A
issued by
The Industrial Development Board of the City of Columbiana**

Inst # 1997-17479

06/04/1997-17479
11:43 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
025 NEL 68.50

TABLE OF CONTENTS

	<u>PAGE</u>
Recitals	1
Parties	1
SECTION 1 Definitions and Amendment of Section 1.01 of the Original Indenture	2
SECTION 2 Amendment of Section 4.01(c) of the Original Indenture	2
SECTION 3 Amendment of Section 4.07 of the Original Indenture	3
SECTION 4 Amendment of Section 6.01(a)(4) of the Original Indenture	3
SECTION 5 Effect of Headings and Table of Contents	4
SECTION 6 Date of Supplemental Indenture	4
SECTION 7 Counterparts	4
Testimonium	5
Signatures	5
Acknowledgments	6

FIRST SUPPLEMENTAL TRUST INDENTURE

THIS FIRST SUPPLEMENTAL TRUST INDENTURE dated May 1, 1997 (this "Supplemental Indenture") is entered into by **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF COLUMBIANA**, a public corporation organized under the laws of the State of Alabama (the "Issuer"), and **AMSOUTH BANK OF ALABAMA**, (formerly AmSouth Bank N.A.), an Alabama banking corporation with its principal place of business in Birmingham, Alabama (the "Trustee").

Recitals

The Issuer has heretofore issued its \$8,100,000 aggregate principal amount of Revenue Bonds (NFA Corp. Project), Series 1992-A (the "Bonds") pursuant to that certain Trust Indenture dated June 1, 1992 (the "Original Indenture") between the Issuer and the Trustee, which instrument was recorded as instrument no. 1992-12553 in the Probate Office of Shelby County, Alabama (the "Probate Office"). The Bonds were issued for the purposes of (i) refunding the Issuer's \$4,800,000 Revenue Bonds (NFA Corp. Project), Series 1991-A dated June 1, 1991 and (ii) financing a portion of the costs of acquiring, constructing and equipping certain improvements to existing industrial facilities (the "Project").

The Issuer and NFA Corp., a corporation organized under the laws of the Commonwealth of Massachusetts ("NFA"), have heretofore entered into a Lease Agreement dated June 1, 1992 (the "Lease Agreement"), which instrument was recorded as instrument no. 1992-12554 in the Probate Office, whereby the Issuer has leased the Project to NFA and NFA 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. Pursuant to the Original Indenture, the Issuer has assigned and pledged to the Trustee all the Issuer's rights under the Lease Agreement, except for certain rights relating to indemnification, reimbursement of expenses and receipt of notices and other communications.

As security for the payment of Debt Service on the Bonds, NFA has heretofore entered into a Guaranty Agreement dated June 1, 1992 (the "Bond Guaranty") in favor of the Trustee, whereby NFA has guaranteed payment when due of Debt Service on the Bonds.

NFA has heretofore caused AmSouth Bank of Alabama (formerly AmSouth Bank N.A.) (the "Bank") to issue an irrevocable letter of credit in favor of the Trustee to enable the Trustee to pay Debt Service on the Bonds and to pay the purchase price of Bonds tendered for purchase pursuant to the mandatory or optional tender provisions of this Indenture. The initial letter of credit 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 was issued by the Bank pursuant to a Credit Agreement dated June 1, 1992 (herein together with any and all amendments thereto called the "Credit Agreement") between the Bank and NFA whereby NFA has agreed, among other things, to reimburse the Bank for all amounts drawn by the Trustee pursuant to the initial Letter of Credit.

NFA has requested that the Issuer enter into this instrument pursuant to which (i) the final maturity of the Bonds will be extended from June 1, 2004 to June 1, 2011, and (ii) the schedule of mandatory redemption payments will be amended so that no annual mandatory redemption will be required after June 1, 1996.

The Issuer and NFA also will enter into a First Amendment to Lease Agreement that will provide for an extension of the end of the term of the Lease Agreement from June 1, 2004 to June 1, 2011.

The consent of the Bank to this Supplemental Indenture is attached hereto as Exhibit B. The consent of NFA to this Supplemental Indenture is attached hereto as Exhibit C. All of the Bondholders also have consented to the terms of this Supplemental Indenture.

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

In consideration of the premises, the Original Indenture is hereby amended as follows:

SECTION 1 Definitions and Amendment of Section 1.01 of the Original Indenture

For all purposes of this Supplemental Indenture, capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Original Indenture. As used in the Original Indenture and this Supplemental Indenture, the following terms shall have the meanings assigned below and, to the extent such terms are defined in the Original Indenture, such defined terms are hereby amended to read as follows:

Original Indenture shall mean the Indenture as originally executed.

Remarketing Agent shall mean Morgan Keegan & Company, Inc., until a successor Remarketing Agent shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Remarketing Agent" shall mean such successor.

SECTION 2 Amendment of Section 4.01(c) of the Original Indenture

Section 4.01(c) of the Original Indenture is hereby amended to change the final maturity date of the Bonds from June 1, 2004 to June 1, 2011.

SECTION 3 Amendment of Section 4.07 of the Original Indenture

The form of the Bonds set forth in Section 4.07 is hereby amended in its entirety as set forth in Exhibit A. Bonds in substantially the form of Bonds provided for herein shall be executed by the Issuer in the manner set forth in Section 4.08 of the Indenture and shall be authenticated by the Trustee. The Trustee shall arrange with the holders of the Bonds for the substitution of Bonds so executed and authenticated hereunder for the Bonds previously delivered to such Bondholders. The Bonds so substituted may be in typewritten form. If the Bonds so substituted are in typewritten form, the Trustee may authenticate and deliver bonds in printed form at such time as the bonds in printed form are available and at such time as the typewritten Bonds are surrendered for exchange.

SECTION 4 Amendment of Section 6.01(a)(4) of the Original Indenture

Section 6.01(a)(4) is hereby amended in its entirety to read as follows:

(4) **Scheduled Mandatory Redemption.** Unless Serial Maturities have been assigned to the Bonds, the Bonds shall be redeemed, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, on June 1 in years and principal amounts (after credit as provided below) as follows:

<u>Year</u>	<u>Amount</u>
1993	\$300,000
1994	400,000
1995	700,000
1996	700,000

\$6,000,000 of the Bonds
will be retired at Maturity

Not less than 45 or more than 60 days prior to each such scheduled mandatory redemption date, the Trustee shall proceed to select for redemption, by lot, Bonds or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such Bonds or portions thereof for redemption on such scheduled mandatory redemption date; provided, however, that NFA may, upon direction delivered to the Trustee not less than 60 days prior to such scheduled mandatory redemption date, direct that any or all of the following amounts be credited against the principal amount of Bonds scheduled for redemption on such date: (i) the principal amount of Bonds delivered by NFA to the Trustee for cancellation and not previously claimed as a credit;

and (ii) the principal amount of Bonds previously redeemed (other than Bonds redeemed pursuant to this paragraph) and not previously claimed as a credit.

SECTION 5 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 6 Date of Supplemental Indenture

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

SECTION 7 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.

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this instrument to be duly executed, and their respective corporate seals to be hereunto affixed and attested.

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF COLUMBIANA**

By 
Its Chairman of the Board of Directors

[S E A L]

Attest:



Its Secretary

AMSOUTH BANK OF ALABAMA, as Trustee

By 
ASSISTANT VICE PRESIDENT
Its AND CORPORATE TRUST OFFICER

[S E A L]

Attest:


Its AVP & CTO

This instrument was prepared by:

Kathleen A. Collier
Maynard, Cooper & Gale, P.C.
1901 Sixth Avenue North
Suite 2400 AmSouth/Harbert Plaza
Birmingham, Alabama 35203-2602
(205) 254-1000

STATE OF ALABAMA

Shelby COUNTY

I, the undersigned authority, a Notary Public in and for said County in said State, do hereby certify that George Bentley, whose name as Chairman of the Board of Directors of The Industrial Development Board of the City of Columbiana, a public corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this the 29 day of May, 1997.

Notary Public
Notary Public

AFFIX SEAL

My Commission expires: 4-8-98

STATE OF ALABAMA

Jefferson COUNTY

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Kara Lee Partin, whose name as Asst. V.P. & Corp. Trust Officer of AmSouth Bank of Alabama, an Alabama banking corporation, in its capacity as trustee under the Indenture referred to above, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said banking corporation, acting in its capacity as trustee as aforesaid.

Given under my hand and official seal this the 29th day of May, 1997.

Notary Public
Notary Public

AFFIX SEAL

My Commission expires: MY COMMISSION EXPIRES FEBRUARY 6, 1998

EXHIBIT A

[Form of Bonds]

No. _____

The Industrial Development Board of the City of Columbiana

Revenue Bonds (NFA Corp. Project), Series 1992-A

Maturity Date*

Date of Initial Delivery

Interest Rate

This bond may bear interest at the Variable Rate or a Term Rate, as herein defined. The interest rate now in effect is:

..

THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF COLUMBIANA, a public corporation organized under the laws of the State of Alabama (the "Issuer", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay (but solely from the source hereinafter described) to

_____,
or registered assigns, the principal sum of

_____ **DOLLARS**

*The Serial Maturity is to be inserted on the Bonds after Serial Maturities are assigned, as provided in Section 4.01(c).

**The Trustee is to insert one of the following, as appropriate: "Variable Rate" or "Term Rate of _____ % from _____ until _____". If Term Rate is appropriate, Trustee will complete the blanks as appropriate.

on the Maturity date specified above and to pay (but solely from the source hereinafter described) interest hereon from the date of initial delivery of this bond, or the most recent date to which interest has been paid or duly provided for, until the principal hereof shall become due and payable at the Variable Rate or the Term Rate, as hereinafter provided.

Interest at the Variable Rate and interest at the Term Rate for a Term Rate Period of less than 6 months shall be computed on the basis of a 365 or 366-day year, as the case may be, for the actual number of days elapsed. Interest at the Term Rate for each Term Rate Period of 6 months or more shall be computed on the basis of a 360-day year with 12 months of 30 days each.

Interest shall be payable (but solely from the source hereinafter described) on overdue principal on this bond and (to the extent legally enforceable) on any overdue installment of interest on this bond at the rate of interest last applicable to this bond when such overdue principal or interest became delinquent.

Interest on this bond shall be payable in arrears on the following dates (each such date being herein called an "Interest Payment Date"):

(1) with respect to interest payable at the Variable Rate, on (i) the first day of each March, June, September and December during the Variable Rate Period and (ii) on the day immediately following any Variable Rate Period (each such date being herein called a "Variable Rate Interest Payment Date");

(2) with respect to interest payable at a Term Rate for any Term Rate Period of less than 6 months, on the day immediately following such Term Rate Period (each such date being herein called a "Term Rate Interest Payment Date"); and

(3) with respect to interest payable at a Term Rate for any Term Rate Period of 6 months or more, (i) on June 1 and December 1 in each year, and (ii) on the day immediately following such Term Rate Period (each such date being herein called a "Term Rate Interest Payment Date").

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture hereinafter referred to, be paid to the person in whose name this bond is registered at the close of business on the Regular Record Date for such interest, which shall be the day next preceding any Variable Rate Interest Payment Date or any Term Rate Interest Payment Date with respect to a Term Rate Period of less than 6 months, or the 15th day (whether or not a Business Day) of the month next preceding any Term Rate Interest Payment Date with respect to a Term Rate Period of 6 months or more. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered Holder on such Regular Record Date, and shall be paid to the person in whose name this bond is registered at the close of business on a Special Record Date for the payment of such

defaulted interest to be fixed by the Trustee, notice of such Special Record Date being given to Holders of the Bonds not less than 10 days prior to such Special Record Date.

Payment of interest on this bond due on any Interest Payment Date shall be made by check or draft mailed by the Trustee to the person entitled thereto at his address appearing in the Bond Register maintained by the Trustee. Such payments shall be deemed timely made if so mailed on the Interest Payment Date (or, if such Interest Payment Date is not a Business Day, on the Business Day next following such Interest Payment Date). Payment of the principal of (and premium, if any, on) this bond and payment of accrued interest on this bond due upon redemption on any date other than an Interest Payment Date shall be made only upon surrender of this bond at the Office of the Trustee. Upon the terms and conditions of the Indenture the Holder of any Bond in a principal amount of not less than \$100,000 may request that payment of Debt Service on such Bond be made by wire transfer to an account of such Holder maintained at a bank in the continental United States or by any other method providing for payment in same-day funds that is acceptable to the Trustee. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

This bond is one of a duly authorized issue of bonds of the Issuer, aggregating \$8,100,000 in principal amount, designated "Revenue Bonds (NFA Corp. Project), Series 1992-A" (the "Bonds") and issued under and pursuant to a Trust Indenture dated June 1, 1992, as amended by a First Supplemental Trust Indenture dated May 1, 1997 (the "Indenture"), between the Issuer and AmSouth Bank of Alabama (formerly AmSouth Bank N.A.), an Alabama banking corporation with its principal place of business in Birmingham, Alabama (the "Trustee", which term includes any successor trustee under the Indenture). Capitalized terms not otherwise defined herein shall have the meanings assigned in the Indenture.

The Bonds are issued for the purposes of (i) refunding the Issuer's \$4,800,000 Revenue Bonds (NFA Corp. Project), Series 1991-A, dated June 1, 1991 and (ii) financing the costs of acquiring, constructing and equipping certain improvements to existing industrial facilities referred to in the Indenture as the "Project" (the "Project"). The Project is leased by the Issuer to NFA Corp., a corporation organized under the laws of the Commonwealth of Massachusetts ("NFA"), pursuant to a Lease Agreement dated June 1, 1992, as amended by a First Amendment to Lease Agreement dated May 1, 1997 (the "Lease Agreement"). Pursuant to the Lease Agreement, NFA has agreed to pay rentals sufficient to pay Debt Service when due on the Bonds and to pay the purchase price of Bonds tendered for purchase pursuant to the Mandatory and Optional Tender provisions of the Indenture. Pursuant to the Indenture, the Issuer has assigned and pledged to the Trustee all the Issuer's rights under the Lease Agreement, except for certain rights relating to indemnification, reimbursement of expenses and receipt of notices and other communications.

As security for the payment of Debt Service on the Bonds, NFA has entered into a Guaranty Agreement dated June 1, 1992 (the "Bond Guaranty") in favor of the Trustee, whereby NFA has guaranteed payment when due of Debt Service on the Bonds.

NFA has caused AmSouth Bank of Alabama (formerly AmSouth Bank N.A.), an Alabama banking corporation (the "Bank"), to issue an irrevocable letter of credit in favor of the Trustee to enable the Trustee to pay Debt Service on the Bonds and to pay the purchase price of Bonds tendered for purchase pursuant to the Mandatory or Optional Tender provisions of the Indenture. Subject to the terms and conditions of the Indenture, NFA may, at its option, replace such letter of credit with a substitute letter of credit. The initial letter of credit so 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 has been issued by the Bank pursuant to a Credit Agreement dated June 1, 1992, as amended (the "Credit Agreement") between the Bank and NFA, whereby NFA will agree, among other things, to reimburse the Bank for all amounts drawn by the Trustee pursuant to the initial Letter of Credit.

As security for NFA's obligations under the Credit Agreement, NFA and the Issuer shall execute a Mortgage, Assignment of Leases and Security Agreement dated June 1, 1992 (the "Mortgage") in favor of the Bank, whereby the Bank will be granted a mortgage, assignment and pledge of, and security interest in, the Project, the rights of the Issuer and NFA under the Lease Agreement, the Project Revenues, and certain other collateral.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY OUT OF (i) PAYMENTS BY NFA PURSUANT TO THE LEASE AGREEMENT AND BOND GUARANTY, (ii) ANY OTHER REVENUES, RENTALS OR RECEIPTS DERIVED BY THE ISSUER FROM THE LEASING OR SALE OF THE PROJECT, AND (iii) MONEY RECEIVED BY THE TRUSTEE FROM A DRAW ON THE LETTER OF CREDIT. THE TRUSTEE WILL NOT HAVE A LIEN ON OR SECURITY INTEREST IN THE PROJECT. THE MORTGAGE IS FOR THE SOLE BENEFIT OF THE BANK. THE BONDS SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE CITY OF COLUMBIANA, ALABAMA (THE "MUNICIPALITY") WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE MUNICIPALITY OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE MUNICIPALITY.

Copies of the Indenture, the Lease Agreement, the Bond Guaranty, the initial Letter of Credit, the Credit Agreement and the Mortgage are on file at the Office of the Trustee, and reference is hereby made to such instruments for a description of the properties mortgaged, pledged and assigned, the nature and extent of the security, the respective rights thereunder of the Holders of the Bonds, the Trustee, the Issuer, NFA and the Bank, and the terms upon which the Bonds are, and are to be, authenticated and delivered.

[The following provisions may be printed
on the reverse side of the Bonds]*

Each Bond shall bear interest at the Variable Rate or at a Term Rate, as described below. The Trustee shall specify on each Bond certificate whether the interest rate then in effect is the Variable Rate or a Term Rate. If a Term Rate is in effect with respect to a Bond, the Trustee shall also specify on the Bond certificate the Term Rate and the beginning and end of the Term Rate Period.

Variable Rate

Each Bond shall bear interest at the Variable Rate during any period other than a Term Rate Period with respect to such Bond. Each period during which the Variable Rate is in effect is herein called a "Variable Rate Period".

The Variable Rate shall be a fluctuating rate per annum determined by the Remarketing Agent periodically during a Variable Rate Period as follows. The Variable Rate with respect to any Bond shall be determined on the first day of each Variable Rate Period with respect to such Bond and on each Wednesday during such Variable Rate Period (or, if such Wednesday is not a Business Day, on the next succeeding Business Day). The Variable Rate so determined shall become effective (i) on the date of determination, if such date is the first day of the Variable Rate Period, or (ii) if such date is not the first day of a Variable Rate Period, on the day immediately following the date of determination, and once effective shall remain in effect until and including the next determination date or, if sooner, the end of such Variable Rate Period; provided, however, that if the Remarketing Agent fails to determine the Variable Rate on any such determination date, the last Variable Rate in effect with respect to such Bond shall remain in effect until and including the next determination date.

The Variable Rate with respect to a Bond shall be determined by the Remarketing Agent and shall be the lowest interest rate that would, in the opinion of the Remarketing Agent, result in the market value of such Bond being 100% of the principal amount thereof on the date of such determination, taking into account relevant market conditions and credit rating factors as they exist on such date; provided, however, that the Variable Rate may never exceed the Cap Rate. The term "Cap Rate" means (i) for any period during which the Bonds are secured by a Letter of Credit, the maximum rate per annum, specified therein, upon which there has been calculated the amount available to be drawn on such Letter of Credit to pay interest on the Bonds and (ii) for any period during which the Bonds are not secured by a Letter of Credit, the rate

*If portions of the Bonds are printed on the reverse side, the following legend shall be printed on the face of the Bonds: "REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF."

of 10% per annum. Upon the request of any Bondholder, the Trustee shall confirm (by telephone and in writing, if so requested) the Variable Rate then in effect.

Morgan Keegan & Company, Inc. has been appointed as "Remarketing Agent" pursuant to the Indenture. The Indenture permits NFA, with the consent of the Bank, to remove such Remarketing Agent and appoint a successor, subject to certain terms and conditions specified in the Indenture.

Term Rate

Subject to the terms and conditions of the Indenture, at the request of NFA a fixed rate shall be established with respect to any Bond for the period specified by NFA in such request. Each period during which a Term Rate is in effect is herein called a "Term Rate Period". The first day of any such Term Rate Period is herein called a "Conversion Date".

The Term Rate shall be a fixed rate per annum determined by the Remarketing Agent as provided below. The Term Rate shall be applicable during the entire Term Rate Period; provided, however, that if a Term Rate is in effect when a Bond is to be purchased pursuant to the Mandatory Tender provisions relating to notice of an event of default under the Credit Agreement, the related Term Rate Period with respect to such Bond shall end on the day prior to such Mandatory Tender Date.

After receipt of notice from NFA that a Term Rate is to be established with respect to any Bond, but not less than 3 days prior to the proposed Conversion Date, the Remarketing Agent shall determine the interest rate for the Term Rate Period (herein called the "Term Rate"), which shall be the lowest interest rate that would, in the opinion of the Remarketing Agent, result in the market value of such Bond being 100% of the principal amount thereof on the date of such determination, taking into account relevant market conditions and credit rating factors as they exist on such date, and assuming that the Term Rate Period began on such date; provided, however, that the Term Rate may not exceed the Cap Rate.

Notwithstanding the foregoing, a Term Rate shall not be established if

- (1) NFA delivers to the Trustee notice of revocation of its election to establish the Term Rate before 10:00 a.m. on the proposed Conversion Date or
- (2) prior to 10:00 a.m. on the proposed Conversion Date the Trustee does not receive (i) a Favorable Tax Opinion and (ii) the Substitute Letter of Credit (if any) that was to be effective on such Conversion Date.

If all conditions to the establishment of a Term Rate are not satisfied, the Bond shall continue (or, if a Term Rate Period ended on the preceding day, shall begin) to bear interest at the Variable Rate from the proposed Conversion Date. Notwithstanding the failure to establish a Term Rate, if a notice of Mandatory Tender has been given by the Trustee with respect to any

Bond in connection with a proposed conversion to a Term Rate, such Bond shall be subject to a Mandatory Tender on the proposed Conversion Date.

Optional Tender

The Holder of any Bond shall have the right to tender such Bond to the Trustee or to any Tender Agent appointed pursuant to the Indenture for purchase in whole or in part (if in part, only in an Authorized Denomination) on any Business Day during any Variable Rate Period, but not during any Term Rate Period, at a purchase price equal to 100% of the principal amount of the Bond (or portion thereof) tendered plus accrued interest to the specified purchase date (an "Optional Tender Date"). In order to exercise such option with respect to any Bond, the Holder thereof must deliver notice thereof to the Trustee, as provided below, at least 7 days prior to the proposed Optional Tender Date.

Any such notice of Optional Tender must be duly executed by the Bondholder and must specify (i) the name of the registered Holder of the Bond to be tendered for purchase, (ii) the Optional Tender Date, (iii) the certificate number and principal amount of such Bond, and (iv) the principal amount of such Bond to be purchased (if such amount is less than the entire principal amount, both the amount to be purchased and the amount remaining must be in an Authorized Denomination). Such notice may be given to the Trustee in writing or by telephone, but no such telephonic notice shall be effective unless confirmed in writing delivered to the Trustee not more than 2 Business Days after such telephonic notice. A form of the Optional Tender Notice may be obtained from the Trustee upon request.

If any notice of Optional Tender specifies an Optional Tender Date that is not a Business Day, then such notice shall be deemed to specify the next following Business Day as the Optional Tender Date. Unless a notice of Optional Tender indicates that less than the entire principal amount of the Bond is being tendered for purchase, the Holder will be deemed to have tendered the Bond in its entire principal amount for purchase.

Upon delivery of a written notice of Optional Tender, the election to tender shall be irrevocable and binding upon such Holder and may not be withdrawn.

If a written notice of Optional Tender shall have been duly given with respect to any Bond, the Holder of such Bond shall deliver such Bond to the Office of the Trustee or the Office of the Tender Agent on the Optional Tender Date, together with all necessary endorsements for transfer. If only a portion of such Bond is to be purchased (as a result of the exercise of the Optional Tender right only with respect to such portion), the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of the same Maturity and interest rate and of any Authorized Denomination or Denominations as requested by such Holder in aggregate principal amount equal to and in exchange for the unpurchased portion of the principal amount of the Bond surrendered. Any Bond (or portion thereof) that is to be so purchased but that is not so delivered to the Trustee

or Tender Agent (an "Unsurrendered Bond") shall nevertheless be deemed to have been tendered by the Holder thereof on the Optional Tender Date.

If there has been irrevocably deposited in the Bond Purchase Fund an amount sufficient to pay the purchase price of any Unsurrendered Bond, such Unsurrendered Bond shall be deemed to have been tendered for purchase and purchased from the Holder thereof on such Optional Tender Date and the Holder of such Unsurrendered Bond shall not be entitled to receive interest on such Unsurrendered Bond for any period on and after the Optional Tender Date.

Anything in this Bond or the Indenture to the contrary notwithstanding, Bondholders may exercise their Optional Tender rights notwithstanding the existence of an Event of Default.

Mandatory Tender

The Holder of each Bond shall be required to tender such Bond to the Trustee or Tender Agent for purchase on the following dates (each such date being herein called a "Mandatory Tender Date"):

(1) each proposed Conversion Date with respect to such Bond specified in a notice to the Holder thereof (whether or not a Term Rate is successfully established on such date);

(2) the date immediately following the expiration of a Term Rate Period with respect to such Bond;

(3) 14 days after the Trustee receives notice from the Bank (i) stating that an event of default, as therein defined, has occurred and is continuing under the Credit Agreement and (ii) directing that the Bonds be purchased pursuant to the Mandatory Tender provisions of this Indenture;

(4) on any date proposed by NFA for delivery of a Substitute Letter of Credit unless such Substitute Letter of Credit is to be accompanied by either (i) if any Rating Agency maintains a rating with respect to the Bonds at the time of such substitution, evidence from each such Rating Agency to the effect that such substitution will not, by itself, result in a reduction or withdrawal of its rating then assigned to the Bonds or (ii) if no Rating Agency maintains a rating with respect to the Bonds at the time of substitution, evidence that long-term deposits of the issuer of such Substitute Letter of Credit have a credit rating (gradations within a rating category being disregarded for this purpose) of not less than A by Moody's or not less than A by S & P; provided, however, that no substitution requiring a Mandatory Tender pursuant to this paragraph may be effected unless the date of substitution is with respect to all Bonds either a Conversion Date or a day during a Variable Rate Period; and

(5) 15 days prior to the Stated Expiration Date of the Letter of Credit.

If any of such dates is not a Business Day, the Mandatory Tender Date shall be the next succeeding Business Day.

Notice of a Mandatory Tender shall be given by the Trustee by registered or certified mail, mailed to the Holder of the affected Bond at the address of such Holder appearing on the Bond Register not less than 7 days prior to the Mandatory Tender Date. Such notice of Mandatory Tender shall, among other things, specify the Mandatory Tender Date.

Any Bond for which a notice of Mandatory Tender has been given shall be tendered by the Holder thereof for purchase on the Mandatory Tender Date, by delivering such Bond to the Office of the Trustee or the Office of the Tender Agent, together with all necessary endorsements for transfer. If only a portion of such Bond is to be purchased (as a result of the establishment of a Term Rate only with respect to such portion), the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of the same Maturity and interest rate and of any Authorized Denomination or Denominations as requested by such Holder in aggregate principal amount equal to and in exchange for the unpurchased portion of the principal amount of the Bond surrendered. Any such Bond (or portion thereof) that is to be so purchased but that is not so delivered to the Trustee or Tender Agent on the Mandatory Tender Date (an "Unsurrendered Bond") shall nevertheless be deemed to have been tendered for purchase by the Holder thereof on the Mandatory Tender Date.

If there has been irrevocably deposited in the Bond Purchase Fund an amount sufficient to pay the purchase price of any Unsurrendered Bond, such Unsurrendered Bond shall be deemed to be tendered for purchase and purchased from the Holder thereof on such Mandatory Tender Date and the Holder of such Unsurrendered Bond shall not be entitled to receive interest on such Unsurrendered Bond for any period on and after the relevant Mandatory Tender Date.

After notice of a Mandatory Tender has been given by the Trustee with respect to any Bond, such Bond shall be subject to Mandatory Tender notwithstanding the fact that the reasons for giving such notice cease to exist or are no longer applicable.

Redemption

In the manner and with the effect provided in the Indenture, the Bonds will be subject to redemption prior to Maturity as follows:

(1) **Optional Redemption.** The Bonds may be redeemed at the option of the Issuer (exercised upon direction of NFA) as follows:

(A) On any date during a Variable Rate Period and on any Conversion Date with respect to any Bond, such Bond may be redeemed in whole or in part

at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the date of redemption.

(B) During any Term Rate Period of more than 5 years with respect to any Bond, such Bond may be redeemed in whole or in part on or after the First Optional Call Date (as defined below) at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the date of redemption plus a redemption premium (expressed as a percentage of principal amount redeemed) equal to whichever of the following shall be applicable: 2% if the date of redemption is on or after the First Optional Call Date but prior to the first anniversary of the First Optional Call Date; 1% if the date of redemption is on or after the first anniversary of the First Optional Call Date but prior to the second anniversary of the First Optional Call Date; and without premium if the date of redemption is on or after the second anniversary of the First Optional Call Date. For any Term Rate Period of more than 5 years but not more than 10 years, the First Optional Call Date shall be the fifth anniversary of the beginning of the Term Rate Period. For any Term Rate Period of more than 10 years but not more than 20 years, the First Optional Call Date shall be the anniversary of the beginning of the Term Rate Period that is on or immediately after the midpoint of such Term Rate Period. For any Term Rate Period of more than 20 years, the First Optional Call Date shall be the tenth anniversary of the beginning of the Term Rate Period.

(2) Optional Redemption Upon Occurrence of Certain Calamities. All (but not less than all) Bonds may be redeemed at the option of the Issuer (exercised upon direction of NFA), at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, within 180 days after any of the following shall have occurred:

(A) the Project shall have been damaged or destroyed to such extent that, in the opinion of NFA, it cannot be restored within a period of 4 months to substantially the condition thereof immediately prior to such damage or destruction or NFA is thereby prevented from carrying on its normal operations at the Project for a period of not less than 4 months; or

(B) the taking by eminent domain of all or substantially all the Project or of any part, use or control of the Project that, in the opinion of NFA, results in NFA being thereby prevented from carrying on its normal operations at the Project for a period of not less than 4 months; or

(C) NFA ceases operation of the Project for a period of 4 months because of a change in technology or in the availability at reasonable cost of labor, raw materials, energy or transportation that, in the opinion of NFA, renders the Project uneconomic for its intended use; or

(D) as a result of a change in law or a final order of any court or other governmental authority the Lease Agreement becomes void or unenforceable or impossible of performance or unreasonable burdens or excessive liabilities are imposed on NFA that, in the opinion of NFA, render the Project uneconomic for its intended use.

(3) **Mandatory Redemption Upon Determination of Taxability.** All Bonds shall be redeemed within 90 days after a Determination of Taxability is made with respect to the Bonds at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date.

(4) **Scheduled Mandatory Redemption.** Unless Serial Maturities have been assigned to the Bonds, the Bonds shall be redeemed, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, on June 1 in years and principal amounts (after credit as provided below) as follows:

<u>Year</u>	<u>Amount</u>
1993	\$300,000
1994	400,000
1995	700,000
1996	700,000

\$6,000,000 of the Bonds
will be retired at Maturity

Not less than 45 or more than 60 days prior to each such scheduled mandatory redemption date, the Trustee shall proceed to select for redemption, by lot, Bonds or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such Bonds or portions thereof for redemption on such scheduled mandatory redemption date; provided, however, that NFA may, upon direction delivered to the Trustee not less than 60 days prior to such scheduled mandatory redemption date, direct that any or all of the following amounts be credited against the principal amount of Bonds scheduled for redemption on such date: (i) the principal amount of Bonds delivered by NFA to the Trustee for cancellation and not previously claimed as a credit; and (ii) the principal amount of Bonds previously redeemed (other than Bonds redeemed pursuant to this paragraph) and not previously claimed as a credit.

Subject to the provisions of the Indenture requiring redemption of all Pledged Bonds eligible for redemption before any other eligible Bonds are redeemed, and except as otherwise provided with respect to scheduled mandatory redemption of Bonds, if less than all Bonds Outstanding are to be redeemed, the principal amount of Bonds of each Maturity to be redeemed may be specified by the Issuer (at the direction of NFA) by notice to the Trustee, or, in the

absence of timely receipt by the Trustee of such notice, shall be selected by the Trustee by lot or by such other method as the Trustee may deem fair and appropriate; provided, however, that the principal amount of Bonds of each Maturity to be redeemed may not be larger than the principal amount of Bonds of such Maturity then eligible for redemption and may not be smaller than the smallest Authorized Denomination.

Subject to the provisions of the Indenture requiring the redemption of all Pledged Bonds eligible for redemption before any other eligible Bonds are redeemed, if less than all Bonds with the same Maturity are to be redeemed, the particular Bonds of such Maturity to be redeemed shall be selected by the Trustee from the Outstanding Bonds of such Maturity then eligible for redemption by lot or by such other method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (in Authorized Denominations) of the principal of Bonds of such Maturity of a denomination larger than the smallest Authorized Denomination.

Upon any partial redemption of any Bond, the same shall, except as otherwise permitted by the Indenture, be surrendered in exchange for one or more new Bonds of the same Maturity and interest rate and in authorized form for the unredeemed portion of principal. Bonds (or portions thereof as aforesaid) for whose redemption and payment provision is made in accordance with the Indenture shall thereupon cease to be entitled to the lien of the Indenture and shall cease to bear interest from and after the date fixed for redemption.

Any redemption shall be made upon at least 30 days' notice in the manner and upon the terms and conditions provided in the Indenture.

If an "Event of Default", as defined in the Indenture, shall occur, the principal of all Bonds then Outstanding may become or be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and of the Lease Agreement and the modification of the rights and obligations of the Issuer and NFA and the rights of the Holders of the Bonds at any time with the consent of a majority in principal amount of the Bonds at the time Outstanding effected by such modification. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of Bonds at the time Outstanding on behalf of the Holders of all the Bonds, to waive compliance by the Issuer or NFA with certain provisions of the Indenture or the Lease Agreement and certain past defaults under such instruments and their consequences. Any such consent or waiver by the Holder of this bond shall be conclusive and binding upon such Holder and upon all future Holders of this bond and of any bond issued in exchange therefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this bond. The Indenture provides in effect that, if the Letter of Credit is in effect and the Bank is not in default under the Letter of Credit, no amendment to the Indenture or Lease Agreement may be made without the consent of the Bank and that any remedies available under the Indenture and Lease

Agreement (other than mandatory acceleration of the Bonds and mandatory draws under the Letter of Credit) may be exercised only with the consent of the Bank.

The Holder of this bond shall have no right to enforce the provisions of the Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

As provided in the Indenture and subject to certain limitations therein set forth, this bond is transferable on the Bond Register maintained at the Office of the Trustee, upon surrender of this bond for transfer at such office or at the Office of the Tender Agent, together with all necessary endorsements for transfer, and thereupon one or more new Bonds of the same Maturity and interest rate, of any Authorized Denominations and for a like aggregate principal amount, will be issued to the designated transferee or transferees.

As provided in the Indenture and subject to certain limitations therein set forth, the Bonds are exchangeable for other Bonds of the same Maturity and interest rate, of any Authorized Denominations and of a like aggregate principal amount, as requested by the Holder surrendering the same.

No service charge shall be made for any transfer or exchange hereinbefore referred to, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the person in whose name this bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this bond is overdue, and neither the Issuer, the Trustee nor any agent shall be affected by notice to the contrary.

No covenant or agreement contained in this bond or the Indenture shall be deemed to be a covenant or agreement of any officer, agent or employee of the Issuer, and neither any member of the governing body of the Issuer nor any officer executing this bond shall be liable personally on this bond or be subject to any personal liability or accountability by reason of the issuance of this bond.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and issuance of this bond do exist, have happened and have been performed in due time, form and manner as required by law.

[End of provisions that may be printed
on the reverse side of Bonds]

Unless the certificate of authentication hereon has been executed by the Trustee or by the Tender Agent by manual signature, this bond shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this bond to be duly executed under its corporate seal.

**THE INDUSTRIAL DEVELOPMENT
BOARD OF THE CITY OF
COLUMBIANA**

By: _____

Its: _____

[SEAL]

Attest:

Secretary

Certificate of Authentication

This is one of the Bonds referred to in the within-mentioned Indenture.

Date of authentication: _____

**AMSOUTH BANK OF ALABAMA,
as Trustee**

By _____
Authorized Officer

[Note: If a Tender Agent is appointed, Bonds providing for authentication by the Tender Agent shall be printed.]

Assignment

For value received, _____ hereby sell(s),
assign(s) and transfer(s) unto _____ this bond and
hereby irrevocably constitute(s) and appoint(s) _____ attorney to
transfer this bond on the books of the within named Issuer at the office of the within named
Trustee, with full power of substitution in the premises.

Dated: _____

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within bond in all respects, without alteration, enlargement or change whatsoever.

Signature Guaranteed:

(Bank or Trust Company)

By _____
(Authorized Officer)

EXHIBIT B

CONSENT OF THE BANK

AmSouth Bank of Alabama, in its capacity as issuer of the Letter of Credit, hereby consents to the foregoing Supplemental Indenture.

AMSOUTH BANK OF ALABAMA

By _____
Its _____

EXHIBIT C

CONSENT OF NEA

NFA Corp. hereby consents to the foregoing Supplemental Indenture.

NFA CORP. . . .

By

Its

By G. McManis
Treasurer

Inst # 1997-17479

335163.03 2952 0002

06/04/1997-17479
11:43 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
025 NEL 68.50