

Executed in 5 counterparts of
which this is counterpart # 1

LEASE AGREEMENT between THE INDUSTRIAL DEVELOPMENT BOARD OF THE TOWN OF VINCENT, a public corporation and instrumentality under the laws of Alabama, party of the first part, and EBSCO INDUSTRIES, INC., a corporation under the laws of Delaware, party of the second part,

W I T N E S S E T H:

In consideration of the respective agreements on the part of the parties hereto hereinafter contained, the parties hereto respectively agree as follows (provided, that in the performance of the agreements of the party of the first part herein contained, any obligation it may thereby incur for the payment of money shall not be a general debt on its part but shall be payable solely out of the proceeds derived from the sale of the Bonds referred to in Section 2.1 hereof and insurance and condemnation awards as herein provided):

ARTICLE I

DEFINITIONS AND USE OF PHRASES

Section 1.1 Definitions. The following words and phrases and others evidently intended as the equivalent thereof shall, in the absence of clear implication herein otherwise, be given the following respective interpretations herein:

"Affiliated Company" means a corporation which owns or otherwise controls a majority of the capital stock of the Lessee, or a majority of the capital stock of which is owned or otherwise controlled by the Lessee.

"Authorizing Act" means Act No. 648 adopted at the 1949 Regular Session of the Legislature of Alabama, as amended,

"Basic Rent" means the basic rental payments provided for in Section 5.2(a).

"Bond Fund" means the Bond Principal and Interest Fund created in the Indenture.

"Bond Proceeds Account" means the Bond Proceeds Account created in the Indenture and referred to in Section 4.2.

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"Bonds" means the First Mortgage Industrial Development Revenue Bonds (Ebsco Series) of the Lessor dated March 1, 1968, referred to in Section 2.1(c).

"Certified Public Accountant" means an accountant qualified to practice as a certified public accountant by the laws of any state in the United States of America, or a firm of which such an accountant is a member, and who or which is not a full time employee of any one or more of the Lessor, the Lessee, or an Affiliated Company.

"Completion Date" means the date of completion of construction of the Plant and installation of the Leased Equipment as that date shall be certified as provided in Section 4.5.

"Construction Fund" means the Construction Fund created in the Indenture and referred to in Section 4.3.

"Construction Period" means the period between the date on which the Bonds are delivered to the Original Purchaser and the Completion Date.

"Counsel" means any attorney qualified to practice before the Supreme Court of Alabama, or a firm of attorneys of which such attorney is a member, and who or which shall be acceptable to the Trustee and is not a full time employee of any one or more of the Lessor, the Lessee, or an Affiliated Company.

"Coupons" means those evidencing the semiannual installments of interest on the applicable Bond.

"Current Account" means the Current Principal and Interest Account created in the Indenture as a part of the Bond Fund.

"Day" means a calendar day.

"Extraordinary Services and Extraordinary Expenses" means all services rendered and all expenses incurred by the Trustee under the Indenture other than Ordinary Services and Ordinary Expenses.

"Financial Journal" means a Newspaper or Journal printed in the English language, devoted primarily to news of financial matters, and customarily published not less than five days during each calendar week.

"Governing Body" means the Board of Directors of the Lessor as the said governing body may be from time to time constituted.

"Indenture" means the Mortgage Indenture and Deed of Trust between the Lessor and Birmingham Trust National Bank dated March 1, 1968, pursuant to which the Bonds are authorized to be issued, and every supplemental indenture in pursuance thereof.

"Independent Architect" means an architect or firm of architects registered or qualified to practice the profession of architecture under the laws of the State of Alabama, who (or which) is acceptable to the Trustee and is not a full time employee of any one or more of the Lessor, the Lessee, or an Affiliated Company.

"Independent Engineer" means an engineer registered and qualified to practice the profession of engineering under the laws of any state in the United States of America, or a firm of which such engineer is a member, and who or which shall be acceptable to the Trustee and is not a full time employee of any one or more of the Lessor, the Lessee, or an Affiliated Company.

"Interest Payment Date" means any March 1 or September 1.

"Lease Term" means the duration of the leasehold estate created in This Agreement as specified in Section 5.1.

"Leased Equipment" means those items of machinery and equipment purchased and installed at the Plant with proceeds from the sale of any of the Bonds, and all substitutions therefor, replacements thereof, and additions or improvements thereto made pursuant to any provision of This Agreement.

"Leased Land" means the real estate demised and leased in Section 3.1(a), together with all additions thereto and substitutions therefor made pursuant to any provision of This Agreement.

"Lessee" means (a) the party of the second part hereto and (b), subject to the requirements of Section 9.4, its successors and assigns and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party.

"Lessee Representative" means any person or persons at the time designated to act in behalf of the Lessee by written certificate furnished to the Trustee and signed on behalf of the Lessee by the president or any vice president of the Lessee.

"Lessor" means (a) the party of the first part hereto, and (b), subject to the provisions of Section 10.3, its successors and assigns and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party.

"Lessor Representative" means any person at the time designated to act in behalf of the Lessor by written certificate furnished to the Trustee and signed on behalf of the Lessor by the chairman of its Board of Directors.

"Month" means a calendar month.

"Net Proceeds" means the gross proceeds from the source with respect to which that term is used remaining after payment of all expenses (including attorneys' fees and any charges for Extraordinary Services and Extraordinary Expenses) incurred in the collection of such gross proceeds.

"Newspaper" and "Journal" means a newspaper or journal printed in the English language (i) which is customarily published not less than five days during each calendar week in the locality specified, or (ii) which is published in the locality specified not less often than once during each calendar week, if there is not at the time in the locality specified a newspaper that is customarily published as often as five days during a calendar week.

"Ordinary Services and Ordinary Expenses" means those services normally rendered and those expenses normally incurred by a trustee under instruments similar to the Indenture, including all charges of the Trustee for payment of the Bonds and coupons presented to it for payment.

"Original Purchaser" means the person, firm or corporation that originally purchased the Bonds from the Lessor.

"Permitted Encumbrances" means, as of any particular time, (a) liens for ad valorem taxes not then delinquent, (b) utility, access and other easements and rights of way, restrictions and exceptions that an Independent Engineer certifies will not interfere with or impair the operations being conducted in the Plant (or, if no operations are being conducted therein, the operations for which the Plant was designed or last modified), (c) This Agreement, (d) the Indenture, and (e) such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to properties similar in character to the Project and as do not, in the opinion of Counsel, materially impair the title to the property affected thereby for the purpose for which such property was acquired or is held by the Lessor.

"Permitted Investments" means any of the following securities or other obligations: (a) United States Securities; (b) securities of the Federal National Mortgage Association; (c) securities of any Federal Intermediate Credit Bank; (d) securities of any Federal Bank for Cooperatives; (e) securities of any Federal Land Bank, (f) securities of any Federal Home Loan Bank; and (g) Certificates of Deposit issued by any bank or trust company

(including the bank that is the Trustee hereunder) which is organized under the laws of the United States of America or any state thereof and which has surplus and paid in capital aggregating not less than \$7,000,000.

"Plant" means the industrial building and appurtenant facilities required by Section 4.1 to be constructed.

"Principal Payment Date" means any September 1 beginning with September 1, 1970.

"Project" means the Leased Land, the Leased Equipment, and the Plant, as they may at any time exist, and all other property and rights of every kind described or referred to or intended so to be in the demising clauses hereof.

"Project Development Costs" means (1) the purchase price of and all costs of acquiring and developing the Leased Land for use as a part of the Project, (2) all costs of the preparation of plans and specifications for the Plant, (3) all costs of constructing the Plant, including the labor, supplies, materials and services furnished or used in connection therewith, (4) all recording, trustee, architectural, engineering, surveying, legal and fiscal fees and expenses in connection with the Project or in connection with the authorization or issuance of the Bonds, (5) the interest that will accrue on the Bonds during the Construction Period, (6) the fee of the Project Supervisor in connection with the Project, and (7) all costs of acquiring the Leased Equipment and installing it at the Plant.

"Project Supervisor" means the Project Supervisor who at the time shall have been designated as such in or pursuant to the provisions of Section 4.7.

"Redemption Account" means the Bond Redemption Account created in the Indenture as a part of the Bond Fund.

"Redemption Date" means the date fixed for the redemption of Bonds in any Resolution adopted pursuant to the provisions of Section 7.2(a) of the Indenture.

"Redemption Price" means the price at which Bonds called for redemption may be redeemed on the Redemption Date.

"Rent" means the Basic Rent Supplemental Rent provided for in Section 5.2.

"Resolution" means a resolution duly adopted by the Governing Body.

"State" means the State of Alabama.

"Supplemental Lease Agreement" means an agreement supplemental hereto.

"Supplemental Indenture" means an agreement between the Lessor and the Trustee supplemental to the Indenture.

"Supplemental Rent" means the supplemental rental payments provided for in Section 5.2(b).

"Surplus Construction Moneys" means the moneys remaining in the Construction Fund after payment of the items referred to in paragraphs (a) to (h), inclusive, of Section 4.3.

"Surplus Land" means any portion of the Leased Land that an Independent Engineer certifies in his or its opinion will not, if severed from the Project, impair the operating unity or the productive capacity of the Plant, and on which no improvements are constructed.

"This Agreement" means these presents and every Supplemental Agreement in pursuance hereof.

"Trustee" means the Trustee at the time serving as such under the Indenture.

"United States Securities" means any securities that are direct general obligations of the United States of America or any securities the payment of the principal of and interest on which are unconditionally guaranteed by the United States of America.

Section 1.2 Use of Phrases. The following provisions shall be applied wherever appropriate herein:

"Herein," "hereby," "hereunder," "hereof," and other equivalent words refer to This Agreement as an entirety and not solely to the particular portion of This Agreement in which any such word is used.

Reference in This Agreement to a section or article by a number shall be to the section or article herein having that number unless the reference recites that it is to a section or article in another document.

The definitions set forth in Section 1.1 shall be deemed applicable whether the words defined are herein used in the singular or the plural.

Wherever used herein, any pronoun or pronouns shall be deemed to include both singular and plural and to cover all genders.

The first letters of the words and phrases defined in Section 1.1, where used in This Agreement, are for ready recognition capitalized as set out in the said section.

ARTICLE II

RECITALS

Section 2.1 Recitals by the Lessor. The Lessor makes the following recitals as the basis for the undertaking on its part herein contained:

(a) The Lessor is a public corporation duly incorporated under the laws of Alabama. Under the provisions of the Authorizing Act, the Lessor has the power to acquire the Leased Land, to construct the Plant on the Leased Land, to acquire and install at the Plant the Leased Equipment, to sell and issue the Bonds, and to lease the Project to the Lessee. The Lessor represents that it has lawful power and authority to enter into This Agreement and that the execution and delivery hereof in behalf of the Lessor have been duly authorized by all necessary action.

(b) The Lessor proposes to acquire the Leased Land hereinafter described which is located within the corporate limits of the

Plant thereon, and to install thereat the Leased Equipment, all as hereinafter referred to, and to lease the Project to the Lessee, all for the promotion of local industry, trade and industrial development.

(c) To finance the cost of acquiring the Project, and for the promotion of local industry, trade and industrial development, the Lessor proposes to issue \$800,000 principal amount of its First Mortgage Industrial Development Revenue Bonds, which will be dated March 1, 1968, will be numbered from 1 to 244, inclusive, of which those numbered 1 to 30, 41 to 49, 60 to 63, 74 to 91, 117 to 125, 131 to 137, 143 to 157, 178 to 181, and 202 to 244 (all numbers inclusive) will be in the denomination of \$5,000 each, and

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of which those numbered 31 to 40, 50 to 59, 64 to 73, 92 to 116, 126 to 130, 138 to 142, 158 to 177 and 182 to 201 (all numbers inclusive) will be in the denomination of \$1,000 each, and will mature as follows on September 1 in each year:

<u>Year of Maturity</u>	<u>Bond Numbers (all inclusive)</u>		<u>Aggregate Principal Amount Maturing</u>
	<u>\$1,000</u>	<u>\$5,000</u>	
1970		1 to 4	\$20,000
1971		5 to 8	20,000
1972		9 to 12	20,000
1973		13 to 16	20,000
1974		17 to 20	20,000
1975		21 to 25	25,000
1976		26 to 30	25,000
1977	31 to 40	41 to 43	25,000
1978		44 to 49	30,000
1979	50 to 59	60 to 63	30,000
1980	64 to 73	74 to 77	30,000
1981		78 to 84	35,000
1982		85 to 91	35,000
1983	92 to 116	117 to 118	35,000
1984		119 to 125	35,000
1985	126 to 130	131 to 137	40,000
1986	138 to 142	143 to 149	40,000
1987		150 to 157	40,000
1988	158 to 177	178 to 181	40,000
1989	182 to 201	202 to 206	45,000
1990		207 to 215	45,000
1991		216 to 224	45,000
1992		225 to 234	50,000
1993		235 to 244	50,000

The Bonds will bear interest from their date to their respective maturities at the following per annum rates: 5-1/2% on those having stated maturities in 1970 to 1976, inclusive; 6-1/4% on those having stated maturities in 1977 and 1978; 6-1/2% on those having stated maturities in 1979 and 1980; 6-3/4% on those having stated maturities in 1981 and 1982; and 7% on those having stated maturities in 1983 to 1993, inclusive. Such interest will be payable on September 1, 1968, and thereafter semiannually on each March 1 and September 1 until and at their respective maturities and will be evidenced by interest coupons attached to the Bonds. The Bonds and the Coupons will bear interest at the per annum rate of 8% after their respective maturities. The principal of and the interest on the Bonds will be payable at the principal office of the Trustee. The Bonds will be subject to redemption prior to their respective maturities under certain conditions and at certain Redemption Prices specified in the Indenture.

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(d) The Bonds are to be secured, as to both principal and interest and on a parity one with the other, by a pledge and assignment of the Lessor's interest in This Agreement and each Supplemental Lease Agreement, and by a pledge and assignment of the revenues and receipts derived by the Lessor from the leasing and sale of the Project, and will be additionally secured by a Mortgage Indenture and Deed of Trust under which the Project will be mortgaged and conveyed to the Trustee as additional security for payment of the said principal and interest. The Bonds and the Coupons will be payable solely out of the revenues from the leasing and sale of the Project (and from insurance and condemnation awards as provided in the Indenture), provided, that (1) the interest due on and prior to March 1, 1969 (which is the presently estimated date for the completion of the Project) will also be payable out of that portion of the proceeds from the sale of the Bonds that will be earmarked and capitalized for that purpose, and (2) the Surplus Construction Moneys remaining in the Construction Fund after payment of all items required to be paid therefrom will be earmarked for payment of the principal of the Bonds in the purchase or redemption thereof as is provided in Section 4.3(1).

Section 2.2 Recitals by the Lessee. The Lessee makes the following recitals as the basis for the undertaking on its part herein contained:

(a) The Lessee is duly incorporated under the laws of the State of Delaware and has corporate power to enter into This Agreement and to perform all acts herein required to be performed by it. The execution and delivery of This Agreement in behalf of the Lessee have been duly authorized by all necessary corporate action.

(b) The acquisition of the Leased Land, the construction of the Plant, the acquisition and installation of the Leased Equipment at the Plant, and the lease of the Project to the Lessee will enable the Lessee to operate an efficient Plant for the manufacture thereof of magazine binders, loose-leaf binders, and other binders, related products, and other products as a new manufacturing enterprise that will aid in the industrial development of the State and the use of its natural resources. The Lessee intends to operate the Plant from the Completion Date throughout the remainder of the Lease Term for manufacturing, storing and selling (1) magazine binders, loose-leaf binders, and other binders, and related products, and (2) such other products as the Lessee may from time to time deem appropriate.

Section 2.3 Purposes of This Agreement. The parties have entered into This Agreement in order to achieve the objectives above set forth, to set out the agreements of the parties respecting the issuance of the Bonds, the acquisition of the Leased Land, the construction of the Plant, the acquisition and installation of the Leased Equipment, and the lease of the Project to the Lessee, and to set out the terms and conditions with respect to the said issuance, acquisition, construction and leasing.

ARTICLE III

DEMISING CLAUSES AND WARRANTY OF TITLE

Section 3.1 Demise of the Project. The Lessor hereby demises and leases to the Lessee, and the Lessee hereby rents from the Lessor, for and during the Lease Term hereinafter referred to and upon and subject to the terms and conditions hereinafter specified, the following properties:

(a) The Leased Land. The following described tract of land located in the Town of Vincent, Shelby County, Alabama:

Commence at the Northeast corner of the Southeast Quarter (SE 1/4) of Section 23, Township 19 South, Range 2 East, and proceed thence South 2° 49' East 2582.27 feet along the East boundary line of the said Southeast Quarter; thence turn an angle of 90° 34' to the right and proceed South 87° 45' West 252.85 feet to the point of beginning of the tract herein described, the said point of beginning being located on the North boundary of the right of way of County Highway 85; thence turn an angle of 60° 00' to the right and proceed 1520.0 feet; thence turn an angle of 90° 00' to the left and proceed 700.0 feet; thence turn an angle of 90° 00' to the left and proceed 1115.55 feet to a point on the North boundary of the right of way of County Highway 85; thence proceed East 808.7 feet along the North boundary of the right of way of County Highway 85 to the said point of beginning; excepting from the tract herein described the rights of way for roads, streets and other public ways described in the plat of the Vincent Industrial Park recorded in Map Book 5 at Page 37 in the office of the Probate Judge of Shelby County, Alabama; the said tract lying entirely in the Southeast Quarter (SE 1/4) of Section 23, Township 19 South, Range 2 East in Shelby County, Alabama, and, excluding the aforesaid rights of way, containing 16.18 acres;

(b) Appurtenances. All permits, easements, rights of way, privileges, immunities and hereditaments pertaining or applicable to the Leased Land to which the Lessor will become entitled under the deed by which the Lessor will acquire title to the Leased Land;

(c) The Leased Equipment. The machinery and equipment to be purchased with proceeds from the sale of the Bonds and installed at the Plant including, but without limitation as to generality, the items of equipment that are described on the Schedule 1 attached hereto and made a part hereof;

(d) After-Acquired Property. The Plant and all other properties, real, personal and mixed, including permits, easements, rights of way, contracts, leases, privileges, immunities, and hereditaments pertaining or applicable to the Project, which may be hereafter acquired by the Lessor; all structures and improvements hereafter constructed on the Leased Land, and all equipment hereafter installed therein or thereon in addition to or in substitution for or in replacement of any of the equipment originally paid for with proceeds from the sale of the Bonds and attached to and constituting a part of either the Leased Land or the Plant; it being the intention hereof that all property, rights and privileges hereafter acquired by the Lessor for use as a part of or in connection with or as an improvement to the Project shall be as fully covered hereby as if such property, rights and privileges were now owned by the Lessor and were specifically described herein; provided, that nothing contained in this subsection (d) shall be construed to include any property owned by the Lessee after purchase by the Lessor of the Leased Land.

Section 3.2 Warranty of Title. The Lessor warrants that under the deed by which the Leased Land will be conveyed to it, the Lessor will acquire and will thereafter have a good marketable title to the Leased Land, and that the same will be free from all encumbrances other than Permitted Encumbrances. The Lessor warrants that upon acquisition of title to the Leased Equipment it will have a good marketable title thereto, and that the Leased Equipment will be free from all encumbrances other than such ad valorem taxes thereon, if any, as may become due on the Leased Equipment on the next ensuing October 1. The Lessee agrees that it will pay or cause to be paid, prior to their becoming delinquent, all ad valorem taxes on the Project that may become due on October 1, 1968, unless such taxes shall have been paid pursuant to Section 4.3(a).

Section 3.3 Conditions of Demise. This Agreement is made for the Lease Term upon the terms and conditions and subject to the respective agreements of the parties herein set out.

Section 3.4 Peaceful Possession. The Lessor agrees that, following delivery of possession of the Project to the Lessee pursuant to the provisions of Section 5.1 and subject to full compliance by the Lessee with all obligations on the part of the Lessee herein contained, the Lessor will keep the Lessee in peaceful possession of the Project. Default by the Lessor in respect of any agreement on its part contained in this section shall not, however, release the Lessee from the unconditional obligations on the part of the Lessee referred to in Section 5.3.

ARTICLE IV

RELATING TO THE ACQUISITION OF THE LEASED LAND, THE CONSTRUCTION OF THE PLANT AND THE INSTALLATION OF THE LEASED EQUIPMENT

Section 4.1 Acquisition of the Project. Promptly following the delivery of the Bonds or as soon thereafter as may be feasible, the Lessor will do and perform the following acts:

(a) Purchase of the Leased Land. The Lessor will promptly acquire a good marketable title to the Leased Land, subject only to Permitted Encumbrances.

(b) Construction of the Plant. The Lessor will cause to be begun and will with reasonable dispatch carry forward to completion the construction on the Leased Land, wholly within the boundary lines thereof, of improvements consisting of a modern manufacturing plant building and appurtenant facilities suitable for use for the manufacture, storage and sale of magazine binders, loose-leaf binders, other binders and related products, and other products, all substantially in accordance with the plans and specifications therefor dated May 10, 1968, identified as Architect's Job 3409 and bearing the designations "A PLANT FOR VULCAN BINDER AND COVER COMPANY - A DIVISION OF EBSCO INDUSTRIES, INC. - VINCENT, ALABAMA" - and "OWNER: THE INDUSTRIAL DEVELOPMENT BOARD OF THE TOWN OF VINCENT, ALABAMA - Mr. W. G. Wright, President, Mr. James Sharbutt, Secretary-Treasurer." The Lessor agrees that, for the purpose of the said construction, only such changes will be made in the said plans and specifications as shall be certified by the Project Supervisor to be either (1) necessary

or desirable as a result of shortages of labor or material or restrictions lawfully imposed by any governmental official or agency, or (2) desirable for the operation of the Plant; provided, that all such changes shall be approved in writing by the Lessor Representative and the Lessee Representative. The Project Supervisor shall have power to make such changes when so approved. The Lessor agrees to use its best efforts to cause the said construction to be completed by March 1, 1969, or as soon thereafter as may be practicable, delays incident to strikes, riots, acts of God or the public enemy beyond the reasonable control of the Lessor only excepted, but if such construction is not completed by the said date there shall be no resulting liability on the part of the Lessor and there shall be no diminution in the Rent. The Lessor agrees that it will not execute any contract or give any orders for such construction unless and until the Lessee Representative shall have approved in writing such contract or order.

(c) Acquisition and Installation of the Leased Equipment. The Lessor will, out of the principal proceeds derived from the sale of the Bonds, (1) purchase, as soon as may be feasible after the consummation of such sale, the equipment and machinery referred to in Schedule 1 attached hereto, and such other items of machinery and equipment as may be necessary for the operation of the Plant and as shall from time to time prior to the Completion Date be specified in written orders from the Lessee to the Lessor, and (2) cause all such machinery and equipment so purchased to be installed at the Plant during the course of construction of the Plant to the end that such installation may be completed as nearly as may be practicable at the same time that the construction of the Plant is completed. All such purchases and installations shall be made substantially in accordance with directions given by the Lessee. The Lessor agrees that it will not execute any contract or give any orders for such purchase or installation unless and until the Lessee Representative shall have approved in writing such contract or order.

The parties recognize that at the date of the delivery of This Agreement it is not practicable to describe in detail all items of personal property that will comprise the Leased Equipment. As promptly hereafter as may be feasible, the Lessee shall furnish to the Lessor a complete description of the items referred to in Section 3.1(c) that it desires to have acquired and installed as a part of the Project. It is contemplated that items of personal property, in addition to or in substitution for some of the items listed in Schedule 1 referred to in Section 3.1(c) may be acquired and installed with proceeds from the sale of the Bonds

as a part of the Project. The Lessee shall therefore have the power to direct the Lessor to acquire and install as a part of the Project, in addition to or in substitution for any of the items of personal property described in the said Schedule 1, other items of personal property that the Lessee may deem necessary or desirable to equip the Plant with equipment and machinery suitable for the operation thereof, and the parties agree that upon the acquisition thereof such additional and substituted properties shall become a part of the Leased Equipment to the same extent as if they were described in the said Schedule 1; provided, that there shall be no obligation on the Lessor to acquire or install such additional or substituted properties unless there are moneys in the Construction Fund sufficient to pay therefor; and provided further, that no part of the proceeds from the sale of the Bonds shall be used to pay for the acquisition or installation of such additional or substituted properties unless the Project Supervisor shall certify that in his opinion such payment therefor will not imperil the payment of the costs of completing the construction of the Plant. The Lessee will as promptly hereafter as may be feasible furnish to the Lessor a description of all such additional and substituted properties which form a basis of such request for acquisition and installation, and as promptly as may be feasible the Lessee will enter into such Supplemental Lease Agreements with the Lessor as the Lessor may deem necessary or desirable to identify such additional and substituted properties. The Lessee covenants that upon completion of the installation of the Leased Equipment, the Plant will then be equipped with machinery and equipment suitable for the operation of the Plant for the purposes specified in Section 2.2(b), and that such additions and substitutions will not detract from the suitability of the Plant for the said purposes.

Section 4.2 Agreement to Issue the Bonds; Payments into and Disbursements from the Bond Proceeds Account. In order to provide funds for the payment of the Project Development Costs, the Lessor will proceed as promptly as practicable with the sale and issuance of the Bonds. The Lessor agrees that contemporaneously with the delivery of any of the Bonds to the purchaser or purchasers thereof from the Lessor, it will pay into the Bond Proceeds Account the entire proceeds received from the said sale. The Lessor will cause the Indenture to provide that the moneys in the Bond Proceeds Account may be disbursed for the following purposes only:

(a) Payment into the Bond Fund of all accrued interest received from the sale of the Bonds;

(b) Payment into the Bond Fund of an amount which, when added to the amount paid therein pursuant to the provisions of subsection (a) of this section, will equal the interest that will

mature on the Bonds during all or any part of the Construction Period, but not later than March 1, 1969;

(c) Payment of the purchase price for the Leased Land, viz., the sum of \$8,090.00, which sum shall be paid only upon delivery to the Lessor of a warranty deed conveying a good marketable title subject only to such Permitted Encumbrances as may be applicable;

(d) Payment of the initial or acceptance fee of the Trustee, and the fees for recording (1) This Agreement, (2) the Indenture, (3) the deed by which the Leased Land is conveyed to the Lessor, and (4) any title curative documents that Counsel for the Lessor may deem desirable to file for record in order to perfect or protect the title of the Lessor to the Leased Land;

(e) Payment of the expenses of issuing the Bonds, including printing costs, attorney's fees and the fees of any financial consultant; and

(f) Payment of the balance into the Construction Fund.

In the event that the moneys in the Bond Proceeds Account are insufficient to make the payments prescribed in the foregoing subsections (a) to (e), inclusive, of this section, the Lessee shall be obligated to pay moneys to the Trustee for inclusion in the Bond Proceeds Account which, when added to the moneys in the Bond Proceeds Account, will be sufficient to make such payments. Before any of the payments referred to in the foregoing subsections (a) to (e), inclusive, of this section shall be made, there shall be presented to the Trustee a written order for such payment, addressed to the Trustee and signed by both the Lessor Representative and the Lessee Representative.

Section 4.3 Disbursements from the Construction Fund. Subject to the provisions of Section 4.9, the Lessor will cause the Indenture to provide that the moneys in the Construction Fund may be used for the following purposes only:

(a) Payment of the taxes, assessments and other charges, if any, referred to in Sections 3.2 and 6.2 that may become payable during the Construction Period;

(b) Payment of the fees of the Project Supervisor for services rendered by him which may at any time be payable with respect to the Project;

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(c) Payment, as they become due, of the annual fees of the Trustee for its Ordinary Services and Ordinary Expenses, and the charges of the Trustee for its Extraordinary Services and Extraordinary Expenses, that may become due during the Construction Period;

(d) Payment of the expenses incurred by the Trustee, or by the Lessor with the approval of the Trustee, in seeking to enforce any remedy against any contractor or subcontractor in respect of any default under a contract for (1) construction of the Plant or any part thereof, or (2) acquisition or installation of the Leased Equipment or any part thereof;

(e) Payment to the Lessor of such amounts, if any, as shall be necessary to reimburse the Lessor in full for all advances and payments made by it prior to the delivery of any of the Bonds for any Project Development Costs;

(f) Payment for labor, services, materials and supplies used or furnished in the construction of the Plant, all as provided in the plans and specifications therefor (including changes therein approved as herein provided), payment of the cost of the acquisition of the Leased Equipment and the installation thereof in and at the Plant, and payment for the miscellaneous expenses incidental to any thereof, including the premium on each surety bond that may be deposited with the Trustee under any provision of the Indenture to such extent as such premium is not paid by the contractor for whom such surety bond is issued;

(g) Payment of the premiums on all insurance required in the Indenture to be taken out and maintained during the Construction Period, but only to such extent as such premiums shall not be paid by a contractor for the construction of any part of the Plant or installation of any part of the Leased Equipment;

(h) Payment of any other Project Development Costs; and

(i) If any balance thereafter remains in the Construction Fund, such balance shall constitute Surplus Construction Moneys and shall be applied by the Trustee for the following purposes in the following order: (A) for the purchase of Bonds from holders thereof in the open market at a purchase price not exceeding 105% of the face value of those purchased plus

accrued interest thereon to the date of payment therefor, the Surplus Construction Moneys used for that purpose to be applied only for payment of that part of the purchase price that is referable to the principal only of the Bonds so purchased and the said accrued interest thereon to be paid as may be directed by the Lessee with other moneys available therefor in either the Current Account or the Redemption Account, the Bonds so purchased to be cancelled and retired; and (B) to the extent, if any, that the balance of the Surplus Construction Moneys shall not be exhausted by such purchases of Bonds within sixty days after the Surplus Construction Moneys become available for that purpose, the Trustee shall transfer the balance into the Redemption Account and earmark such balance for use toward payment of the Redemption Price of Bonds on the earliest practicable Redemption Date thereafter, the Surplus Construction Moneys used for that purpose to be applied only for payment of that part of the Redemption Price that is referable to the principal only of the Bonds redeemed and any additional moneys required to effect such redemption to be paid as may be directed by the Lessee with any other moneys available therefor in either the Current Account or the Redemption Account.

Before any of the payments referred to in the foregoing subsections (a) to (h), inclusive, of this section shall be made, the following shall be presented to the Trustee:

(1) If the payment is to be made for any taxes, assessments or other charges pursuant to subsection (a) of this section, there shall be presented to the Trustee a bill, notice or other evidence of such taxes, assessments or other charges made by the person to whom the payment is to be made, approved in writing by the Project Supervisor and accompanied by a written order directed to the Trustee for payment of such items, which order shall be signed by the Lessor Representative and approved by the Lessee Representative;

(2) If the payment is to be made for any item referred to in subsections (c) or (d) of this section, there shall be presented to the Trustee a written order directed to the Trustee for payment of such items, which order shall be signed by the Lessor Representative and approved by the Lessee Representative; and

(3) If the payment is to be made for any items other than those referred to in subsections (a), (c) or (d) of this section, there shall be presented to the Trustee a written invoice, bill or estimate made by the person to whom the payment is to be made, approved in writing by the Project Supervisor, and accompanied by a written order directed to the Trustee for payment of such items, which order shall be signed by the Lessor Representative and approved by the Lessee Representative.

Before any of the payments referred to in the preceding subsections (e), (f) and (h) of this section may be made, the Project Supervisor shall also certify with respect to each such payment: (i) that none of the items and services for which the payment is proposed to be made has formed the basis for any payment theretofore made from the Construction Fund; (ii) that each item for which the payment is proposed to be made is necessary for use as a part of the Project; (iii) the location of each item for which the payment is proposed to be made if it is not located at the Plant; (iv) that the services for which the payment is proposed to be made have been furnished for and were necessary to the construction of the Plant or for the acquisition or installation therein or thereon of Leased Equipment; and (v) in the case of a payment pursuant to any contract providing for the retention by the Lessor of a percentage of the contract price, that the said payment represents the net amount remaining after deduction of any percentage that the Lessor is then entitled to retain under the said contract.

Section 4.4 Obligation of the Parties to Cooperate in Furnishing Documents to Trustee. The Lessee agrees to cooperate with the Lessor in furnishing to the Trustee the documents referred to in Sections 4.2 and 4.3 that are required to effect payments out of the Bond Proceeds Account and the Construction Fund. The Lessor agrees that until such time as the Plant has been completed and the Leased Equipment acquired and installed at the Plant and the costs thereof have been fully paid, upon submission to the Lessor of invoices, bills, estimates or notices approved as provided in the applicable provisions of Section 4.3, the Lessor will cause such orders to be given to the Trustee for payment of moneys available therefor in the Construction Fund for the purpose of paying each such item; provided, that the Lessor shall not be required to cause such orders to be made if moneys for that purpose are not available in the Construction Fund or if it is known to the Lessor or the Project Supervisor that the labor, services, materials or supplies, with respect to which such invoice, bill, estimate or notice is made, have not in fact been furnished or used in connection with the construction of the Plant, or the acquisition or installation of the Leased Equipment, or that such invoice, bill, estimate or notice is otherwise erroneous. It is recognized, however, that under the terms of the Indenture, in addition to such orders so approved, the Trustee may in its discretion and, when requested in writing so to do by the holders of not less than 25% of the Bonds then outstanding, shall require as a condition precedent to payment of any such order such additional evidence as the Trustee may deem appropriate respecting the payment of any moneys previously disbursed from the Construction Fund or as to the correctness of items so presented to it for payment. The obligation of the Lessor to cause the orders to be made to the Trustee, referred to in this section, for payment of any such items (a) is subject to the provisions of the Indenture referred to in the preceding sentence, and (b) shall not extend beyond the moneys in the Construction Fund available for such payment under the terms of the Indenture. If, prior to the Completion Date, all moneys in the Construction Fund available for that purpose under the terms of the Indenture should be exhausted, then the Lessor shall have no further liability to cause any other orders to be made or to cause any further payments to be made under the provisions of this section until other moneys are available in the Construction Fund for the said purpose.

Section 4.5 Establishment of Completion Date. Construction of the Plant and installation therein of the Leased Equipment shall be construed to have been completed when the Trustee shall have been furnished with (a) a certificate signed by the Project Supervisor stating that construction of the Plant has been completed in accordance with the plans and specifications therefor (with any changes therein that may have been designated and approved in accordance with the provisions of Section 4.1) and that all labor, services, materials and supplies used in such construction have been paid for, (b) a certificate signed by the Lessee Representative stating that (1) the Leased Equipment has been installed at the Plant to the satisfaction of the Lessee, (2) the Leased Equipment so installed is suitable and sufficient for the efficient operation of the Plant as provided in Section 4.1(c), and (3) all costs and expenses incurred in the acquisition and installation of the Leased Equipment have been paid; and (c) a certificate signed by the Lessor Representative stating that all Project Development Costs of which the Lessor Representative has any knowledge have been paid in full. The Lessor and the Lessee agree to cooperate one with the other in causing such certificate to be furnished to the Trustee.

Section 4.6 Lessee Required to Pay Construction, Acquisition and Installation Costs in Event Construction Fund Insufficient. In the event the moneys in the Construction Fund available for payment of the costs of constructing the Plant and acquiring and installing thereat the Leased Equipment should not be sufficient to pay the costs thereof in full, the Lessee agrees to complete such construction, acquisition and installation at its expense and (a) pay all that portion of the costs of such construction, acquisition and installation that may be in excess of the moneys available therefor in the Construction Fund, or (b) deposit with the Trustee in the Construction Fund moneys sufficient to complete such construction, which moneys shall be disbursed therefrom as provided in Section 4.3. The Lessor does not make any warranty, either express or implied, that the moneys which will be paid into the Construction Fund and which, under the provisions of This Agreement, will be available for payment of the costs of constructing the Plant and acquiring and installing the Leased Equipment will be sufficient to pay all the costs which will be incurred in that connection. The Lessee agrees that if after exhaustion of the moneys in the Construction Fund the Lessee should pay any portion of the said costs of construction or make the deposit in the Construction Fund as provided in this section, the Lessee shall not be entitled to any reimbursement therefor from the Lessor or from the Trustee or from the holders of any of the Bonds, nor shall it be entitled to any diminution of the Rent payable hereunder.

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Section 4.7 The Project Supervisor. Charles H. McCauley Associates, Incorporated, a firm of architects registered under the laws of Alabama, of Birmingham, Alabama, shall be the Project Supervisor for the purpose of taking all actions and making all certificates required to be taken and made by the Project Supervisor under the provisions of This Agreement. The Lessee acknowledges that

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the said Charles H. McCauley Associates, Incorporated, was selected for the said purpose by it or with its approval. In the event the Project Supervisor hereinabove designated (or any successor Project Supervisor appointed pursuant to the provisions of this section) should become unavailable or unable to take any action provided in This Agreement to be taken by the Project Supervisor another Independent Architect shall thereupon be appointed as Project Supervisor by a certificate signed by a Lessor Representative and a Lessee Representative and filed with the Trustee. If such a certificate is not filed with the Trustee within ten days following the date when any Project Supervisor then designated as such becomes unavailable or unable to take the actions or make the certificates required herein the Trustee may appoint a successor Project Supervisor. Any approval or certification made by any Project Supervisor appointed under the provisions of this section shall have the same effect as an approval or certification by the said Charles H. McCauley Associates, Incorporated.

Section 4.8 Lessor to Pursue Remedies Against Contractors and Subcontractors and Their Sureties. In the event of default by any contractor or subcontractor under any contract made by it for construction of the Plant or acquisition or installation of the Leased Equipment or any part of either thereof, upon written request made to it by the Lessee so to do, the Lessor will promptly proceed, either separately or in conjunction with others, to exhaust the remedies of the Lessor against the contractor or subcontractor so in default and against each surety for the performance of such contract; provided, that the Lessor need not so proceed unless (a) moneys shall be available in the Construction Fund for the payment, pursuant to the provisions of Section 4.3(d) of the prospective expenses of the Lessor as a result of so proceeding, or (b) the Lessor shall be furnished with reasonable indemnity against its prospective expenses as a result of so proceeding.

Section 4.9 Investment of Construction Fund Moneys. The Lessor will cause the Trustee to keep invested to the extent practicable, in United States Securities (and, if approved by the Lessee, in other Permitted Investments,) the moneys from time to time in the Construction Fund that the Project Supervisor shall certify will not be needed within thirty days from the date of such certification for the payment of Project Development Costs, such investments to be so made that the maturities thereof shall accord as nearly as may be practicable with the dates on which the Project Supervisor certifies funds will be needed for the payment of Project Development Costs. All such investments so made, together with the income therefrom, shall be a part of the Construction Fund, and may be sold or otherwise converted into cash by the Trustee from time to time when such action shall be necessary to enable the Trustee to make disbursements from the Construction Fund pursuant to the provisions of Section 4.3. In the event the proceeds

from any such investment (including the principal proceeds from each such investment and the income therefrom) should be less than the amount of Construction Fund moneys used to make such investment, then the Lessee agrees to pay into the Construction Fund an amount equal to the amount, if any, by which (i) the amount of money used from the Construction Fund to make such investment exceeds (ii) the proceeds from the said investment, including both principal proceeds and income on the said investment; provided, however, that the provisions of this sentence shall not apply to any investment in United States Securities that have a stated maturity or are by their terms redeemable by the Holder on a date prior to the date on which a schedule prepared by the Project Supervisor indicates that the funds so invested will be needed for payment of Project Development Costs.

Section 4.10 Identification of Leased Equipment; Maintenance at and Removal from the Plant. Upon completion of the installation of the Leased Equipment initially installed at the Plant, the Lessor and the Lessee will identify and acknowledge in writing the items of machinery and equipment initially installed at the Plant and paid for with moneys in the Construction Fund so as to identify the same whenever such identification may be necessary or desirable for the purpose of carrying out the provisions of This Agreement and the Indenture. In the event there should be any disagreement with respect to the items so to be identified, the disagreement shall be resolved by decision of the Project Supervisor. Following the said initial installation, if any item of Leased Equipment should, under the provisions of any of Sections 6.1, 6.3, 7.3 and 8.1, or any other provision of This Agreement, be replaced by another item or items of machinery or equipment, the Lessor and the Lessee will, prior to or upon the installation of such additional or substituted items, identify and acknowledge in writing the items so substituted. A copy of each writing making such identification shall promptly after the making thereof be filed for record in the Office of the Judge of Probate of Shelby County, Alabama, and upon the recording thereof shall be filed with the Trustee. All items of Leased Equipment shall be kept at the Plant unless removed therefrom following compliance with the applicable provisions of Section 6.3.

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ARTICLE V

DURATION OF LEASE TERM: RENTAL PROVISIONS

Section 5.1 Duration of Lease Term. This Agreement shall become effective upon its delivery and the leasehold estate herein created shall begin on the date of such delivery and subject to the provisions of This Agreement, shall continue until midnight of August 31, 1993. On the commencement date of the Lease Term, the Lessor will deliver to the Lessee sole and exclusive possession of the Project (or such portion or portions thereof as are then in existence), subject to the inspection and other rights reserved in Section 9.3, and the Lessee will accept possession thereof at such time; provided, that the Lessor will be permitted such possession of the Project as shall be necessary and convenient for it to complete the construction of the Plant and the installation therein of the Leased Equipment; and provided, further, that the Lessor will be permitted such possession of the Project as shall be necessary and convenient for the Lessor to make any repairs, restorations, additions or improvements required to be made by the Lessor pursuant to the provisions hereof or pursuant to the provisions of any Supplemental Lease Agreement.

Section 5.2 Rental Payments. Subject to the provisions of Section 10.6, the Lessee agrees to pay the following as Rent for the use of the Project and for the rights granted hereunder so long as the Bonds and the Coupons remain unpaid or until provision for the full payment thereof shall have been made as may be provided in the Indenture and regardless of whether the Plant shall have been completed and the Leased Equipment installed thereat:

(a) Basic Rent. The Lessee agrees to make the following payments as Basic Rent:

(1) On or before the twentieth (20th) day of each Month beginning with March, 1969, and continuing until and including August, 1969, the Lessee will pay a sum equal to one-sixth of the interest that will mature on the Bonds on September 1, 1969; and

(2) On or before the twentieth (20th) day of each Month beginning with September, 1969, and continuing until and including August, 1993, the Lessee will pay a sum equal to one-sixth of the interest payable with respect to the Bonds on the then next succeeding Interest Payment Date plus one-twelfth of the principal payable with respect to the Bonds on the then next ensuing September 1.

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(b) Supplemental Rent. The Lessee agrees to make the following payments as Supplemental Rent:

(1) On the last day of each successive August, commencing with August, 1969, an amount equal to the annual fee of the Trustee that will become due on the then next ensuing September 1 for the twelve months' period ending on the last day of August on which such payment is due to be made; and

(2) The costs of all Extraordinary Services and Extraordinary Expenses, as and when such Extraordinary Services are rendered and such Extraordinary Expenses are incurred and statements therefor are rendered by the Trustee; provided, that the Lessee may, without creating a default hereunder, contest in good faith the necessity for and reasonableness of the charges for any such Extraordinary Services and Extraordinary Expenses.

So long as any of the Bonds are outstanding, all Rent shall be paid directly to the Trustee, which shall in the Indenture be required to deposit in the Bond Fund, for the account of the Lessor, those payments of Basic Rent provided for in subsection (a) of this section and to pay to itself in its individual corporate capacity those payments of Supplemental Rent provided for in subsection (b) of this section. In the event the due date of any installment of Rent is a Sunday or legal holiday, such installment shall be due on the next preceding business day. Any rent due hereunder that is not paid within three (3) days after the due date thereof shall bear interest from its due date until paid at the rate of 8% per annum.

Section 5.3 Obligation of Lessee Unconditional.
The obligation of the Lessee to pay the Rent, to make all other payments provided for herein, and to perform and observe the other agreements on its part herein contained, shall be absolute and unconditional, irrespective of any rights of setoff, recoupment or counterclaim it might otherwise have against the Lessor, the Trustee, or the holder of any of the Bonds or the Coupons. The Lessee will not suspend or discontinue any such payments or fail to perform and observe any of its other agreements contained herein or terminate This Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute an eviction or constructive eviction, failure of consideration, commercial frustration of purpose, damage to or destruction of the Project or any part thereof, the taking by eminent domain of title to or the right to temporary use of all or any part of the Project, change in the tax or other laws of the United States of America or the State or any

political subdivision of either thereof, failure of the Lessor to complete construction of the Plant or to complete the acquisition of the Leased Equipment and the installation thereof at the Plant, or failure of the Lessor to perform and observe any agreement or any duty, liability or obligation on its part arising out of or connected with This Agreement, whether express or implied. Notwithstanding the foregoing, the Lessee may, at its own cost and expense and in its own name or in the name of the Lessor, prosecute or defend any action or proceeding or take any other action involving third persons which the Lessee deems reasonably necessary in order to secure or protect its rights of occupancy and use and its other rights hereunder. The provisions of the first and second sentences of this section shall apply only until the principal of and the interest on the Bonds have been paid, or until provision for the full payment thereof shall have been made as may be provided in the Indenture.

Section 5.4 Investment of Bond Fund Moneys. The Lessor will cause the Trustee to keep the moneys from time to time in the Bond Fund invested, to the extent practicable, as follows:

(a) The moneys in the Current Account to be so invested only in United States Securities having a stated maturity on such date or dates as will assure there being on deposit in the Current Account moneys sufficient to pay as they mature the installments of principal and interest that will mature on the Bonds on the then next succeeding date on which such principal and interest will mature following the date on which such investments are made;

(b) The moneys in the Redemption Account to be so invested in United States Securities (and, if approved by the Lessee, in other Permitted Investments); provided, that (1) at any time when any of the Bonds shall have been called for redemption, any moneys in the Redemption Account that are to be applied for such redemption may be so invested only in United States Securities having a stated maturity prior to the date fixed for such redemption; (2) moneys in the Redemption Account invested prior to March 1, 1978, may be so invested only if the investment has a stated maturity prior to March 1, 1978; (3) moneys in the Redemption Account invested on or after March 1, 1978, may be so invested only if the investment has a stated maturity prior to the then next ensuing Interest Payment Date; and (4) if moneys in the Redemption Account are invested (pursuant to approval by the Lessee as aforesaid) in Permitted Investments other than United States Securities and if the proceeds (including both principal proceeds and interest) from any such investment should be less than the amount of moneys used to make such investment, then the Lessee will (within ten days after receipt by the Lessee of notice

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of that fact from the Trustee) pay into the Redemption Account an amount equal to the amount by which the amount of money used to make such investment exceeds the said proceeds therefrom.

ARTICLE VI

MAINTENANCE, TAXES, REMOVALS AND RELEASES

Section 6.1 Maintenance, Alterations and Improvements. During the Lease Term, the Lessee will at its own expense (a) keep the Project in as reasonably safe condition as its operation permits, (b) keep the Plant and other improvements located on the Leased Land and the Leased Equipment in good repair and in good operating condition, and (c) make from time to time all repairs to and renewals of the Plant and the Leased Equipment that may be necessary to maintain the same as an efficient and fully equipped manufacturing plant building. The Lessee may, at its own expense, make any additions, alterations or improvements to the Project that it may deem desirable for its business purposes and that do not adversely affect the structural integrity of the Plant. All such additions, alterations or improvements shall become a part of the Project, subject to This Agreement and the Indenture. Any fixtures installed by the Lessee at the Plant without expense to the Lessor and not constituting a part of the Plant or any replacements thereof or repairs thereto may be removed by the Lessee at any time and from time to time while it is not in default under the terms of This Agreement; provided, that any damage to the Project occasioned by such removal shall be repaired by the Lessee at its own expense. The Lessee may, also at its own expense, connect or "tie-in" utility and other facilities located on the Leased Land to other

facilities erected at its expense on real property adjacent to the Leased Land or partly on such adjacent real property and partly on the Leased Land, but only if the Lessee furnishes the Lessor and the Trustee a certificate of an Independent Engineer that such connection and "tie-in" of facilities will not impair the operating unity or the productive capacity of the Plant or its character as a manufacturing plant. The Lessee will cause each such connection or "tie-in" to be so effected as to be subject to prompt disconnection at minimum expense.

The Lessee will not permit any mechanics' or other liens to stand against the Project for labor or materials furnished in connection with any additions, alterations, improvements, repairs, renewals or connections so made by it; provided, that if the Lessee shall first notify the Lessor and the Trustee of its intention so to do, the Lessee may at its own expense and in good faith contest any such mechanics' or other liens and in the event of such contest may permit any such liens to remain unsatisfied and undischarged during the period of such contest and any appeal therefrom; provided further, that if the Lessor or the Trustee shall notify the Lessee that, in the opinion of the one giving such notice, by nonpayment of any such items the lien of the indenture as to any part of the Project shall be materially endangered or the Project or any part thereof shall be subject to loss or forfeiture, then in that event the Lessee shall promptly pay and cause to be satisfied and discharged all such unpaid items.

Section 6.2 Taxes, Other Governmental Charges and Utility Charges. The Lessor and the Lessee acknowledge: (a) that under present law no part of the Project is subject to ad valorem taxation by the State or by any political or taxing subdivision thereof, and the income and profits (if any) of the Lessor from the Project are not subject to income taxation by either the United States of America or the State; and (b) that these factors, among others, have induced the Lessee to enter into This Agreement. If, however, any such conditions should cease to exist, the Lessee agrees that it will pay, as the same respectively become due, (1) all taxes and governmental charges of any kind whatsoever that may be lawfully assessed or levied against or with respect to the Project or any part thereof, that may be or become secured by a lien thereon or on any part thereof (including, without limiting the generality of the foregoing, all taxes levied upon or with respect to the income or profits of the Lessor from the Project which, if not paid, will become a lien on the Project prior to or on a parity with the lien of the Indenture or a charge on the revenues and receipts therefrom prior to or on a parity with the pledge and assignment thereof to be created and made in the Indenture); (2) all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project, and (3) all assessments and charges at any time lawfully made by any governmental body for public improve-

ments that may be secured by a lien on the Project or any part thereof; provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Lessee shall be obligated to pay only such installments as come due during the Lease Term. The foregoing provisions of this paragraph shall be effective only so long as any part of the principal of or interest on the Bonds remains outstanding and unpaid.

If the Lessee shall first notify the Lessor and the Trustee of its intention so to do, the Lessee may, in good faith and at its own expense and in its own name and behalf or in the name and behalf of the Lessor, contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Lessor or the Trustee shall be of the opinion that by such action the title of the Lessor to or the lien of the Indenture on any part of the Project shall be materially endangered or the Project or any part thereof shall become subject to loss or forfeiture, in which event such taxes, assessments or charges shall be paid prior to becoming delinquent. The Lessor will cooperate fully with the Lessee in any such contest.

Section 6.3 Removal of Leased Equipment. The Lessor and the Lessee recognize that after the Completion Date portions of the Leased Equipment may become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary in the operation of the Plant as an efficient manufacturing plant. The Lessor shall not be under any obligation to renew, repair or replace any such inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary Leased Equipment. In any instance where the Lessee in its sole discretion determines that any portions of the Leased Equipment have become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary in the operation of the Plant as an efficient manufacturing plant and while the Lessee is not in default hereunder, it may take either or both of the following actions:

(a) The Lessee may remove such items of Leased Equipment from the Project and (on behalf of the Lessor) may sell, trade in, exchange or otherwise dispose of them without any responsibility or accountability to the Lessor or the Trustee therefor; provided, that (i) if the fair market value of the Leased Equipment to be so removed exceeds \$5,000, the prior written consent of the Trustee must be obtained, (ii) the

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Lessee shall substitute and install in the Project (either by direct payment of the costs thereof or by advancing to the Lessor the funds necessary therefor, as hereinafter provided) other machinery and equipment having equal or greater utility (but not necessarily the same function) in the operation of the Plant as a modern manufacturing plant, (iii) the said substituted machinery or equipment shall be the property of the Lessor, shall be and become a part of the Leased Equipment subject to the demise hereof and shall be held by the Lessee, on the same terms and conditions as the items originally comprising the Leased Equipment, shall be subject to the lien of the Indenture, and shall be free of all liens and encumbrances prior to the lien of the Indenture (other than any Permitted Encumbrances), (iv) such removal and substitution do not impair the operating unity of the Plant, and (v) if the fair market value of the Leased Equipment removed, at the time of such removal, exceeds the fair market value of the said machinery and equipment installed in substitution therefor, the Lessee shall promptly pay into the Bond Fund (or, in the event the Bonds have been fully paid, to the Lessor) the amount of such excess; or

(b) The Lessee may remove such items of Leased Equipment from the Project and (on behalf of the Lessor) sell, trade-in, exchange or otherwise dispose of them without any responsibility or accountability to the Lessor or the Trustee therefor and without being required to substitute and install in the Project other machinery or equipment in substitution therefor; provided that (i) not less than ten (10) days' prior written notice of such removal is given to the Trustee by the Lessee and, if the fair market value of the Leased Equipment to be so removed exceeds \$5,000, the prior written consent of the Trustee is obtained, (ii) there is furnished to the Trustee a certificate of an Independent Engineer dated not more than sixty (60) days prior to the date of such removal stating the fair market value, in the opinion of the signer, of the Leased Equipment to be removed and stating that such equipment is not needed in the operation of the Plant and that its severance from the Project will not impair the operating unity of the Plant, and (iii) the Lessee pays into the Bond Fund an amount in cash

equal to the fair market value of such Leased Equipment, as specified in the said engineer's certificate; and provided, further, that if, at the time of any such removal, the Bonds have been fully paid, the said prior written notice shall be given to, and the said prior written consent shall be obtained from, the Lessor, the said certificate of an Independent Engineer shall be furnished to the Lessor, and the said cash payment shall be made to the Lessor.

In any case where the Lessee is herein required to purchase, install and substitute in the Project any item of machinery or equipment, it may, in lieu of purchasing and installing the said machinery and equipment itself, advance to the Lessor the funds necessary therefor, whereupon the Lessor will purchase and install such machinery or equipment in the Project.

The Lessee will promptly report all such removals and substitutions of Leased Equipment to the Trustee, will, upon request of the Trustee under the circumstances described in the preceding subsection (a) and without such a request under the circumstances described in the preceding subsection (b), furnish to the Trustee a written certificate of an Independent Engineer as to the fair market value of any Leased Equipment so removed or proposed so to be (on which certificate the Trustee may conclusively rely), and will execute and deliver to the Lessor and the Trustee such documents as the Trustee may from time to time require to confirm the title of the Lessor (subject to This Agreement) to any items of machinery and equipment that under the provisions of this section are to become a part of the Leased Equipment. The Lessee will pay any costs (including counsel fees) incurred in subjecting to the lien of the Indenture any items of machinery or equipment that under the provisions of this section are to become a part of the Leased Equipment. The Lessee will not remove, or permit the removal of, any of the Leased Equipment from the Leased Land except in accordance with the provisions of this section.

ARTICLE VII
PROVISIONS RESPECTING INSURANCE

Section 7.1 Insurance Required. The Lessee agrees to carry the following insurance with respect to the Project:

(a) During the Construction Period. Throughout the Construction Period the Lessee shall cause to be taken out and maintained in effect the following insurance:

(1) Builders' risk or other types of insurance, to the extent of the full replacement value of the Plant and the Leased Equipment, against loss of or damage to the Project by vandalism and fire, with uniform standard extended coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at the time in use in Alabama; and

(2) In time of war declared by or against the United States of America and in which it is a participant, such insurance to the extent of the full replacement value of the Plant and the Leased Equipment as may be available against loss of or damage to the Project by the risks and hazards of war.

() After the Completion Date. The Lessee shall take out and continuously maintain in effect, throughout the Lease Term after the Completion Date, the following classes and amounts of insurance, paying as the same become due all premiums with respect thereto:

(1) Insurance to the extent of the full replacement value of the Plant and the Leased Equipment, against loss or damage thereto by fire, with uniform standard extended coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at the time in use in Alabama; and

(2) In time of war declared by or against the United States of America and in which it is a participant, such insurance to the extent of the full replacement value of the Plant and the Leased Equipment as may be available against loss thereof or damage thereto by the risks and hazards of war.

(c) Both Before and After the Completion Date. Both throughout the Construction Period and after the Completion Date the Lessee shall cause to be taken out and maintained in effect the following insurance:

(1) Basic insurance against liability for injury to or death of persons or for damage to or loss of property arising out of or in any way related to the Project, in amounts not less than \$250,000 for the death of or personal injury to any one person, \$500,000 for the total of the personal injuries to or deaths of two or more persons resulting from any one accident, and \$100,000 for damage to or loss of property in any one accident, with such additional insurance of like kinds under an "umbrella policy" that will be sufficient, when added to the basic insurance of each type referred to in this paragraph, to afford total insurance coverage of each such type of not less than \$1,000,000;

(2) Insurance in amounts sufficient to cover all liability of the Lessee under the Workmen's Compensation Act of Alabama for deaths of or injuries to persons arising out of any act or omission during the preparation for or the construction, maintenance, replacement or operation of the Project or any part thereof; and

(3) Business interruption insurance in such amount as may at the time be customarily carried by companies of similar size and engaged in like business as the Lessee.

Unless the premiums on the insurance required in subsections (a) and (c) of this section to be carried during the Construction Period shall be paid by a contractor for any part of the Project, the said premiums shall be paid as they become due out of the moneys in the Construction Fund as provided in Section 4.3(g).

Section 7.2 Handling of Insurance Policies. All insurance required in Section 7.1 shall be taken out and maintained in generally recognized responsible insurance companies, qualified under the laws of the State to assume the respective risks undertaken thereunder and acceptable to the Trustee, and may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects to those conducted or proposed to be conducted at the Project; provided, that at the option of the Lessee the insurance required in Sections 7.1(a)(2) and 7.1(b)(2) may be written by the United States of America, or any state therein, or any agency or instrumentality of any thereof, and the insurance required in Section 7.1(c)(2) may be provided either through an insurance fund operated by the State or by a program of self insurance qualified under the laws of the State. All policies evidencing such insurance shall be deposited with the Trustee; provided, that in lieu of such policies there may be so deposited a certificate or certificates of the respective insurers attesting the fact that such insurance is in force and effect. Prior to the expiration of any such policy, the Lessee shall cause to be furnished to the Trustee evidence satisfactory to the Trustee that such policy has been renewed or replaced by another policy, or that there is no necessity therefor hereunder. The Lessee will furnish to the Trustee upon delivery of the Indenture and on March 1 of each year thereafter a certificate made by some person (who may be an employee of the Lessee), who has knowledge of the facts and is acceptable to the Trustee, reciting that the amounts and types of insurance evidenced by policies or certificates of insurance then on deposit with the Trustee comply with the requirements hereof.

All policies evidencing the insurance required in Sections 7.1(a) and 7.1(b) shall be carried in the names of the Trustee, the Lessor and the Lessee, as their respective interests may appear, and shall contain standard mortgagee clauses in favor of the Trustee providing that all payments made with respect to each claim for loss thereunder of not more than \$25,000 shall be paid to the Lessee, and all payments made with respect to each claim for loss thereunder in excess of \$25,000 shall be made to the Trustee (or to the Lessor if none of the Bonds are outstanding); provided, that all claims thereunder for losses in any amount may be adjusted by the Lessee with the insurers subject, in the case of any claim for loss in excess of \$25,000, to the approval of the Trustee while any of the Bonds are outstanding, and thereafter to the approval of the Lessor. So long as any of the Bonds remain outstanding the Trustee alone shall have the right to receive the proceeds of, and to collect and receipt for claims for losses in excess of \$25,000 under all policies of insurance required in Sections 7.1(a) and 7.1(b).

All policies evidencing the insurance required in Section 7.1(c)(1) shall be carried in the names of the Lessor, the Lessee and the Trustee, as their respective interests may appear. All policies evidencing the

insurance required in Sections 7.1(c)(2) and 7.1(c)(3) shall be carried in the name of the Lessee.

Section 7.3 Application of Proceeds from Insurance Required in Sections 7.1(a) and 7.1(b); Lessee's Obligation to Repair, Restore and Replace Property Damaged. The gross proceeds of the insurance required in Sections 7.1(a) and 7.1(b) shall be applied first for the payment of all expenses (including Counsel fees and the charges for any Extraordinary Services or Extraordinary Expenses) incurred in the collection of such gross proceeds. Subject to the provisions of Section 7.6, the Lessor will cause the Net Proceeds thereafter remaining to be applied as follows:

(a) The Net Proceeds of such insurance arising from any claim for a loss not in excess of \$25,000 shall be paid to the Lessee and shall be applied by the Lessee as promptly as may be feasible toward the repair, restoration, or replacement of the damaged or destroyed property with respect to which the insurance proceeds were paid, or for acquiring or constructing additions or improvements to or modifications or changes in the Project, at the option of the Lessee, who shall report to the Trustee respecting such application upon completion thereof.

(b) If any of the Bonds are outstanding at the time of the payment of the insurance proceeds, the Net Proceeds of such insurance arising from any claim for a loss in excess of \$25,000 shall be paid to the Trustee and shall be deposited in the Construction Fund and applied as promptly as may be feasible for the purpose of paying the costs of repairing, installing and replacing the property damaged or destroyed so that it will be in substantially the same condition or character as it existed immediately prior to the event that caused the damage or destruction, with such changes, alterations and modifications in the as may be requested by the Lessee and certified by an Independent Engineer as not impairing the operating unity or the productive capacity of the Plant or its character as a manufacturing plant. Withdrawals of the Net Proceeds so paid into the Construction Fund shall be effected in the same manner and upon compliance with the applicable requirements contained in Section 4.3 governing the disbursement of the moneys initially deposited in the Construction Fund. If the Net Proceeds of the insurance referable to such damage or destruction are in excess of the amount necessary to effect such repair, restoration or replacement, the said excess shall be paid into the Redemption Account until there shall be paid therein an amount sufficient to redeem or pay all Outstanding Bonds on the earliest practicable date or dates thereafter, and the balance, if any, shall be paid to the Lessee.

(c) If none of the Bonds is outstanding at the time of the payment of the insurance proceeds, the Net Proceeds of such insurance arising from any claim for a loss in excess of

\$25,000 shall be paid to the Lessor and shall be applied by the Lessor as promptly as may be feasible for payment of the costs of repairing, installing and replacing the property damaged or destroyed so that it will be in substantially the same condition or character as it existed immediately prior to the event that caused the damage or destruction, with such changes, alterations and modifications in the Plant as may be requested by the Lessee and certified by an Independent Engineer as not impairing the operating unity or the productive capacity of the Plant or its character as a manufacturing plant. If the Net Proceeds of the insurance referable to such damage or destruction are in excess of the amount necessary to effect such repair, restoration or replacement, the said excess shall be paid to the Lessee.

If at any time while any of the Bonds are outstanding the Net Proceeds of the insurance referable to any such damage or destruction are less than the amount necessary to effect the repair, restoration or replacement required in this section, the Lessee will promptly supply from its own funds such additional moneys as may be necessary to effect such repair, restoration or replacement. If, after being furnished with the necessary moneys (whether by the Lessee, from Net Proceeds of insurance, or from both sources), the Lessor after reasonable request so to do fails or refuses so to repair, restore or replace the property damaged or destroyed, the Lessee may, in the name of and on behalf of the Lessor, perform the work of such repair, restoration or replacement, and in that event the Lessor shall, promptly upon request by the Lessee so to do, reimburse the Lessee for the costs and expenses so expended by the Lessee, such reimbursement to be made from the Net Proceeds of insurance referable to the damage or destruction necessitating such repair, restoration or replacement to the extent such Net Proceeds are sufficient therefor.

Section 7.4 Application of the Proceeds from the Insurance Required in Section 7.1(c)(1). The gross proceeds of the insurance required in Section 7.1(c)(1) shall be applied first toward payment of the expenses (including Counsel fees and the charges for any Extraordinary Services and Extraordinary Expenses) incurred in the collection of such proceeds, and the Net Proceeds remaining shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

Section 7.5 Application of the Proceeds from the Insurance Required in Sections 7.1(c)(2) and 7.1(c)(3). The gross proceeds from the insurance required in Section 7.1(c)(2) and Section 7.1(c)(3) shall be paid to the Lessee.

Section 7.6 Conditions Under Which Repair, Restoration or Replacement of the Plant Not Required. If the Plant is damaged or destroyed by fire or other casualty to such extent that the Lessee is entitled to exercise the option to terminate This Agreement granted to it in Section 12.3(a), and if the Lessee elects to exercise the said option, the Lessee need not cause the Plant to be repaired, restored or replaced, and upon the termination of This Agreement pursuant to the exercise of such option the Net Proceeds of the insurance shall be applied as is provided in Section 12.3.

ARTICLE VIII

PROVISIONS RESPECTING THE EXERCISE OF THE POWER OF EMINENT DOMAIN

Section 8.1 Continuance of This Agreement in the Event of Condemnation; Lessee's Obligation to Restore. If the Project, or any part thereof, shall be taken under the exercise of the power of eminent domain by any governmental body, or by any person, firm or corporation acting under governmental authority, the Lessee shall, subject to the provisions of Section 8.2, be obligated to continue to pay the Rent without diminution and to observe and perform all the other agreements on its part herein contained. The gross proceeds received from any award made in such eminent domain proceedings shall be paid to the Trustee if any of the Bonds are then outstanding; otherwise they shall be paid to the Lessor. Such gross proceeds shall be first applied for the payment of all expenses (including Counsel fees and any charges for Extraordinary Services and Extraordinary Expenses) incurred in the collection of such gross proceeds. Subject to the provisions of Section 8.2, if any of the Bonds are outstanding at the time of the payment of such award, the Lessor will cause the Net Proceeds then remaining to be applied in one or both of the following ways as shall be directed by the Lessee:

(a) The said Net Proceeds shall be deposited in the Construction Fund and applied as promptly as may be feasible for the purpose of paying the costs of restoring and reconstituting the Project to substantially the same condition and character in which it existed immediately prior to the making of such award, so far as such action may be feasible, with such changes, alterations and modifications in the Project as may be requested by the Lessee and certified by an Independent Engineer as not impairing the operating unity or the productive capacity of the Plant or its character as a manufacturing plant, including in that connection payment for and the acquisition in the name of the Lessor of title to other property and improvements suitable for the Lessee's operations, which other property and improvements shall be deemed a part of the Project available for use and occupancy by the Lessee, without payment of any Rent other than that herein provided for, to the same extent as if such other property and improvements were specifically described herein and demised hereby; provided, that such other property and improvements shall be acquired by the Lessor subject to no liens or encumbrances other than Permitted Encumbrances; and provided further, that such other property and improvements shall by Supplemental Indenture be conveyed to the Trustee on the terms and conditions contained in the Indenture. If the Net Proceeds of the condemnation award so paid to the Trustee are in excess of the amount necessary to effect such restoration or reconstitution, the said excess shall be paid into the Redemption Account until there shall have been paid therein an amount sufficient to effect redemption and payment on the earliest practicable date or dates

thereafter of all of the Bonds then outstanding, and the balance if any then remaining shall be paid to the Lessee.

(b) The said Net Proceeds shall be applied to the redemption of Bonds in their inverse numerical order on the earliest practicable Redemption Date at the applicable Redemption Price; provided that if less than all of the Bonds at the time outstanding are to be redeemed pursuant to the provisions of this paragraph, an Independent Engineer shall have certified (1) that the property taken by the power of eminent domain is not essential to the Lessee's operations then being conducted at the Project or, if no operations are then being conducted thereat, that the said property is not essential to the operations for which the Project was designed or last modified, or (2) that the Project has been restored to substantially the same condition or character in which it existed immediately prior to the making of such award, or (3) that other improvements to the Project have been acquired which are suitable for the Lessee's operations then being conducted at the Project or, if no operations are then being conducted at the Project, that the said improvements are suitable for the operations for which the Project was designed or last modified.

If none of the Bonds is outstanding at the time of the payment of the condemnation award, the Net Proceeds from such award shall be paid to the Lessor and applied by it as promptly as may be feasible for the purpose of paying the costs of restoring and reconstituting the Project to substantially the same condition or character in which it existed immediately prior to the making of such award, so far as such action may be feasible, with such changes, alterations and modifications in the Project as may be requested by the Lessee and certified by an Independent Engineer as not impairing the operating unity or the productive capacity of the Plant or its character as a manufacturing plant, including in that connection the payment for and acquisition in the name of the Lessor of title to other property and improvements suitable for the Lessee's operations, which other property and improvements shall be deemed a part of the Project available for use and occupancy by the Lessee, without payment of any Rent other than that herein provided for, to the same extent as if such other property and improvements were specifically described herein and demised hereby; provided, that such other property and improvements shall be acquired by the Lessor subject to no liens or encumbrances other than Permitted Encumbrances. If, after being furnished with the necessary moneys (whether by the Lessee, from Net Proceeds of the condemnation award, or from both sources), the Lessor after reasonable request so to do fails or refuses so to restore and reconstitute the Project, the Lessee may, in the name of and on behalf of the Lessor, perform the work of such restoration and reconstitution and in that event the Lessor shall promptly upon request by the Lessee so to do, reimburse the Lessee for the costs

and expenses so expended by the Lessee, such reimbursement to be made from the Net Proceeds of the condemnation award to the extent that such Net Proceeds are sufficient therefor.

The Lessor shall cooperate fully with the Lessee in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Project or any part thereof and will, to the extent it may lawfully do so, permit the Lessee to litigate in any such proceedings in the name and behalf of the Lessor. In no event will the Lessor voluntarily settle, or consent to the settlement of, any prospective or pending condemnation proceeding with respect to the Project or any part thereof without the consent of the Lessee.

Section 8.2 Conditions Under Which Restoration or Reconstruction of Project Not Required. If all or any part of the Project should be taken in the exercise of the power of eminent domain to such extent that the Lessee is entitled to exercise the option to terminate This Agreement granted to it in Section 12.3(b), and if the Lessee elects to exercise the said option, the Lessee may elect not to restore or reconstitute the Project and upon the closing of the purchase of the Project pursuant to the exercise of such option the Net Proceeds of the insurance shall be applied, and title to the Project shall be conveyed, as is provided in Section 12.3.

Section 8.3 Condemnation of Right to Use the Project for Limited Period. If the use, for a limited period, of all or part of the Project is taken by eminent domain proceedings, This Agreement shall continue in full force and effect, unless the Lessee elects to exercise the option granted in Section 12.3(b) to terminate This Agreement. If the period of such taking expires on or before the expiration of the Lease Term, the Lessee shall be entitled to receive the entire condemnation award made therefor, whether by way of damages, rent or otherwise, and as soon as may be feasible after regaining possession of the Project restore it as nearly as may be practicable to the condition in which it existed immediately prior to such taking, with such changes, alterations and modifications as will not impair the operating unity or the productive capacity of the Plant or its character as a manufacturing plant. If the period of such taking expires after the expiration of the Lease Term, the Lessee shall be entitled to receive that portion of the award allocable to the period from the date of such taking up to the date of expiration of the Lease Term; and the Lessor shall be entitled to the residue thereof.

Section 8.4 Condemnation of Lessee-Owned Property. The Lessee shall be entitled to any condemnation award or portion thereof made for damages to or takings of its own property, as well as all other sums awarded as compensation for the interest of the Lessee in the part of the Project taken and as damages to the interest of the Lessee in any part thereof not taken, but there shall be paid directly by the Lessee all Counsel fees and other expenses incurred in connection with the receipt of such award or sum or portion thereof.

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ARTICLE IX

SPECIAL COVENANTS OF THE LESSEE

Section 9.1 General Covenants. The Lessee will not do or permit anything to be done on or about the Project that will affect adversely, impair or contravene any policies of insurance that may be carried on the Project or any part thereof against loss or damage by fire, casualty or otherwise. The Lessee will, in the use of the Project and the public ways abutting the same, comply with all lawful requirements of all governmental bodies.

Section 9.2 No Warranty of Condition of Suitability by the Board. The Lessee acknowledges that it has made a thorough inspection of the Leased Land, that the improvements to be constructed thereon are to be constructed according to plans and specifications prepared pursuant to its directions and approved by it, and that the Project will be suitable for the conduct of the operations proposed to be conducted thereat by the Lessee. In consequence thereof the Lessor makes no warranty, either express or implied, as to the condition of the Project or that it will be suitable for the Lessee's purposes or needs. The Lessee releases the Lessor from, agrees that the Lessor shall not be liable for, and agrees to hold the Lessor harmless against, any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project or the use thereof; provided, that the indemnity in this sentence shall be effective only to the extent of any loss that may be sustained by the Lessor in excess of the Net Proceeds received from any insurance carried with respect to the loss sustained.

Section 9.3 Inspection of the Project. The Lessor, the Trustee, and their or either of their duly authorized agents shall have the right at all reasonable times to enter upon the Leased Land and to examine and inspect the Project, specifically including (without limiting the generality of the foregoing) the right to show the Project to prospective tenants and purchasers in the event the Lessee shall be in default hereunder, and in any event within a reasonable period prior to the expiration of the Lease Term. The Lessor and its duly authorized agents shall have such rights of access to and possession of the Project as may be reasonably necessary to cause to be completed the construction of the Plant, and thereafter for the proper maintenance of the Project in the event of failure by the Lessee to perform its obligations under Section 6.1.

Section 9.4 Lessee to Maintain its Corporate Existence; Conditions Under Which Exceptions Permitted. The Lessee agrees that during the Lease Term it will maintain its corporate existence, will remain duly qualified to transact business in Alabama, will not dissolve or

otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into the Lessee; provided, that the Lessee may, without violating the agreement contained in this section, do or perform any of the following:

(a) It may consolidate with or merge into another corporation, or permit one or more other corporations to consolidate with or merge into it, if (1) the corporation surviving such merger or resulting from such consolidation (if it shall be one other than the Lessee) expressly assumes in writing all the obligations of the Lessee contained in This Agreement, and (2) there shall be filed with the Lessor, the Original Purchaser, and the Trustee a letter or certificate by a firm of Certified Public Accountants (which is of the size and type commonly referred to as nationally known Certified Public Accountants and which is acceptable to the Trustee), stating in substance that in the opinion of such firm upon consummation of such consolidation or merger the corporation resulting from or surviving such consolidation or merger will be not less able to perform all the obligations of the Lessee contained in This Agreement than the Lessee would have been if such consolidation or merger were not made.

(b) It may transfer to another corporation all or substantially all of its assets as an entirety and thereafter dissolve if (1) the corporation to which such transfer shall be made expressly assumes in writing all the obligations of the Lessee contained in This Agreement, and (2) there shall be filed with the Lessor, the Original Purchaser and the Trustee a letter or certificate by a firm of Certified Public Accountants (which is of the size and type commonly referred to as nationally known Certified Public Accountants and which is acceptable to the Trustee) stating in substance that in the opinion of such firm upon consummation of such transfer the corporation to which such transfer is proposed to be made will be not less able to perform all the obligations of the Lessee contained in This Agreement than the Lessee would have been if such transfer were not made.

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Section 9.5 Qualification in Alabama. The Lessee warrants and represents that it is now duly qualified to do business in Alabama and will continuously remain so qualified during the Lease Term; provided, that if, in accordance with the permissive provisions of Section 9.4, the Lessee should merge into or with a corporation not organized and existing under the laws of Alabama, or should consolidate with one or more corporations under circumstances wherein the consolidated corporation is not a corporation organized and existing under the laws of Alabama, or should transfer all or substantially all of its assets to a corporation not organized and existing under the laws of Alabama, it will cause the corporation into or with which it may so merge, the corporation resulting from such consolidation, or the corporation to which all or substantially all its assets were transferred, as the case may be, to qualify to do business in Alabama as a foreign corporation and to remain so qualified continuously during the remainder of the Lease Term.

Section 9.6 Installation of Lessee's Own Machinery and Equipment; Landlord's Lien Thereon. The Lessee may from time to time, in its sole discretion and at its own expense, install or cause to be installed in the Plant and on the Leased Land machinery and equipment of such type as it may deem desirable. The machinery and equipment so installed shall remain the sole property of the Lessee or the other owner installing it, the title thereto shall not vest in the Lessor as a result of such installation, and the said machinery and equipment shall remain personal property and shall not be or become a part of the property demised hereunder even though affixed to the Leased Land or the Plant in such wise that they would become a fixture except for the provisions of this section. None of the said machinery or equipment shall be subject to the lien of the Indenture, but all thereof shall be subject to the Landlord's lien created in Article 2 of Chapter 2 of Title 31 of the Code of Alabama of 1940; provided, that while the Lessee is not in default under This Agreement it may at any time and from time to time, in its sole discretion and without accountability therefor, remove from the Plant all or any part of the machinery and equipment so installed. Nothing contained in the preceding provisions of this section shall prevent the Lessee from purchasing, after delivery of the Indenture, machinery and equipment on conditional sale contract or lease sale contract, or subject to vendor's lien or purchase money mortgage, as security for the unpaid portion of the purchase price thereof, and each such conditional sale contract, lease sale contract, vendor's lien and purchase money mortgage made by the Lessee with respect to machinery and equipment purchased by it under the provisions of this section after the delivery of the Indenture shall, if filed for record in the office of the Judge of Probate of Shelby County, Alabama, and in the office of the Secretary of State of Alabama, simultaneously with or prior to the installation in the Plant of the machinery and equipment covered thereby, be prior and superior to the said landlord's lien. The Lessee agrees to pay as due the purchase price of and all costs and expenses incurred in the acquisition and installation of any machinery and equipment installed in the Plant or on the Leased Land by it or pursuant to its authorization, and also to pay all expenses of removing any thereof that may be removed. All machinery and equipment removed from the Plant and the Leased Land pursuant to the provisions of this section shall be removed in a manner that will not adversely affect the structural integrity of the Plant or cause any material damage thereto or to the Leased Land, but in the event any such removal should result in adversely affecting the structural integrity of the Plant or should cause material damage thereto or to the Leased Land, the Lessee agrees that it will promptly thereafter take all actions that may be necessary to restore the structural integrity of the Plant or to repair such damage, as the case may be.

Section 9.7 Financial Restrictions Applicable to the Lessee; Financial Records and Reports by the Lessee. The parties hereto agree that the provisions of this section shall continue to be effective only until the Bonds and Coupons shall have been fully paid or provision for the full retirement thereof shall have been made in the manner provided in Section 16.1 of the Indenture.

(a) Definitions Applicable to This Section Only. The following words and phrases, where used in this section, shall be given the following respective interpretations in this section only:

(1) "Capital Assets" means any assets of the Lessee other than Current Assets.

(2) "Capitalized Rents" means the aggregate of that part of the Net Rents payable by the Lessee that is related to or can be measured by the principal only (exclusive of interest) included in the obligations that are payable out of or secured by a pledge of or lien on the property for the use of which such Net Rents are payable, and which are required to be paid by the Lessee under all lease agreements to which it may be a party covering periods of more than five years from the respective dates of such lease agreements. In the event no part of any such Net Rents is related to or can be measured by the principal only of the obligations with respect to which the Net Rents are payable, then the principal thereof shall be construed to be that part of the said Net Rents remaining after deducting the total interest included in the said obligations computed at the rate provided for in the contract creating such obligations, and in the event the rate of such interest is not specified in such contract then the said interest shall be computed at an assumed rate of 6-1/2% per annum, payable semiannually.

(3) "Corporate Stockholder" means any corporation that is the owner either beneficially or of record, directly or indirectly, of any of the corporate stock of the Lessee or any Subsidiary.

(4) "Current Assets" means cash and all other assets which are available to be converted into cash or consumed in the ordinary course of business within twelve months from a balance sheet date, including the cash surrender value of any life insurance policies

(5) "Current Liabilities" means obligations that are payable on demand or that will fall due within twelve months from a balance sheet date.

(6) "Excess Compensation Payments" means the excess over \$120,000 of the sum of (A) the aggregate amount of all salaries, bonuses and other compensation paid by the Lessee and all Subsidiaries during any Fiscal Year to all Stockholding Employees, plus (B) the aggregate amount of all management fees or other compensation paid by the Lessee and all Subsidiaries during any Fiscal Year to any Corporate Stockholder of the Lessee or to any stockholder, director, officer, agent or employee of any Corporate Stockholder.

(7) "Fiscal Year" means the annual accounting period of the Lessee as it may from time to time be established.

(8) "Funded Debt" means all indebtedness and evidences of indebtedness (including Capitalized Rent) incurred, issued, assumed or guaranteed by the Lessee, or for the payment of which the Lessee is otherwise liable, directly or indirectly, maturing or becoming due more than one year after the date as of which the determination is being made.

(9) "Intangible Assets" means organization expenses, good will, unamortized discounts, expenses resulting from the issuance of securities, and any other assets which are not Tangible Assets.

(10) "Net Earnings" shall mean gross revenues of the Lessee less all operating and non-operating expenses of the Lessee including taxes on income (exclusive of taxes on any gain excluded under the provisions hereof), but not including as gross revenues any gains resulting from the sale, conversion or other disposition of Capital Assets or the write-up of any assets; all matters referred to in this paragraph (10) to be determined in accordance with generally accepted accounting principles; provided, in making any determination of the said revenues and expenses, Excess Compensation Payments and payments of interest on Subordinated Debt shall not be included as expenses.

(11) "Net Earnings Available for Restricted Payments" shall mean an amount equal to (A) 40% of Net Earnings for the period (taken as one accounting period) commencing July 1, 1968, and terminating at the end of the then next preceding fiscal accounting period (whether a quarterly period or a Fiscal Year) preceding the date of any proposed Restricted Payment, less (B) the sum of (i) the aggregate amount of all dividends and other distributions paid or declared by the Lessee on any class of its stock after June 30, 1968 and (ii) the

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amount, if any, by which the aggregate amount expended by the Lessee, directly or indirectly, after June 30, 1968, for the redemption, purchase or other acquisition of any shares of stock of the Lessee exceeds the aggregate amount received by the Lessee after June 30, 1968, as the proceeds of the simultaneous sale of any shares of stock, and (iii) the aggregate amount of Excess Compensation Payments made after June 30, 1968, and (iv) the aggregate amount paid on account of principal of, and premiums (if any) and interest on, Subordinated Debt; provided, that in any computation of Net Earnings Available for Restricted Payments, there shall not be included under any of the subdivisions of clause (B) of this paragraph (11) any of the following: (I) Dividends payable in stock of the Lessee; (II) Exchanges of stock of the Lessee of one or more classes except to the extent that cash (other than stock) is involved in such exchange; or (III) payments on account of principal of, or premiums (if any) and interest on, Subordinated Debt out of the proceeds received from the simultaneous issuance or creation by the Lessee of Subordinated Debt.

(12) "Net Rents" means the monetary payments required to be made by the Lessee under a lease agreement (including This Agreement) as compensation for the use of the property covered thereby and which are comparable to the Basic Rent provided for in This Agreement and does not include trustee's fees, taxes, assessments, insurance, and other items such as are included in the term Supplemental Rent as that term is defined in This Agreement.

(13) "Net Working Capital" means the Excess of Current Assets over Current Liabilities.

(14) "Net Worth" means Tangible Assets less Total Liabilities.

(15) "Prepaid Expenses" means those items of expense which are paid in advance of receipt of the items or services for which the payment is made, but does not include Intangible Assets.

(16) "Restricted Payments" means (A) dividends on any class of stock of the Lessee (except dividends payable in stock of the Lessee) or any other distribution on account of any class of its stock, whether any such dividend or distribution shall be made in cash or property (and if

in property the amount thereof to be computed at the fair market value of such property); (B) any redemption, purchase or other acquisition by the Lessee, directly or indirectly, of any shares of its stock; (C) Excess Compensation Payments; and (D) payments of principal of, premium with respect to, or interest on Subordinated Debt; and shall not be deemed to include (i) dividends payable in stock of the Lessee; (ii) exchanges of stock of the Lessee of one or more classes except to the extent that cash (other than stock) is involved in such exchange; or (iii) payments on account of principal of, or premiums (if any) and interest on, Subordinated Debt out of the proceeds received from the simultaneous issuance or creation by the Lessee of Subordinated Debt.

(17) "Stockholding Employees" means

or any Subsidiary (A) who owns beneficially or of record, directly or indirectly, at any time during any Fiscal Year with respect to which a computation is being made, either individually or together with persons to whom such director, officer, employee or agent, as the case may be, is related by blood, adoption or marriage, stock of the Lessee (of any class or classes having ordinary voting power for the election of directors) aggregating 5% or more of such voting power; or (B) who is related by blood, adoption or marriage to any person described in, or coming within the provisions of, clause (A) of this paragraph (17).

(18) "Subordinated Debt" means funded debt created by the Lessee, aggregating not in excess of \$200,000 in principal amount, represented by the 7% Registered Subordinate Debentures which are subordinated to other debts, and such other similar funded debt created by the Lessee and specifically subordinated to its other debts as may be issued from time to time.

(19) "Subsidiary" means any corporation a majority of the capital stock of which is owned by either (i) the Lessee, or (ii) an Affiliated Company.

(20) "Tangible Assets" means cash, notes and accounts receivable, inventories of raw materials and supplies, work-in-process, finished goods, fixed assets (depreciated where depreciable) including land and improvements thereto, buildings (whether real or personal property), fixtures, machinery, equipment, leasehold improvements, assets held under leases the rents for which have been capitalized as Capitalized Rent, Prepaid Expenses, utility deposits, share

collateral deposits with savings and loan associations, investments, the cash surrender value of life insurance policies owned by the Lessee and of which the Lessee is the beneficiary, and all other assets not classified as intangible in accordance with generally accepted accounting principles.

(21) "Total Capitalization" means Tangible Assets less Current Liabilities.

(22) "Total Liabilities" means all financial obligations of the Lessee, including Capitalized Rent and deferred income taxes.

(b) Agreements by Lessee Respecting Financial Matters. So long as the Bonds and Coupons shall not have been fully paid, or until provisions for the full retirement thereof shall have been made in the manner provided in Section 16.1 of the Indenture, the Lessee agrees that:

(1) It will maintain a Net Worth of not less than \$3,000,000.

(2) It will maintain a Net Working Capital of not less than \$3,000,000.

(3) It will at the end of each Fiscal Year have Current Assets in an amount at least equal to 175% of Current Liabilities.

(4) It will not pay or make any Restricted Payments except out of Net Earnings Available for Restricted Payments.

(5) It will not permit its Total Capitalization to be less than 175% of its Funded Debt.

(c) Maintenance of Records and Furnishing of Copies of Quarterly Statements, Annual Audits, and Other Financial Data. The Lessee will maintain proper books of record and account in which it will make full and correct entries of its business activities in accordance with generally accepted accounting principles. So long as any of the principal of or interest on the Bonds shall remain outstanding (or unless and until provision for payment thereof shall have been fully made in accordance with the provisions of the Indenture), the Lessee covenants and agrees that it will furnish to each of the Lessor, the Trustee, and the Original Purchaser each of the following:

(1) Not later than forty-five (45) days after the end of each quarterly period (other than the last quarterly period in each Fiscal Year of the Lessee) (i) a profit and loss statement and reconciliation of surplus statement of the Lessee for the said quarterly period and a comparative balance sheet of the Lessee as of the end of the said quarterly period showing in comparative form figures for the corresponding

period in the then next preceding Fiscal Year, all in reasonable detail, (ii) statements similar to those required by clause (1) of this paragraph (1) with respect to each corporation that is a Subsidiary at any time during the said quarterly period and (iii) to such extent as the same shall not be fully reflected by the statements referred to in the foregoing clauses (1) and (ii) of this paragraph (1), a statement of all receivables due from any Subsidiary to the Lessee or to any other Subsidiary; each item furnished by the Lessee pursuant to the provisions of this paragraph (1) to be certified by an authorized financial officer of the Lessee;

(2) As soon as practicable and in any event within ninety (90) days after the end of each Fiscal Year, a profit and loss statement and reconciliation of surplus statement of the Lessee for such Fiscal Year, and a balance sheet of the Lessee as of the end of such Fiscal Year, setting forth in each case in comparative form corresponding figures from the preceding annual audit of the Lessee, all in reasonable detail and certified by a Certified Public Accountant of recognized standing selected by the Lessee and acceptable to the Trustee, whose certificate shall be in form, scope and substance satisfactory to the Trustee;

(3) Promptly upon receipt thereof, copies of any detailed reports submitted to the Lessee by accountants in connection with each annual or interim audit made by such accountants of the books of the Lessee and its Subsidiaries;

(4) Copies of all financial statements, reports and returns that the Lessee shall send to its stockholders and of all regular or periodic reports which it is or may be required to file with the Securities and Exchange Commission or any governmental department, bureau, commission or agency succeeding to the functions of the Securities and Exchange Commission; and

(5) Such other financial data as may reasonably be requested by the Lessor, the Trustee, or the said Original Purchaser.

Each quarterly and annual statement and report furnished by the Lessee pursuant to the provisions of the foregoing paragraphs (1) and (2) of this subsection (c) shall be accompanied by a certificate signed by the president or a vice president of the Lessee and by its treasurer setting forth the following (to such extent, if any, as the following may not be specifically set forth in the said quarterly and annual statements and reports):

(A) The total amount of interest paid on Funded Debt and current debt of the Lessee and its then Subsidiaries during the period covered by each such financial statement;

(B) The aggregate amount of Excess Compensation Payments made after July 1, 1968;

(C) The aggregate amount paid during the same period on account of the principal of, premiums (if any), and interest on Subordinated Debt;

(D) The amount of depreciation on physical properties charged on the books of the Lessee and its then Subsidiaries during such fiscal period;

(E) The aggregate unpaid balance of all installment receivables of the Lessee (and of its Subsidiaries during the said fiscal period) as to which any payment, according to the terms of the original contract applicable to such installment receivables, is ninety (90) days or more past due; and

(F) Either (i) a statement that there then exists no event of default under This Agreement and no default with respect to any loans, notes, debentures, bonds, leases or other obligations of the Lessee then outstanding, or (ii) a statement reciting that such an event of default or other default then exists and specifying the nature thereof, the period of the existence thereof, and what actions the Lessee has taken and proposes to take with respect thereto.

The Lessee covenants, further, that forthwith upon the obtaining by any officer of the Lessee of knowledge of any event of default under This Agreement or any default under any other obligation of the Lessee, the Lessee will file with the Lessor and the Trustee a certificate signed by the president or a vice president of the Lessee and by its treasurer specifying the nature of such default, the period during which the same has existed, and what actions the Lessee has taken and proposes to take with respect thereto.

The Lessee hereby authorizes and consents to the delivery by the Lessor, the Trustee and the Original Purchaser, or any of them, to any regulatory body having jurisdiction over any of them, of a copy of any financial statement furnished by the Lessee pursuant to this subsection (c).

Section 9.8 Special Agreements of Lessee in Event of Specified Change in Its Management. In the event that Elton B. Stephens, who is now president of the lessee, should at any time cease to be engaged in the active management of the Lessee as one of its principal executive officers, the Lessee agrees as follows:

(a) Not later than twenty (20) days after the said Elton B. Stephens ceases to be so engaged in the active management of the Lessee, the Lessee will give written notice of his ceasing to be so engaged to each of the Lessor, the Trustee, and the Original Purchaser;

(b) If, within ninety (90) days after the forwarding by the Lessee of the written notice provided for in the foregoing clause (a) of this section, either the Lessor or the Trustee should make written demand on the Lessee for such payment, the Lessee will, within ninety (90) days after the forwarding to it of such written demand, make payment to the Trustee, for deposit in the Redemption Account, of an amount sufficient to redeem 33-1/3% in principal amount of the Bonds then outstanding, the said payment (1) to be equal in amount to the Redemption Price of that one-third (1/3) portion in principal amount of the then outstanding Bonds that bear the highest numbers, and (2) to consist of either or both of the following: (i) cash and (ii) United States Securities which, together with the interest to be paid thereon by the terms thereof, will produce cash sufficient (if paid by the United States of America in accordance with their terms), when added to any cash constituting a part of the said payment, equal to the Redemption Price of the said one-third (1/3) portion in principal amount of the Bonds on the earliest Interest Payment Date thereafter on which it shall be practicable to effect redemption in accordance with their terms of the said one-third (1/3) portion in principal amount of the Bonds.

The Lessor agrees to take or cause to be taken the steps necessary and appropriate to effect redemption of the said one-third (1/3) portion of the Bonds then outstanding on the aforesaid earliest Interest Payment Date on which such redemption can practicably be effected. Any notice given or demand made pursuant to this section shall be given in the manner provided in Section 14.6 hereof for the giving of notice.

ARTICLE X

CERTAIN PROVISIONS RELATING TO ASSIGNMENT OF THIS AGREEMENT, SUBLEASING, MORTGAGING, SELLING AND MANDATORY REDEMPTION

Section 10.1 Provisions Relating to Assignment and Subleasing. This Agreement may be assigned, and all or any part of the Project may be subleased, by the Lessee without the necessity of obtaining the consent of either the Lessor or the Trustee, subject, however, to the following conditions:

(a) Any assignment shall not in any way relieve the Lessee from primary liability for any of its obligations hereunder, and in the event of any such assignment, the Lessee shall continue to remain primarily liable for payment of the Rents and for performance and observance of the other agreements on its part herein provided to be performed and observed by it;

(b) The assignee of This Agreement shall assume the obligations of the Lessee hereunder; and

(c) The Lessee shall, within thirty days after the delivery of any such assignment, furnish or cause to be furnished to the Lessor and to the Trustee a true and complete copy of each such assignment and sublease, as the case may be, and of each such assumption. Any sublease and any assignment made other than as herein provided shall be void at the election of the Lessor.

Section 10.2 Mortgaging of Project by Lessor; Reference to Lessor to Include Trustee. The Lessor shall mortgage the Project under the Indenture, and shall assign to and pledge with the Trustee the Lessor's interest in This Agreement and all moneys payable to it hereunder, as security for payment of the principal of and the interest on the Bonds, but each such mortgage, assignment and pledge shall be made subject to This Agreement. The Lessor may in the Indenture obligate itself to follow the instructions of the Trustee or the holders of the Bonds or a certain percentage thereof in the election or pursuit of any remedies herein vested in it. In the event the Lessor's interest in This Agreement is so assigned and pledged with the Trustee, the Trustee shall have all rights and remedies herein accorded the Lessor, and all references herein to the Lessor shall be deemed, with the necessary changes in detail, to include the Trustee, and the Trustee and the holders of the Bonds shall be deemed to be third party beneficiaries of the agreements of the Lessee herein contained. Subsequent to the issuance of the Bonds and prior to their payment in full, the Lessor and the Lessee shall have no power to modify, alter, amend or terminate This Agreement without the prior written consent of the Trustee given only after compliance with the applicable requirements of the Indenture. The Lessor will not amend the Indenture or any Supplemental Indenture without the prior written consent of the Lessee. Neither the Lessor nor the Lessee will unreasonably withhold any consent herein or in the Indenture required of either of them.

Section 10.3 Restrictions on Sale of Property by Lessor. To the end that the Project shall remain free from ad valorem taxes during the Lease Term, the Lessor agrees that it will not sell, assign, transfer or convey the Project as a whole or substantially as a whole during the Lease Term, except as provided in Section 10.2. If the laws of Alabama at the time shall permit such action to be taken, nothing contained in this section shall prevent the consolidation of the Lessor with, or merger of the Lessor into, any public corporation whose property and income are not subject to taxation and which has corporate authority to carry on the business of owning and leasing the Project, or the transfer by the Lessor of the Project as an entirety to any public corporation whose property and income are not subject to taxation; provided, that upon any such consolidation, merger or transfer, the due and punctual payment of the principal of and interest on the Bonds according to their tenor, and the due and punctual performance and observance of all the agreement and conditions of

This Agreement to be kept and performed by the Lessor shall be expressly assumed in writing by the corporation resulting from such consolidation or surviving such merger or to which the Project shall be transferred as an entirety.

Section 10.4 Prepayment of Rent Permitted.

There is expressly reserved to the Lessee the right, and the Lessee is authorized and permitted, at any time it may choose, to prepay all or any part of the Rent, and the Lessor agrees that the Trustee may accept such prepayment of Rent when the same is tendered by the Lessee. All Rent so prepaid shall be deposited in the Bond Fund and shall be used for the purposes provided in the Indenture for the use of moneys in the Bond Fund.

Section 10.5 Mandatory Redemption of Bonds.

The Lessor will provide in the Indenture that if the moneys on deposit in the Bond Fund shall at any time exceed the amount necessary to pay (a) the face value of any of the Bonds and Coupons which shall have theretofore matured but which shall not have been paid, (b) the amount necessary to pay on the next ensuing September 1 the principal and interest maturing on that date on the Bonds, (c) the interest (if any) maturing in the interim, and (d) the amount necessary to effect the redemption of any of the Bonds that may have theretofore been called for redemption and which have not theretofore been redeemed, then the Trustee shall be required thereupon to notify the Lessor of such fact and the Lessor shall then forthwith take all steps that may be necessary under the applicable provisions of the Indenture to effect redemption on the earliest practicable Redemption Date on which such redemption may be made under such applicable provisions of the largest practicable principal amount of the then outstanding Bonds. If any moneys remain in the Bond Fund after payment of all of the Bonds and Coupons, such moneys shall be forthwith returned by the Trustee to the Lessee.

Section 10.6 Lessee Entitled to Rent Abatements Under Certain Conditions. If at any time the moneys in the Bond Fund shall be sufficient to retire in accordance with the provisions of the Indenture all of the Bonds at the time outstanding, and to pay all fees and charges of the Trustee due or to become due through the date on which the last of the Bonds is retired, under circumstances not resulting in termination of This Agreement, and if the Lessee is not at the time otherwise in default hereunder, the Lessee shall be entitled to use and occupy the Project from the date on which such aggregate moneys are in the hands of the Trustee until midnight of August 31, 1993, without the payment of any further Rent during that interval (but otherwise on the terms and conditions hereof).

Section 10.7 References to Bonds Ineffective After Bonds Paid. Upon full payment of the Bonds and the Coupons, all references in This Agreement to the Bonds, the Coupons and the Trustee shall be ineffective and neither the Trustee nor the holders of any of the Bonds or the Coupons shall thereafter have any rights hereunder, saving and excepting those that shall have theretofore vested.

ARTICLE XI
EVENTS OF DEFAULT HEREUNDER
AND REMEDIES

Section 11.1 Events of Default Defined. The following shall be events of default under This Agreement, and the happening of any of the following events (including the continuance thereof for the time herein specified where any time is so specified) shall constitute a default hereunder:

(a) Failure by the Lessee to pay any installment of the Basic Rent herein agreed to be paid at the maturity thereof and the continuance of such failure for a period of three (3) days after the giving of notice to the Lessee by either the Lessor or the Trustee that the Trustee has not received such installment;

(b) Failure by the Lessee to perform any of its agreements herein contained (other than its agreement to pay the Basic Rent), and continuance of such failure for a period of thirty (30) days after receipt by the Lessee of written notice from the Lessor or the Trustee specifying the agreement or agreements remaining unperformed and requiring that the same be performed, unless the Lessee shall be proceeding diligently to cure such failure or to cause the same to be cured;
or

(c) The dissolution or liquidation of the Lessee or the filing by the Lessee of a voluntary petition in bankruptcy or its failure promptly to lift any execution, garnishment or attachment of such size as will seriously impair its ability to carry on its operations, the commission by it of any act of bankruptcy or its adjudication as a bankrupt, an assignment by it for the benefit of creditors, the entry by it into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction as having been filed in good faith of a petition applicable to it in any proceeding for its reorganization instituted under the provisions of the general bankruptcy act, as amended, or under any similar act that may hereafter be enacted; provided, that the term "dissolution or liquidation of the Lessee" as used in this subsection (c) shall not be construed to include the termination of the corporate existence of the Lessee resulting from a merger into or a consolidation with another corporation or the transfer of all or substantially all its assets to another corporation under the conditions contained in Section 9.4 permitting such actions.

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Section 11.2 Remedies on Default. Whenever any such event of default shall have happened and shall be continuing, the Lessor or the Trustee may take any of the following remedial steps after having given not less than five (5) days' written notice to the Lessee of its intention to take any such steps:

(a) The Lessor or the Trustee may re-enter and take possession of the Project, exclude the Lessee from possession thereof, and rent the same for the account of the Lessee, holding the Lessee liable for the balance due hereunder;

(b) The Lessor or the Trustee may terminate This Agreement, exclude the Lessee from possession of the Project and lease the same for the account of the Lessor and the Trustee, holding the Lessee liable for all Rent due up to the date such lease is made for the account of the Lessor and the Trustee;

(c) The Lessor or the Trustee may, by written notice to the Lessee, declare immediately due and payable all installments of Rent payable hereunder, whereupon the same shall become immediately due and payable; provided, that the total amount of such Rent that may be so declared immediately due and payable shall be that amount which, when added to the total of the amounts then on deposit in the Construction Fund and the Bond Fund, will be sufficient to pay, retire or redeem all Bonds then outstanding on the earliest practicable date or dates thereafter on which, under their terms, they may be paid or redeemed, including but without limitation the premium, the principal and interest to mature until and on such earliest practicable date or dates, the expenses of redemption, and the Trustee's fees and charges;

(d) In the event any of the Bonds shall at the time be outstanding and unpaid, the Trustee may have access to and inspect, examine and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Lessee; and

(e) The Lessor or the Trustee may take whatever other action at law or in equity may appear necessary or desirable to collect the Rent then due, or to enforce any obligation or agreement of the Lessee under This Agreement.

Section 11.3 Advances by Lessor or Trustee. In the event the Lessee fails to take out or maintain the full insurance coverage required by This Agreement, or fails to

keep the Plant in as reasonably safe condition as its operating conditions permit and in good repair and good operating condition, the Lessor or the Trustee, after first notifying the Lessee of any such failure on the part of the Lessee, may (but shall not be obligated to) take out the required policies of insurance and pay the premiums on the same or make such repairs, renewals and replacements as may be necessary to maintain the Plant in as reasonably safe condition as the Lessee's operations permit and in good repair and good operating condition; all amounts so advanced by the Lessor or the Trustee shall become an additional obligation of the Lessee to the Lessor or to the Trustee, as the case may be, and the Lessee agrees to pay such amounts promptly upon request therefor together with interest thereon at the rate of 8% per annum from the date of advancement thereof. Any remedy herein vested in the Lessor or the Trustee for the collection of Rent shall also be available to the Lessor and the Trustee for the collection of all such amounts so advanced.

Section 11.4 Agreement to Pay Attorney's Fees.

In the event the Lessor or the Trustee should employ attorneys at law or incur other expenses in or about the collection of Rent or the enforcement of any obligation, covenant, agreement, term or condition of This Agreement, the Lessee will on demand pay to the Lessor or to the Trustee, as the case may be, reasonable attorney's fees and other expenses so incurred by the Lessor or the Trustee.

Section 11.5 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Lessor or the Trustee is intended to be exclusive of any other available remedy or remedies, but each such remedy shall be cumulative and shall be in addition to every other remedy given under This 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. In order to entitle the Lessee or the Trustee to exercise any remedy reserved to it in this article, it shall not be necessary to give any notice, other than such notice as is herein expressly required.

Section 11.6 No Additional Waiver Implied by One Waiver. In the event any agreement contained in This 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.

ARTICLE XII

OPTIONS OF LESSEE

Section 12.1 Options to Terminate. The Lessee shall have, if it is not in default hereunder, the following options to terminate This Agreement:

(a) Prior to Payment of the Bonds. At any time prior to full payment of the Bonds, the Lessee may terminate This Agreement by giving written notice of such termination to the Lessor at least one hundred eighty (180) days prior to the effective date of such termination and by paying to the Trustee, in bankable funds, an amount which, when added to the amounts then on deposit in the Construction Fund and the Bond Fund, will be sufficient to pay, retire and redeem all the Bonds then outstanding as may be provided in the Indenture (including, without limiting the generality of the foregoing, principal, interest to maturity or earliest practicable Redemption Date [as the case may be], premium, expenses of redemption and Trustee's fees), and in the event redemption of any of the Bonds is necessary, by making arrangements with the Trustee for the giving of the required notice of redemption.

(b) After Retirement of the Bonds. After full retirement of the Bonds or after provision shall have been made for the full retirement thereof pursuant to the applicable provisions of the Indenture, the Lessee may terminate This Agreement, effective at midnight of the last Day of any August by giving to the Lessor at least one hundred eighty (180) days prior to the last day of August on which such termination is to become effective, written notice of such termination and of the effective date thereof, whereupon This Agreement shall terminate at midnight of the Day specified in such notice.

Section 12.2 Option to Purchase Surplus Land.
The Lessee is hereby granted the option to purchase any part of the Surplus Land, subject to the provisions hereunder set out:

(a) Exercise of the Option to Purchase.
The Lessee may purchase any part of the Surplus Land, at any time and from time to time while the Lessee is not in default hereunder, at and for a purchase price calculated at the rate of \$500.00 per acre, multiplied by the number of acres so to be purchased; provided that the Lessee furnishes to the Lessor the following:

- (1) A notice in writing containing
 - (A) an adequate legal description of that portion of the Surplus Land with respect to which such option is to be exercised,
 - (B) a statement that the Lessee intends to exercise its option to purchase such portion of the Surplus Land on a date stated, which shall not be less than thirty (30) nor more than ninety (90) days from the date of such notice, and
 - (C) a statement that the use to

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which it is intended such portion of the Surplus Land will be devoted will promote the continued industrial development of the State;

(2) A certificate signed by an Independent Engineer stating: (A) that no improvements are located on the portion of the Surplus Land with respect to which such option is exercised, (B) that the severance from the Project of the portion of the Surplus Land with respect to which such option is exercised will not impair the operating unity or the productive capacity of the Plant, and (C) the quantity of acreage of the Surplus Land with respect to which such option is exercised; and

(3) An amount of money in bankable funds equal to the purchase price computed as provided in this section, which shall be applied first for payment of all fees and expenses incident to the sale and purchase resulting from the exercise of said option, and thereafter for payment into the Redemption Account.

(b) Conveyance on Exercise of Option to Purchase. At the closing of the purchase of Surplus Land pursuant to the exercise of the option granted in this section, the Lessor will, upon receipt of the notice, certificate and money referred to in subsection (a) of this section, deliver to the Lessee:

(1) If the Indenture shall not at the time have been satisfied in full, a release by the Trustee from the lien of the Indenture of the portion of the Surplus Land with respect to which the option was exercised; and

(2) A statutory warranty deed conveying to the Lessee a good marketable title to the portion of the Surplus Land with respect to which such option was exercised, as it then exists, subject to the following: (A) those liens and encumbrances (if any) to which title to the said portion was subject when conveyed to the Lessor and which shall still be in existence, (B) those liens and encumbrances created by the Lessee or the creation or suffering of which were consented to or permitted by the Lessee, (C) those liens and encumbrances resulting from the failure of the Lessee to perform or observe any of the agreements on its part contained herein, (D) Permitted Encumbrances other than This Agreement and the

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Indenture, (E) an easement on, under and over the Surplus Land being conveyed for the maintenance of any utility lines then serving that portion of the Project that will remain after conveyance of the Surplus Land being conveyed, and (F) if the option is exercised subsequent to the receipt of notice of eminent domain proceedings respecting all or any part of the Surplus Land with respect to which the option is being exercised, the rights and title of the person having taken or attempting to take title to or the use of the said portion of the Surplus Land.

(c) Rents Not to Apply on Purchase Price.
This Agreement is a true lease and no part of the Rent payable hereunder shall at any time be credited or applied on the purchase price of any of the Surplus Land with respect to which the said option to purchase may be exercised.

(d) No Abatement or Diminution of Rent.
The parties hereto recognize and agree that in the event of the exercise by the Lessee of the option granted in this section and the conveyance of the title to the Surplus Land with respect to which such option is exercised, the Lessee shall not be entitled to any abatement or diminution of the Rent payable by it hereunder because of reduction in the area of the Leased Land.

(e) Leased Land Reduced by Purchases.
From and after the consummation of any purchase effected by the Lessee pursuant to the provisions of this section, any reference herein to the Leased Land shall be deemed to refer to the real property described in the demising clauses hereof, less and except any part thereof at the time purchased by the Lessee under the provisions of this section.

(f) Relative Position of Option and Indenture. The option granted to the Lessee in this section, and all of the rights and privileges arising therefrom, shall be and shall at all times remain subject and subordinate to the Indenture.

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Section 12.3 Option to Terminate This Agreement Upon the Happening of Certain Events. The Lessee is hereby granted an option to terminate This Agreement upon the happening of any one or more of the following events:

(a) If the Plant is destroyed by fire or other casualty so that (i) in the sole discretion of the Lessee the Project cannot reasonably be restored within six Months to the condition thereof immediately preceding such damage or destruction, (ii) in the sole discretion of the Lessee it cannot carry on its normal operations at the Project for a period of six Months or more, or (iii) the cost of restoration of the Project would be as much as \$100,000; or

(b) If, as a result of the taking of any part (which may be all) of the Project by eminent domain proceedings, the efficient utilization of the Project is, in the opinion of the Lessee, impaired; or

(c) If (i) any changes should be made in the Constitution of the State or in the Constitution of the United States of America, or (ii) any legislation shall have been enacted or any administrative action shall have been taken, or (iii) any fiscal decree, judgment or order of any court or administrative body shall have been entered after the contest thereof by the Lessor in good faith, and upon the happening of any of the said events (A) This Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed herein, or (B) unreasonable burdens or excessive liabilities shall have been imposed on the Lessor or the Lessee with respect to the Project, or on the ownership or operation thereof, or on the conduct of any business thereat, including, without limitation, the imposition of any ad valorem, income, license or other taxes that would not on the date of This Agreement be imposed on either the Lessor or the Lessee, or with respect to the Project or the ownership thereof or the conduct of any business thereat, if the Project were on such date owned by the Lessor and operated by the Lessee as is herein contemplated.

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To exercise the option granted in this section, the Lessee

(i) shall, within thirty (30) days following the event authorizing the exercise of such option [or in the event of condemnation as provided in the preceding subsection (b), within thirty (30) days after the receipt of the condemnation award], give written notice to the Lessor and the Trustee,

(ii) shall specify therein the date of termination, which shall be not less than forty-five (45) nor more than ninety (90) days from the date such notice is mailed, and

(iii) shall on the date of termination pay to the Trustee (for the account of the Lessor), as additional rental, an amount which, when added to the total of the amounts on deposit in the Construction Fund and the Bond Fund and the amount of the Net Proceeds from any insurance referable to the damage, destruction or condemnation authorizing the exercise of such option, will be sufficient to pay, retire and redeem all the outstanding Bonds on the earliest practicable date next succeeding the termination date on which under their terms they may be redeemed, including, without limitation, principal, premium, all interest to mature until and on such date, expenses of redemption, and Trustee's fees; provided, however, that if on the date of termination the Bonds have been paid in full, the Lessee shall not be required to pay any such additional or prepaid rental in order to entitle it to exercise such option, in which event (any provision herein to the contrary notwithstanding) any such Net Proceeds referable to any damage, destruction or condemnation authorizing the exercise of such option shall be paid to the Lessee simultaneously with or promptly after the exercise of such option.

Upon receipt of the said sum (if payment of any such sum is required), and if at such time the Lessee is not in default in payment of the Basic Rent due hereunder, this Lease Agreement shall stand terminated.

Section 12.4 Option to Purchase. If the Lessee pays the rental herein reserved to the Lessor and is not otherwise at the time in default hereunder, it shall have the right and option, herein granted by the Lessor, to purchase the Project from the Lessor, at and for a purchase price of \$100 at any of the following times:

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(a) At any time during the Lease Term after full payment of the Bonds;

(b) Upon expiration of the Lease Term;
or

(c) If the Lessee exercises any option to terminate granted in this article, simultaneously with such termination.

To exercise any such purchase option, the Lessee shall notify the Lessor and the Original Purchaser in writing not less than thirty (30) days prior to the date on which it proposes to effect such purchase and, on the date of such purchase, shall pay the aforesaid purchase price to the Lessor in bankable funds, whereupon the Lessor will, by deed or other appropriate conveyance, transfer and convey the Project (in its then condition, whatever that may be) to the Lessee. Nothing herein contained shall be construed to give the Lessee any right to any rebate to or refund of any rental paid by it hereunder prior to the exercise by it of the purchase option hereinabove granted, even though such rental may have been wholly or partially prepaid.

ARTICLE XIII

AMENDMENT OF THIS AGREEMENT

Section 13.1 Supplemental Lease Agreements In General; Restrictions Thereon. This Agreement may be amended at any time and from time to time by a Supplemental Lease Agreement between the parties hereto for the purpose of adding to the agreements of the Lessee herein contained other and additional agreements to be performed by the Lessee; provided, that if any of the Bonds or Coupons are at the time outstanding no such amendment may become effective without the written consent of the Trustee; and provided further, that before any such amendment is made a copy thereof together with notice of intention to effect such amendment shall have been given to the Original Purchaser by either the Lessor or the Lessee at least ten days before such amendment is made. No such Supplemental Lease Agreement shall contain any provision which conflicts with the provisions hereof, or limits or reduces the liabilities and obligations of the Lessee hereunder.

Section 13.2 Amendment of This Agreement to Release Surplus Land to be Improved for Lease to Lessee Under Another Lease. Notwithstanding any other provision of This Agreement, the parties hereto reserve the right at any time and from time to time to amend This Agreement for the purpose of effecting release of and removal from This Agreement and the leasehold estate created hereby of any portion or portions of the Surplus

Land on which the Lessor then proposes to construct improvements, in addition to those improvements provided for in Section 4.1, for lease to the Lessee under another and different lease agreement, which is not supplemental hereto; provided, that if at the time each such amendment is made any of the Bonds are outstanding and unpaid there shall be deposited with the Trustee the following:

(a) A copy of the said amendment as executed;

(b) A resolution of the Governing Body (1) stating that the Lessor is not in default under any of the provisions of the Indenture and the Lessee is not to the knowledge of the Lessor in default under any of the provisions of This Agreement, (2) giving an adequate legal description of the portion of the Surplus Land to be released, (3) stating that the Lessor desires the release so that it can construct improvements thereon for lease by it to the Lessee under a lease other than This Agreement and not supplemental hereto, (4) stating that the said improvements which will be so constructed will be such as will promote the continued industrial development of the State, and (5) requesting such release;

(c) A resolution of the board of directors of the Lessee stating that the Lessee is not in default under any of the provisions of This Agreement;

(d) A copy of the agreement between the Lessor and the Lessee wherein, subject to such release being effected, (1) the Lessor agrees to construct on the portion of the Surplus Land so requested to be released improvements other than those provided for in Section 4.1 and agrees to lease the same to the Lessee, and (2) the Lessee agrees to rent the same from the Lessor;

(e) A certificate of an Independent Engineer, dated not more than sixty (60) days prior to the date of the release and stating that in the opinion of the person signing such certificate, (1) the portion of the Surplus Land so proposed to be released is not needed for the operation of the Plant or of the Leased Equipment, and (2) consummation of the release so proposed to be made will not impair the usefulness of the Plant as a manufacturing plant and will not destroy the means of ingress to or egress from the Plant; and

(f) An amount of cash equal to the release price, calculated at the rate of \$500.00 per acre multiplied by the number of acres so to be released. Upon receipt of the items referred to in subsections (a) to (f), inclusive, of this section, the Trustee shall execute and deliver to the Lessee the release so requested. The cash consideration paid for such release shall be applied as provided in the Indenture. No release effected under the provisions of this section shall entitle the Lessee to any reduction in the Rent.

ARTICLE XIV

MISCELLANEOUS

Section 14.1 Covenant of Quiet Enjoyment; Surrender of Project. So long as the Lessee performs and observes all of the agreements on its part herein contained, it shall peaceably and quietly have, hold and enjoy the Project during the Lease Term, subject to all the terms and provisions hereof. At the end of the Lease Term, or upon any prior termination of This Agreement, unless the Lessee exercises its option under Section 12.3, the Lessee will surrender possession of the Project peaceably and promptly to the Lessor in as good condition as at the commencement of the Lease Term, loss by fire or other casualty covered by insurance, and ordinary wear, tear and obsolescence only excepted.

Section 14.2 Grant of Easements for Utility Facilities. The Lessor will grant such utility, access and other similar easements over, across or under the Leased Land as shall be requested by the Lessee and as are necessary or convenient for the efficient operation of the Project; provided, that each such easement shall be granted subject to the following conditions: (a) the use of that portion of the Project with respect to which the easement is granted shall be such as will not interfere with the operation of the Project by any Lessee thereof; and (b) the Lessor shall have the option of terminating any such easement at any time after the termination of This Agreement pursuant to the provisions hereof, or in the event of foreclosure of the Indenture following default thereunder.

Section 14.3 Release from Demise Hereof. Notwithstanding any other provision of This Agreement, the Lessee may at any time and from time to time release to the Lessor from the demise of This Agreement, any portion or portions of the Leased Land, or any interest therein, provided that the Lessee shall not, by reason of any such release, be entitled to any abatement or diminution of the rental payable hereunder. From and after any such release of any portion of the Leased Land, the term "Leased Land", as used in This Agreement shall be construed to refer to the real property described in the demising clauses hereof less and except that portion thereof so released and any portion thereof theretofore so released.

Section 14.4 This Lease a Net Lease. The Lessee understands that it is the intention hereof that this lease shall be a net lease, that the Lessee shall pay absolutely net during the Lease Term all Rent and all other payments required to be made by the Lessee hereunder free of any deductions and without abatement, deductions or set-off, and that all Basic Rent provided to be paid hereunder shall be available for payment of debt service on the Bonds. This Agreement shall be construed to effectuate such intent.

Section 14.5 Obligations of the Lessor. This Agreement is entered into under and pursuant to the provisions of the Authorizing Act, and no provision hereof shall be construed so as to give rise to a pecuniary liability of the Lessor or a charge against its general credit.

Section 14.6 Approvals and Notices. All approvals and notices hereunder shall be in writing. Any notice hereunder shall be sufficiently given if sent by United States registered or certified mail, postage prepaid, or by telegram with all charges therefor prepaid, addressed as follows: if such notice is intended to be given to the Lessor, it shall be addressed to the Lessor in care of the Mayor at the City Hall, in Vincent, Alabama; if such notice is intended to be given to the Lessee it shall be addressed to the Lessee at Birmingham, Alabama, with a duplicate copy addressed to the Lessee at Vincent, Alabama; if such notice is intended to be given to the Trustee it shall be addressed to the Trustee in Birmingham, Alabama; and if such notice is intended to be given to the Original Purchaser, it shall be addressed to the Original Purchaser at the First National Building in Birmingham, Alabama. The Lessor, the Lessee, the Trustee, and the Original Purchaser may, each by like notice, designate any further or different addresses to which subsequent notices shall be sent. A duplicate copy of any notice given hereunder by either the Lessor or the Lessee to the other shall also be given to the Trustee. Any statement, report or data, the furnishing of which is herein required, shall be deemed to have been properly furnished if forwarded in the same manner provided for in this section for the giving of notice.

Section 14.7 Successive Interests. This Agreement shall inure to the benefit of and shall be binding upon the Lessor, the Lessee, and their respective successors and assigns, subject, however, to the limitations contained in Sections 9.4, 10.1, 10.2, and 10.3.

Section 14.8 Severability. In the event any provision of This Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

IN WITNESS WHEREOF, the Lessor, pursuant to valid and subsisting resolutions of the Governing Body, has caused This Agreement to be executed and delivered in its name and behalf and its corporate seal to be hereto affixed and attested by its duly authorized officers, and the Lessee, pursuant to valid and subsisting resolutions of its Board of Directors, has caused This Agreement to be executed and delivered in its name and behalf and its corporate seal to be

hereunto affixed and attested by its duly authorized officers, all in five counterparts, each of which shall be deemed an original but all of which together shall be the same agreement, and have caused This Agreement to be dated as of March 1, 1968.

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE TOWN OF VINCENT

By *Walter L. Wright*
Chairman of its Board of Directors

Attest:

James H. Sharbutt
Its Secretary

EBSCO INDUSTRIES, INC.

By *[Signature]*
Its President

Attest:

Alvin G. Stephens
Its Secretary

257 495

STATE OF ALABAMA)
COUNTY OF Jefferson)

I, Mildred Edwards, a Notary Public
in and for said county in said state, hereby certify that
Harren G. Wright, whose name as Chairman of
the Board of Directors of THE INDUSTRIAL DEVELOPMENT BOARD
OF THE TOWN OF VINCENT, a public corporation under the laws
of Alabama, 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 the said Lease Agreement,
he, as such officer and with full authority, executed the
same voluntarily for and as the act of the said public cor-
poration.

Given under my hand and official seal of office,
this 12 day of September, 1968.

Mildred Edwards
Notary Public

STATE OF ALABAMA)
COUNTY OF Jefferson)

I, Mildred Edwards, a Notary Public
in and for said county in said state, hereby certify that
Elton B. Stephens, whose name as President of EBSCO INDUSTRIES,
INC., a corporation organized under the laws of Delaware, 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, in his capacity
as such officer and with full authority, executed the same
voluntarily for and as the act of the said corporation.

Given under my hand and official seal of office,
this 12 day of September, 1968.

Mildred Edwards
Notary Public

BOOK 257 - 496

SCHEDULE 1

EQUIPMENT AND MACHINERY TO BE ACQUIRED AND INSTALLED AS A
PART OF THE PROJECT REFERRED TO IN LEASE AGREEMENT BETWEEN
THE INDUSTRIAL DEVELOPMENT BOARD OF THE TOWN OF VINCENT
AND EBSO INDUSTRIES, INC., DATED MARCH 1, 1968.

E-Z Tab Machine

Index Tab Printing Press

Silk Screen Conveyor and Dryer

Office Furniture and Fixtures

U.S. DEPT. OF JUSTICE
REC. M. 100-447100-1000

CONFIDENTIAL

100-447100-1000

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MARCH 10 1968

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