

LEASE-PURCHASE ASSIGNMENT

STATE OF ALABAMA

COUNTY OF SHELBY

FOR VALUE RECEIVED, the undersigned does hereby transfer and assign, with right of reassignment, all of its right, title and interest, in and to that certain Lease-Purchase Agreement (including real and personal property), dated February 27 1969, by and between COLUMBIANA INDUSTRIAL DEVELOPMENT CORPORATION, Lessor, and CARPENTER, INC., Lessee, and all amendments thereto, copy of which is attached hereto and incorporated herein and identified as Exhibit "A", including all repurchase options between the parties, and all rentals due or to become due from the property owned by Lessor and hereinafter described, and occupied by Lessee, to SMALL BUSINESS ADMINISTRATION (hereinafter called Assignee), its successors and assigns, as additional collateral to secure a loan made by said Assignee to COLUMBIANA INDUSTRIAL DEVELOPMENT CORPORATION, (hereinafter called Lessor/Assignor) evidenced by a promissory Note in the amount of \$271,800.00 dated April 18, 19 69. *AW JFM b.h.b.* The Real & Personal Property covered by said Lease-Purchase Agreement are described in said Exhibit "A" attached hereto, incorporated herein and made a part hereof.

AND, IT IS HEREBY AGREED that Lessor/Assignor will notify Assignee immediately upon any change whatsoever in the occupancy above set forth; and,

IT IS HEREBY AGREED that Lessor/Assignor may collect said rentals as Constructive Trustee for Assignee, so long as said loan is current in all respects, and promptly remit to SMALL BUSINESS ADMINISTRATION the sum required for the orderly retirement of monthly installments under the Note as they accrue; provided, however, in the event of default, at the sole discretion of Assignee, remittances may be made by tenant(s) directly to SMALL BUSINESS ADMINISTRATION to be applied by it, in its sole discretion against the indebtedness; and,

IT IS HEREBY AGREED that Lessee will evidence receipt of notification of this Assignment by affixing its signatures to this instrument; and,

THIS ASSIGNMENT shall remain in force and effect for the term of the Lease-Purchase Agreement or any renewals thereof and until said Loan has been paid in full to SMALL BUSINESS ADMINISTRATION, at which time this Assignment will end, and this instrument shall become null and void, and functus officio, and the parties hereto shall revert to their original positions.



WITNESS THE SEALS of the Corporations and the signatures of their duly authorized officers, this the 18 day of April, 19 69.

(CORPORATE SEAL) (LESSOR/ASSIGNOR) COLUMBIANA INDUSTRIAL DEVELOPMENT CORPORATION

ATTEST: [Signature] (L.S.)  
Secretary

By: [Signature] (L.S.)  
President

STATE OF ALABAMA

COUNTY OF SHELBY

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that J. T. McDow, whose name as President of COLUMBIANA INDUSTRIAL DEVELOPMENT CORPORATION, a corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer, and with full authority, executed the same voluntarily for and as the act of said corporation, acting in his capacity as aforesaid.

Given under my hand and official seal, this the 18 day of April, 19 69.

My Commission expires:  
August 23, 1972

[Signature]  
Notary Public

(CORPORATE SEAL) (LESSEE) CARPENTER, INC.

ATTEST: [Signature] (L.S.)  
Secretary

By: [Signature] (L.S.)  
President

STATE OF ALABAMA

COUNTY OF JEFFERSON

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Gilbert Carpenter, whose name as President of CARPENTER, INC., a corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer, and with full authority, executed the same voluntarily for and as the act of said corporation, acting in his capacity as aforesaid.

Given under my hand and official seal, this the 14<sup>th</sup> day of April, 1969.

My Commission expires:  
My Commission Expires July 23, 1971

[Signature]  
Notary Public

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AGREEMENT TO LEASE

STATE OF ALABAMA )

SHELBY COUNTY )

THIS AGREEMENT, made and entered into this 27 day of February, 1969, by and between Columbiana Industrial Development Corporation, a corporation organized under the laws of the State of Alabama, hereinafter called the LESSOR, and Carpenter, Inc., a corporation organized under the laws of the State of Alabama, hereinafter called LESSEE,

WITNESSETH:

That in consideration of the respective agreements on the part of the Lessor and the Lessee hereinafter contained, the Lessor does hereby agree to lease to the Lessee, and the Lessee does hereby agree to rent and lease 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 described real property located in Shelby County, State of Alabama:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART AND PARCEL HEREOF

That in consideration of the respective agreements on the part of the Lessor and Lessee hereinafter contained, the Lessor does hereby agree to lease to the Lessee, and the Lessee does hereby agree to rent and lease 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 described personal property which is located and situated in the Industrial Plant building erected upon the real property hereinabove described in Shelby County, Alabama:

SEE EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF

It is mutually understood and agreed by and between Lessor and Lessee that the herein described real property, and the herein described personal property, together with all improvements situated upon said real property, be herein together called "the leased property."

This lease agreement is made, however, upon and subject to the following terms and conditions, to each of which the Lessor and the Lessee hereby agree:



ARTICLE I

DURATION OF LEASE TERM  
AND RENTAL PROVISIONS

Section 1. Duration of Lease Term. The term of the Lease Agreement shall commence on the date the premises are occupied by Lessee or the date the premises are accepted for occupancy, or ten (10) days prior to the date the first installment payment is due by Lessor to the Small Business Administration (in repayment of a loan made to finance purchase and construction of the leased property), whichever is the latter date, and continue in existence for a period of fifteen (15) years. The date the premises are accepted for occupancy shall be the date the building is accepted from the contractor as being complete in accordance with the terms and conditions of the construction contract.

The Lessor will deliver to the Lessee sole and exclusive possession of the leased property on the commencement date of the leased term, and the Lessee will accept possession of the leased property at such time.

Section 2. Rental Provisions. As the consideration for the lease, the Lessee agrees to pay to the Lessor as rental for the leased property during the term of fifteen (15) years the sum of \$ 438,024.60, payable in monthly installments of \$ 2,433.47, commencing on the date provided in Section 1. of this Article I as the date for the commencement of the term, and a like sum on the same day of each successive month hereafter until the total cost of procuring the land and improvements thereto including the building to be constructed thereon has been paid in full, unless this lease is sooner terminated as hereinafter provided. Any rental payment due hereunder that is not paid on or before the fifteenth day following the date on which it is due shall bear interest from the due date until paid at the rate of six per cent (6%) per annum.

Section 3. Obligation of Lessee to Pay Rent Unconditional. The obligation of the Lessee to make the rental and other payments provided for herein and to perform and observe the other agreements and covenants on its part herein contained shall be absolute and unconditional, except as hereinafter provided, irrespective of any rights of setoff, recoupment or counterclaim it might otherwise have against the Lessor. 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 hereunder, and in furtherance thereof, Lessor hereby assigns to Lessee all of its rights and interest under any warranties from builders, suppliers, or manufacturers of any of the leased property.



ARTICLE II

MAINTENANCE, TAXES AND INSURANCE

Section 1. Maintenance of Leased Property by Lessee. The Lessee will, at its own expense, (a) keep the leased property in as reasonably safe condition as its operations permit, and (b) keep the improvements thereon in good repair and in good operating condition, making from time to time all necessary and proper renewals thereof and repairs and replacements thereto. The Lessee may, also at its own expense, make any additions or improvements to the project that it may deem desirable for its business purpose and that do not adversely affect the structural integrity of the project, provided that all such additions or improvements are located wholly within the boundary lines of the real property described in the demising clause above. Any fixtures hereafter purchased and installed by the Lessee on the said real property wholly at its expense may be removed by it at any time and from time to time while it is not in default under the terms of this lease agreement, provided that any damage to the leased property occasioned by such removal shall be repaired by the Lessee at its own expense. The lessee will not permit any mechanics' or other liens to stand against the leased property for labor or material furnished it in connection with any additions, improvements, repairs, or renewals so made by it.

Section 2. Payments of Taxes, Other Governmental Charges and Utility Charges by Lessee. The Lessee will pay, as the same respectively become due and are timely presented to it, the following: all utility and other charges incurred in the operation, maintenance, use, occupancy and up-keep of the leased property, all taxes and governmental charges of any kind whatsoever that may be lawfully assessed or levied against or with respect to the leased property or any machinery, equipment or other property installed or brought by the Lessee therein or thereon, other than Federal or State Income Taxes or Lessor, and all assessments and charges lawfully made by any governmental body for public improvements that may be secured by lien on the leased property; 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 are required to be paid during the lease term.

Section 3. Insurance Required. The Lessee will take out and continuously maintain in effect, during the lease term, insurance against such risks as are customarily insured against by businesses of like size and type, paying as the same becomes due all premiums with respect thereto, including but not necessarily limited



to insurance in an amount not less than the outstanding principal indebtedness from time to time of Lessor incurred to finance the construction of the leased property, which at the date of the signing of these presents is estimated will be Two Hundred Seventy-two Thousand Dollars (\$272,000.00), on all buildings, structures, and other improvements (all of which are collectively herein referred to as "the facilities") at the time located on the real property described in the demising clause above, against loss or damage 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.

All such insurance policies shall be taken out and maintained in generally recognized responsible insurance companies, qualified under the laws of the State of Alabama to assume the respective risks undertaken. All such insurance policies shall contain standard mortgage type clauses providing for all losses thereunder initially to be paid to Lessor, or its assigns. All policies evidencing the insurance required as hereinabove stated shall be deposited with the Lessor, or its assigns. Prior to the expiration of any such policy, the Lessee will furnish the Lessor or its assigns satisfactory evidence that such policy has been renewed or replaced by another policy, or that there is no necessity therefor under this agreement.

In the event the Lessee fails to take out or maintain the full insurance coverage required by this agreement, the Lessor or its assigns may (but shall be under no obligation to do so) take out the required policies of insurance and pay the premiums on the same, and all amounts so advanced therefor by the Lessor or its assigns shall become an additional obligation of the Lessee to the Lessor or its assigns.

### ARTICLE III

#### PROVISIONS RESPECTING DAMAGE TO AND DESTRUCTION OF LEASED PROPERTY

Section 1. Conditions Under Which Lessee May Terminate Lease in the Event of Destruction of or Damage to Facilities. In the event the leased property is damaged by fire, storm, the elements, act of God, the Public enemy, other comparable catastrophe, or condemnation by public authorities, but not to such an extent as to render the same untenable, then Lessor shall restore said premises as speedily as possible, and there shall be no abatement of rent. If the said leased property is injured or damaged by any of the aforesaid causes only to such an extent as to render it partially untenable, Lessor shall restore such premises so injured or damaged as speedily as possible,



rent to abate proportionately on such part of said premises as may have been rendered wholly untenable until such time as such part shall be fit for occupancy, and after which time the full amount of rent reserved in this Lease shall be payable as hereinbefore set out. If said premises are injured or damaged by any of the aforesaid causes to such an extent as to render the same wholly untenable so that Lessee is unable to carry on its normal business functions in the leased premises, then this lease shall thereupon immediately become null and void, and all liability of the Lessee shall terminate upon payment of all rent due and payable to the date of such happening. In all events the entire net insurance proceeds payable because of any destruction or damage to the leased property shall be initially paid to Lessor, or its assigns, to be applied by it, upon written approval of Mortgagee, for repair and restoration in accordance with the foregoing if the leased property is not rendered wholly untenable, and to be used by Lessor for the payment of the then outstanding principal balance of any indebtedness incurred by it to construct the leased property, if said property is rendered wholly untenable, and to be used by Lessor for the payment of the then outstanding principal balance of any indebtedness incurred by it to construct the leased property, if said property is rendered wholly untenable. Any balance of insurance proceeds remaining after such application or payment by Lessor shall be promptly remitted by Lessor to Lessee. Any award payable by reason of condemnation of the leased property by public authority shall be paid to Lessor, except as the same may relate to specific property of Lessee.

#### ARTICLE IV

##### PARTICULAR COVENANTS OF THE LESSEE

Section 1. General Covenants. The Lessee will not do or permit anything to be done on or about the leased property that will affect, impair, or contravene any policies of insurance that may be carried with respect thereto or any part thereof, against loss or damage by fire, casualty or otherwise.

Section 2. No Warranty by Lessor. The Lessee acknowledges that it has made an inspection of the leased property and has determined that it is suitable for the Lessee's purposes and needs. The Lessee further acknowledges that the Lessor is without any information concerning the Lessee's purposes and needs in this respect and Lessor is not able to make any determinations or representations respecting the suitability of the leased property for the Lessee's purposes and needs. In consequence

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thereof, the Lessor makes no warranty, either express or implied, that the leased property will be suitable for the Lessee's purposes or needs. Nothing herein shall contravene the assignment by Lessor to Lessee of certain warranties set out in Article I, Section 3 hereof. The Lessee releases the Lessor from the covenants and agrees that the Lessor shall not be liable for, and 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 on account of any defect in the improvements on the leased property or from any cause whatsoever pertaining to said improvements, the leased property or the use thereof. Lessee shall maintain at its expense a public liability insurance policy covering the leased property in an amount satisfactory to it. Lessee shall cause Lessor to appear as an additional named insured thereunder, and shall submit to Lessor satisfactory proof of such endorsement.

Section 3. Inspection of Leased Property. The Lessee will permit the Lessor and its duly authorized agents or assigns at all reasonable times to enter upon, examine and inspect the leased property, specifically including, without limiting the generality of the foregoing, the right to show the leased property to prospective tenants and prospective purchasers in the event the Lessee is in default hereunder or within six months prior to the expiration of the lease term. In addition, the Lessor or its authorized representative may make a detailed inspection of the leased property at least once every two years, if it so desires. Nothing in this Section 3 shall be construed to relieve Lessee of its obligation under the fifteen (15) year lease term.

Section 4. Corporate Existence and Qualification in Alabama. The Lessee represents that it is now duly qualified to do business in Alabama as a domestic corporation and will continuously remain so qualified during the lease term. If Lessee should merge into 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, it will cause the corporation into which it merged, or the corporation resulting from such consolidation, 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.

#### ARTICLE V

#### CERTAIN PROVISIONS RELATING TO ASSIGNMENT, SUBLASING, AND MORTGAGING

Section 1. Provisions Relating to Assignment and Subleasing. The Lessee may assign this lease agreement, and may sublet the leased property at any time during



the term hereof with the prior written consent of the Lessor, and Mortgagee, if the premises be mortgaged as hereinafter provided. Lessee understands, however, that no such assignment or subleasing shall in any way relieve the Lessee from primary liability for any of its obligations hereunder, and in the event of any such assignment or subleasing, the Lessee shall continue to remain primarily liable for the payment of the rentals herein provided to be paid by it and for performance and observance of the other agreements and covenants on its part herein provided to be performed and observed by it. Within thirty (30) days after the delivery of any such assignment or sublease, the Lessee will furnish the Lessor a true and complete copy thereof.

Section 2. - Mortgaging of Leased Property by Lessor. The Lessor may mortgage the leased property as security for payment of any mortgage indebtedness incurred by the Lessor for the construction of the leased property, and Lessor may assign its interest in this lease agreement and may assign its interest in and pledge any monies receivable under this agreement as security of the payment of the principal and interest of any such indebtedness created by the Lessor. In the event the Lessor's interest in this agreement is so assigned and pledged to a mortgagee, or to any third party, the mortgagee or any such third party shall have all the rights and remedies herein accorded the Lessor, and any reference herein to the Lessor shall be deemed, mutatis mutandis, to include the mortgagee or any third party, and the mortgagee and the third party shall be deemed to be third party beneficiaries of the covenants and agreements of the Lessee herein contained. In the event of such assignment or pledge of Lessor's interest hereunder, Lessee shall be entitled to make its rental payments directly to such assignee or pledgee, if Lessee deems it necessary to do so to protect its leasehold interest.

## ARTICLE VI

### EVENTS OF DEFAULT AND REMEDY

Section 1. Events of Default Defined. The following shall be "events of default" under this lease agreement, and the terms "event of default" or "default" shall mean, whenever they are used in this lease agreement, any one or more of the following events:

- (a) Default by the Lessee in the due performance or observance of any of its agreements or covenants contained in this lease agreement, which default shall have continued for a period of thirty (30) days after written notice specifying such default, shall have been given to the Lessee by the Lessor unless the Lessor or its assignee shall agree in writing to an extension of such time prior to its expiration; or



- (b) The dissolution or liquidation of the Lessee or the filing by the Lessee of a voluntary petition in Bankruptcy.

**Section 2. Remedies on Default.** Whenever any such event of default shall have happened and be subsisting, the Lessor or its assigns may take any of the following remedial steps:

- (a) The Lessor or its assigns may re-enter and take possession of the leased property, 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 its assigns may terminate this agreement, exclude the Lessee from possession of the leased property and, at its option, lease the same for the account of the Lessor or its assigns, holding the Lessee liable for all rent due up to the date such lease is made for the account of the Lessor or its assigns;
- (c) The Lessor or its assigns may take whatever other action at law or in equity may appear necessary or desirable to collect the rent when due, or to enforce any obligation, covenant or agreement of the Lessee under this lease agreement.

**Section 3. No Remedy Exclusive.** No remedy herein conferred upon or reserved to the Lessor or its assigns is intended to be exclusive of any other available remedy or remedies, but each and every such remedy given under this lease agreement or now or hereafter existing at law or in equity or by statute.

**Section 4. Agreement to Pay Attorneys' Fees.** In the event it becomes necessary for Lessor or its assigns to employ attorneys-at-law in or about the collection of rent under this lease agreement, the Lessee herein agrees that it will pay to the Lessor or its assigns, as the case may be, reasonable attorneys' fees incurred in the collection of such rents.

## ARTICLE VII

### OPTION TO PURCHASE

**Section 1. Option to Purchase Leased Property.** The Lessee shall have the option to purchase the leased property at any time during the term of the lease or during the term of any renewal or extension of the lease, free and clear of incumbrances, at a base price of \$ 292,000.00 subject to adjustment as follows:

- (a) There shall be added to said base price per annum interest from the date hereof at the rate of five and one-half per cent on \$271,800.00 and per annum interest at the rate of six per cent on the sum of \$ 20,200.00, plus any and all other expenses and costs to Lessor in connection with said property, or the construction of facilities thereon, or any other costs or expenditures to Lessor.



- (b) From said base price, adjusted as aforesaid by the additional costs as provided in sub-paragraph (a) of this paragraph, there shall be deducted all rent payments made by Lessee under this lease or any renewal or extension of the lease and the sum remaining shall be the price Lessee shall pay for the leased premises, if this option to purchase is exercised.

Section 2: On Exercise of Option. Upon the payment to the Lessor of its assigns by the Lessee in bankable funds of the purchase price of the said leased property as set forth in Section 1 hereinafore, the Lessor or its assigns shall execute and deliver to the Lessee a statutory warranty deed, conveying to Lessee, its successors or assigns, the herein referred to leased property with good and merchantable title, without reservations, liens or encumbrances, except public utility easements.

## ARTICLE VIII

### MISCELLANEOUS

Section 1: Surrender of Leased Property. At the end of the leased term, or upon any prior termination of this lease agreement, the Lessee will surrender possession of the leased property peaceably and promptly to the Lessor in as good condition as at the commencement of the leased term, less by fire or other casualty covered by insurance, and ordinary wear and tear only excepted.

Section 2: Representations and Warranties. The Lessee represents and warrants that it is a duly and validly organized corporation under the laws of Alabama, that it has corporate power to enter into this lease agreement and perform all acts herein required to be performed by it and that its execution and delivery hereof has been duly authorized by all necessary corporate action.

Section 3: This Lease is a Net Lease. The Lessee recognizes that it is the intention hereof that this lease be a net lease, that the Lessor has no source of income available for payment of any mortgage indebtedness that it might incur, or bonded indebtedness that it might incur, other than the cash rental due by the Lessee under the provisions of this lease agreement and that all such cash rental be available for the payment of any such obligations of Lessor. This lease shall be construed to effectuate this intent. Lessee is cognizant of the fact that Lessor has made application to Small Business Administration for a loan under Section 502 of the Small Business Investment Act of 1958, as amended, which loan is to be participated in by Columbian Industrial Corporation, an Alabama corporation to the extent of ten per cent (10%), more or less.



Section 4. Binding Effect. This lease agreement shall inure to the benefit of and shall be binding upon the Lessor, the Lessee and its respective successors and assigns.

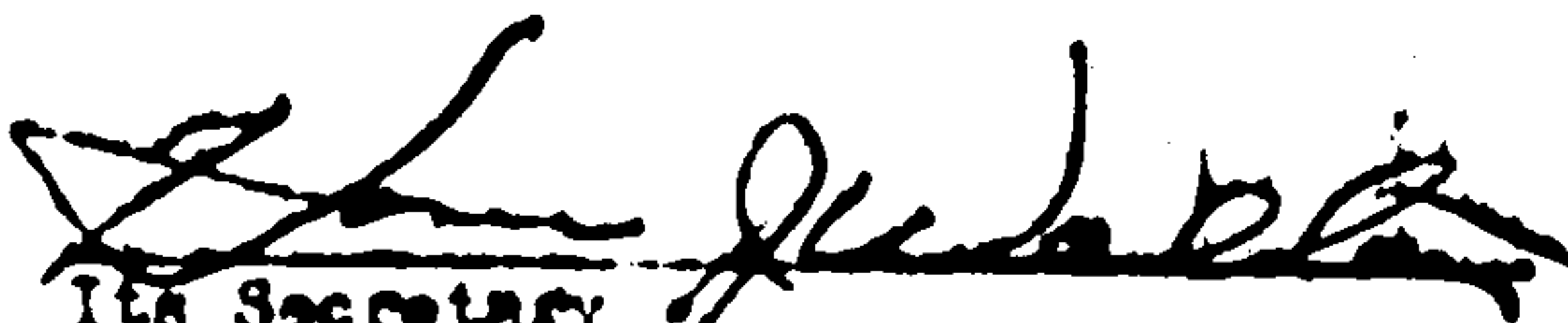
Section 5. Severability. In the event any provision of this lease agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

Section 6. Section Captions. The section headings and captions contained herein are included for convenience only and shall not be considered a part hereof or to affect in any manner the construction or interpretation hereof.


Section 7. Requirements of Mortgages. Lessee agrees to submit to certain reasonable requirements and execute any and all instruments which may be reasonably required by Lessor's long term lender in accordance with such long term lender's customary regulations and requirements.

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this lease agreement to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all in four counterparts, each of which shall be deemed an original, the day and year first above written.

ATTEST:

  
Its Secretary

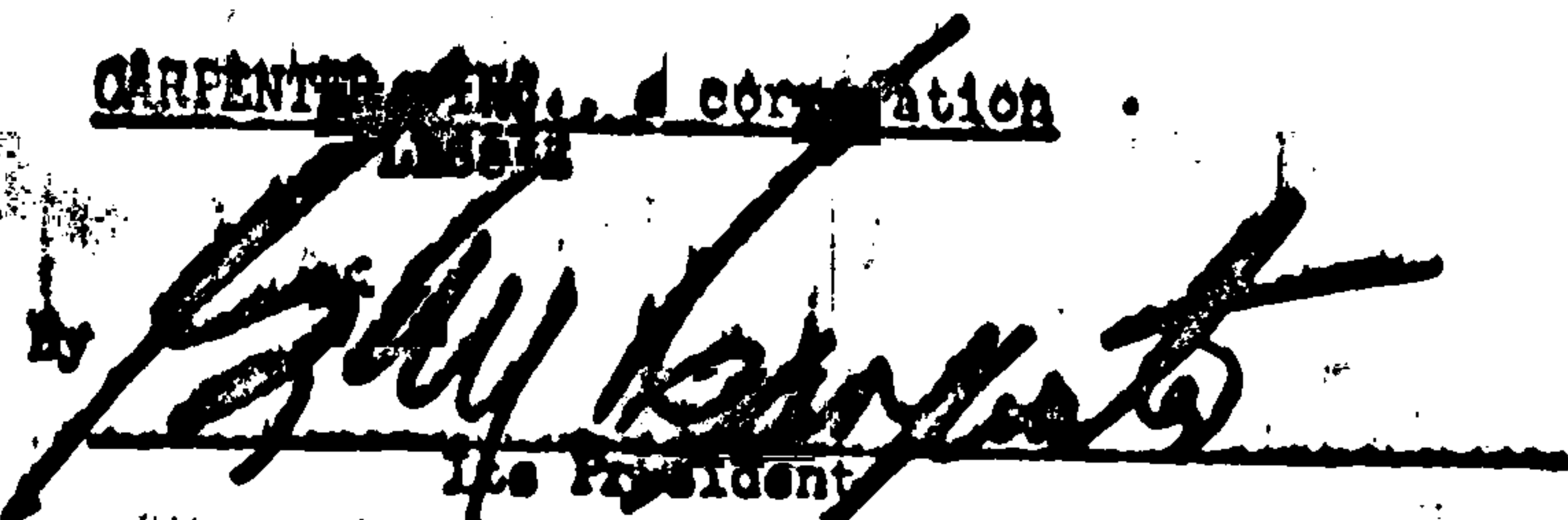
COLOMBIANA INDUSTRIAL DEVELOPMENT CORPORATION  
Lessee

By   
President of its Board of Directors

ATTEST:

  
Its Secretary

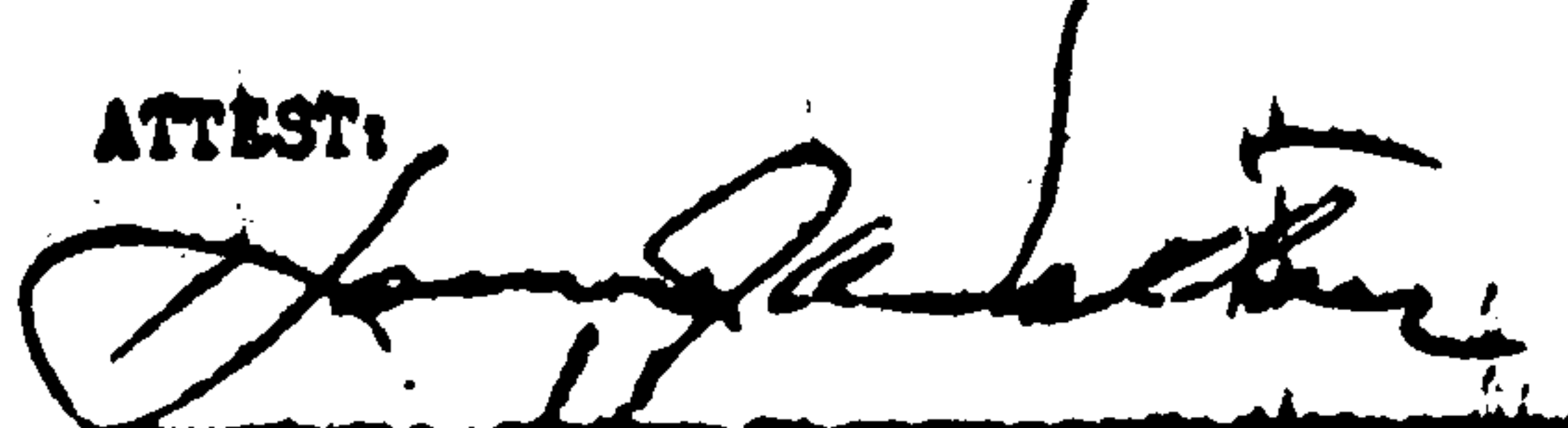
CARPENTER, INC., a corporation  
Lessor

By   
Its President




A part or part of part of section 13, Township 28 North, Range 1 West, described as follows: To find the point of beginning, start at the NW corner of Block 2 according to Safford's Map of Town of Shelby; thence northwardly along the extension northwardly of the west line of said Block 2 a distance of 141.1 feet to a point on the center line of the L & N Railroad; thence eastwardly along the center line of said Railroad a distance of 315 feet to a point; thence northwardly at a deflection angle of 90 deg. a distance of 25 feet to a point on the north line of the right of way of said railroad which is the point of beginning; thence eastwardly along the north line of said Railroad right of way a distance of 1040 feet to a point; thence northwardly at a deflection angle of 50 deg. to the left a distance of 325 feet to a point; thence westward at a deflection angle of 90 deg. 07 min. to the left a distance of 1638.1 feet to a point; thence southward with a deflection angle of 97 deg. 13 min. to the left a distance of 175 feet to a point; thence continue southwardly with a deflection angle of 0 deg. 13 min. to the right a distance of 150 feet to point of beginning, and containing 7.83 acres, more or less, including rights of way. LESS AND EXCEPT any of the following described as the above: Begin at the point of beginning of the above described land which point is on the north line of the right-of-way of the L & N Railroad; thence northwardly at right angles to said right of way a distance of 150 feet to a point; thence with a deflection angle of 55 deg. 26 min. to the right a distance of 200 feet to a point which is the point of beginning; thence northwardly a distance of 72 feet to a point; thence easterly a distance of 49 feet to a point; thence southerly a distance of 99 feet to a point on the north line of a public road; thence westwardly along said public road a distance of 46.4 feet to a point; thence northwardly a distance of 11 feet and enclosing the old furnace chimney; also LESS AND EXCEPT any and all existing rights of way and easements.


ATTEST:

  
 Secretary

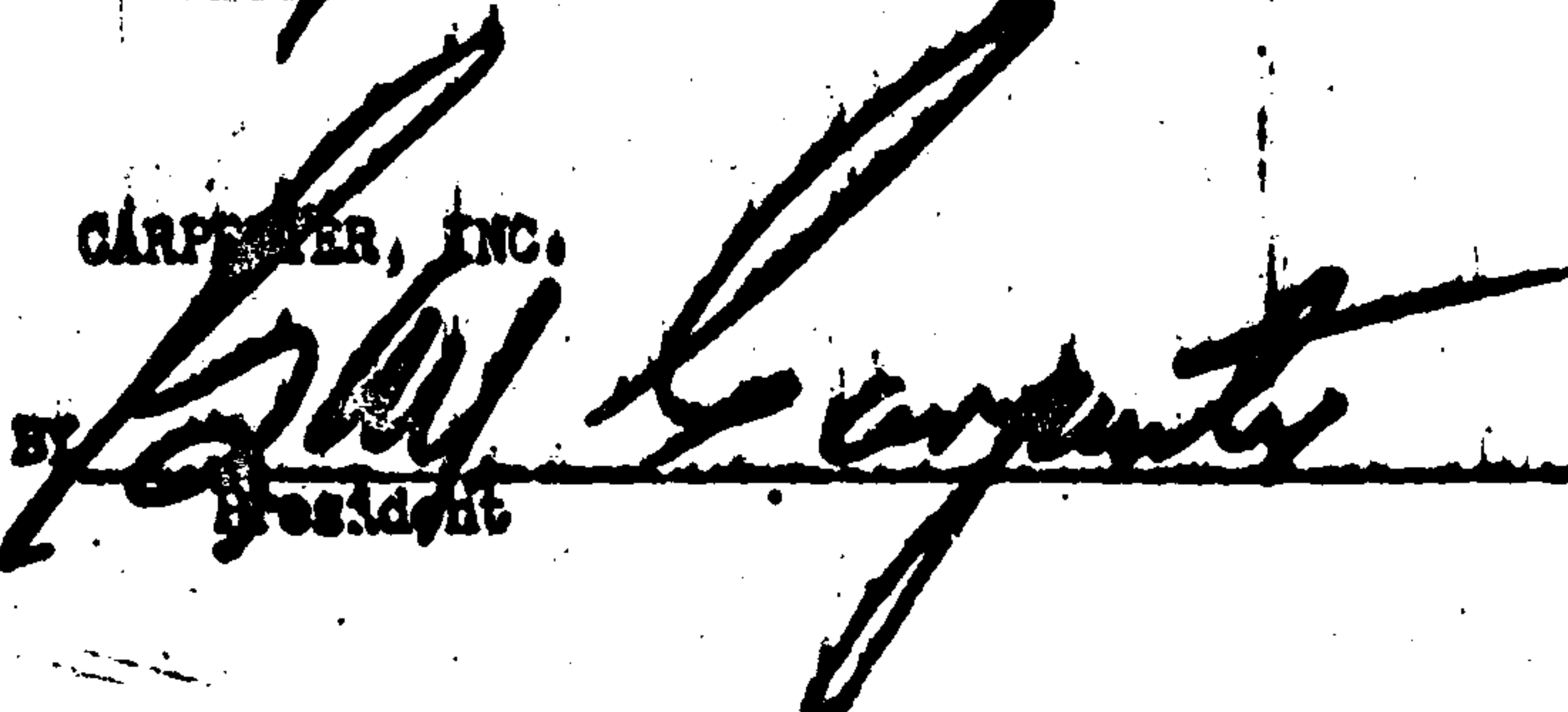
SIGNED FOR IDENTIFICATION:  
 COLUMBIANA INDUSTRIAL DEVELOPMENT CORPORATION

BY   
 President

ATTEST:

  
 Secretary

CARPENTER, INC.

BY   
 President







STATE OF ALABAMA )

SHELBY COUNTY )

FOR AND IN CONSIDERATION of the sum of One Dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, CARPENTER, INC., a corporation, hereby assigns, sub-leases, and transfers to COLUMBIANA INDUSTRIAL DEVELOPMENT CORPORATION that certain lease and the premises therein described which said lease is attached hereto as Exhibit "A" and made a part and parcel hereof as fully as if set out herein, and all rights of Carpenter, Inc. in and to the lease and premises therein described. Said lease bearing date of March 10, 1968 and being executed on March 19, 1968 by Gulf States Paper Corporation as Lessor and Carpenter, Inc. as Lessee.

Dated this 16th day of June, 1969.

ATTEST:

CARPENTER, INC., a corporation

By

H. R. Stewart  
Secretary

G. M. Carpenter  
Its President

8557

STATE OF ALABAMA )

SHELBY COUNTY )

I, the undersigned, a Notary Public in and for said County and State, hereby certify that G. M. Carpenter whose name as President of Carpenter, Inc., a corporation, is signed to the foregoing assignment, and who is known to me, acknowledged before me on this day that, being informed of the contents of the assignment, he, as such officer and with fully authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 17 day of June, 1969.

Amelia M. Lovell  
Notary Public

My Commission Expires July 25, 1971

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LEASE

STATE OF ALABAMA

SHELBY COUNTY

This lease made this 19<sup>th</sup> day of March, 1968,

by and between Gulf States Paper Corporation, a corporation, party of the first part, hereinafter called the Lessor and Carpenter, Inc., a corporation, party of the second part, hereinafter called the Lessee, WITNESSETH:

That the lessor does hereby rent and lease unto the lessee the hereinafter described premises for a term of twenty (20) years, beginning the 1st day of June, 1967, with the option to renew the same for an additional two (2) five (5) year terms, provided the parties hereto agree to the terms and conditions of said extensions; said premises being described as follows:

N $\frac{1}{2}$  of Block 2, Town of Shelby;

That triangular block of land bounded on the north by L&N Railroad, on the south by Sixth Avenue, on the east by Third Street and on the West by Church Street;

That block of land bounded on the north by the L&N Railroad, on the east by Fourth Street, on the south by Sixth Avenue and on the West by Third Street;

A part of SE $\frac{1}{4}$  of Section 13, Township 22 South, Range 1 West described as follows: To find the point of beginning start at the northwest corner of Block 2 according to Safford's Map of Town of Shelby, thence northwardly along the extension northwardly of the west line of said Block 2 a distance of 141.3 feet to a point on the center line of the L&N Railroad, thence eastwardly along the center line of said Railroad a distance of 305 feet to a point thence northwardly at a deflection angle of 90° a distance of 150 feet to a point which is the point of beginning, thence continue northwardly at right angles to the center line of said L&N Railroad a distance of 25 feet to a point thence with a deflection angle of 9° 13' to the left a distance of 175 feet to a point, thence eastwardly with a deflection angle of 97° 13' to the right a distance of 1058.1 feet to a point, thence southwardly with a deflection angle of 90° 07' to the right a distance of 325 feet to a point on the north line of said L&N Railroad right of way, thence eastwardly along the north line of said right of way to a point on the east line of said Section 13, thence northwardly along the east line of said Section 13 to a point 100 feet north of the southeast corner of NE $\frac{1}{4}$  of SE $\frac{1}{4}$  of said Section 13, thence South 84° 30' west a distance of 982.6 feet to a point, thence South 23° 30' west a distance of 309.7 feet to a point, thence north 66° West a distance of 392 feet to a point, thence south 65° 30' West a distance of 452.8 feet to a point, thence South 51° 35' East a distance of 39.4 feet to a point, thence South 0° 15' West a distance of 271 feet to a point, thence South 76° 55' West a distance of 175 feet to a point, thence North 77° 5' West a distance of 223.2 feet to a point, thence North 60° 38' West a distance of 187.1 feet to a point on the Extension northwardly of the west line of Church Street, thence southwardly along the extension northwardly of the west line of Church Street to a point on the north line of a public road thence eastwardly along the north line of the public road to a point on the east line of Church Street, thence southwardly along the east line of Church Street to a point 125 feet north measured along the East line of Church Street from the North line of the right of way of the L&N Railroad, thence Eastwardly parallel to the north line of the right of way of the L&N Railroad a distance of 305 feet to the point of beginning, less and except any of the following

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located on the above: Begin at a point on the North line of the right of way of the L&N Railroad; thence northwardly at right angles to said right of way a distance of 150 feet to a point; thence with a deflection angle of 55° 26' to the right a distance of 286 feet to a point which is the point of beginning; thence northwardly a distance of 72 feet to a point; thence eastwardly a distance of 49 feet to a point, thence southwardly ad distance of 99 feet to a point on the north line of a public road; thence westwardly along said public road a distance of 48.4 feet to a point; thence northwardly a distance of 31 feet and enclosing the old furnance chimney; also less and except any and all existing rights of way and easements, Shelby County, Alabama, Section 13, Township 22 South, Range 1 West.

and lessor covenants to keep the Lessee in possession of said premises during said term of any extension thereof. The Lessor reserves the right of ingress and egress across said premises during the term of this lease or any extension thereof, provided it does not unreasonably interefere with the operations of the Lessee. Lessor reserves all timber now growing on the premises being leased, and in the event Lessee desires to expand its business operation in such a manner that the trees will interfere with said expansion; then, in that event, the Lessor reserves the right to cut such of said trees as it elects to cut, with the understanding the same shall be cut within 90 days from receipt by Lessor from the Lessee a written request that said trees be cut and removed. It is further understood that the Lessor shall not be required to remove any of said trees or remove any stumps or debris from the premises which it does not clect to remove. Lessee being granted right to so remove after notice aforesaid. Lessor also reserves all slag located on said premises and reserves the right of ingress and egress thereto for itself, its successors and assigns for the purpose of removing said slag during the term of this lease or any extensions thereof, provided, however, that exercise of such rights by Lessor shall not disturb or damage any improvements made by Lessee nor interfere with conduct of Lessee's operations on leased premises.

It is understood and agreed that the above premises have been leased to the Lessee for the purpose of operating its business thereon. It is specifically understood and agreed that the Lessee shall not during the term hereof, engage in production of any items not presently produced by it which will be in competition with the Lessor, except that it may enter into the business of producing pulpwood chips. Irrespective of what other consumers are paying for the products hereinafter mentioned, it is understood and agreed that the Lessor shall have the first refusal to purchase all the chips, sawdust,



shavings, bark and other by-products of like kinds and descriptions produced by the Lessee at its Shelby, Alabama, plant at a price comparable to that being paid by the Lessor for said products considering the price of the products and freight costs for comparable distances. The right of first refusal as herein set out shall not apply to the purchase of boxes and pallets, flooring and other finished and semi-finished products. However, Lessor shall have the right to bid and purchase as any other customer of the Lessee for these named products.

In consideration whereof, the Lessee agrees to pay the Lessor as rent in advance the sum of \$800.00 per year for the first five (5) years of said lease and the sum of \$925.00 per year for the second five (5) years of said lease; the sum of \$1,050.00 per year for the third five (5) years of said lease; and the sum of \$1,175.00 per year for the fourth five (5) years of said lease; the first of said rental payments to be due on June 1, 1967, and yearly thereafter in advance during the term of this lease. Should the Lessee fail to pay the rents as they become due as aforesaid or violate any other conditions of this lease, the Lessor shall then have the right, at its option to re-enter said premises and annul this lease. And in order to entitle the Lessor to re-enter, it shall not be necessary to give notice of the rents becoming due and unpaid or to make any demand for the same, the execution of this lease, signed by the Lessee, which execution is sufficient notice of the rents being due and of the demand for the same, and shall be so construed, any law, usage or custom to the contrary notwithstanding.

Lessee agrees not to underlease said property nor transfer or assign this lease without the written consent of the Lessor, except to the Columbiana Industrial Development Corporation, and/or Small Business Administration and its assignees.

At the termination of this lease, the premises shall be returned to the Lessor in as good or better condition than as at the beginning of this lease, with the express understanding the Lessee shall not disturb, remove or otherwise dispose of any bricks or masonry on said premises situated thereon at the beginning of this lease. At the termination of this lease, the premises shall be returned to Lessor in reasonably as good or better condition, than as at beginning of term hereof, natural wear and tear excepted and subject to results of exercise of right of Lessor to remove slag therefrom

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and rights of Lessor and Lessee, respectively, to remove timber, both as hereinabove provided. It is expressly understood that Lessee shall not disturb, remove or otherwise dispose of any bricks or masonry, situated within a radius of One Hundred (100) feet from center of smoke stack situated on parcel of land hereinabove excepted from this lease. Lessee is, however, expressly granted the right to remove, within 60 days after the termination of this lease, any and all buildings, structures and fixtures constructed or placed by it on the leased premises; provided that any such buildings, structures and fixtures not so removed by Lessee within 60 days after termination of lease as aforesaid, shall thereafter be and become the exclusive property of Lessor.

It is understood and agreed that the parties understand there is an antique brick smoke stack situated on the above described premises being excepted from this lease and the Lessor may, at its option, construct a durable and permanent fence around said smoke stack and Lessee agrees to take care that no damage whatsoever is done to said smoke stack. In the event Lessor constructs said fence around that portion of excepted property, Lessee will use all reasonable care to protect said fence.

It is understood and agreed that the Lessor owns no part of and has no interest in the business which the Lessee purports to operate on said premises and has no right or control over the operation of the same and the Lessor shall not be liable for damages caused to anyone by the Lessee in connection with the operation of the business which it purports to operate on said premises. It is especially understood and agreed that the Lessor shall not be liable for any smoke, cinder, fire or other damage caused by the Lessee in connection with the operation of its said business and the Lessee agrees to release, quit claim and forever hold the Lessor harmless from any claims for damages arising out of or in connection with said business.

Lessee hereby agrees that it will, throughout the term of this lease and any extension thereof, at its own cost and expense, maintain public liability insurance covering the premises, including the antique brick smoke stack mentioned above, for the protection of Lessor and Lessee as their interests may appear, with a limit of liability for property damage of not less than One Hundred Thousand Dollars (\$100,000.00), and with a limit of liability for bodily injury to or death of one person in an amount not less



than One Hundred Thousand Dollars (\$100,000.00), and subject to that limitation for every person injured and killed, a total limitation for all claims arising out of any one accident resulting in bodily injury to or death of more than one person of not less than Five Hundred Thousand Dollars (\$500,000.00). Lessee shall provide Lessor with a certificate or certificates evidencing such coverage, that Lessor and Lessee are covered by such policy or policies as their interests may appear, and that such policy or policies are non-cancellable without ten (10) days advance notice to Lessor. However, obligation of Lessee to provide insurance coverage on smoke stack shall cease if and when Lessor conveys, assigns or transfers such smoke stack or right of possession thereof or of access thereto to any other person, firm, association, agency or corporation, whatsoever, public, semi-public or private.

Lessee shall save and hold the Lessor harmless from all liabilities, charges, expenses (including counsel fees), and costs on account of all claims for damages and otherwise and/or suits for or by reason of any injury or injuries to any person or property of any kind whatsoever, whether the person or property of Lessee, its agents or employees or third persons, from any cause or causes whatsoever while in or upon or in proximity to said premises or any part thereof, occasioned by the occupancy, use or failure to maintain said premises or due to any breach of a covenant herein by Lessee.

Lessor and Lessee agree that neither shall be liable to the other for damage to the premises or to any of the contents of any building or buildings on said premises or to standing timber on such premises whether owned by Lessee or Lessor, by perils insured against by the party owning such damaged or destroyed property; as evidence of which the Lessor hereby waives any and all right of recovery from the Lessee for loss caused by the perils of fire and other perils included in the definition of extended coverage, and the Lessee hereby waives any and all right of recovery from the Lessor for loss caused by the perils of fire and other perils included in the definition of extended coverage.

It is further understood and agreed that the Lessor will be responsible for ad valorem taxes on the leased premises during the term of this lease, such taxes being based upon the present tax valuation of said property and the Lessor will also be responsible for any increased taxes on the land due to any increase in the tax rates on the present assessed valuation of such land, any increase in the taxes on said land resulting from the present valuations



being increased as well as any ad valorem taxes on improvements erected on said land by the Lessee, to be paid in full and become the responsibility of the Lessee. The Lessee shall, within 10 days after notice of payment, reimburse the Lessor for any taxes paid by the Lessor which, under the terms of this paragraph, are the responsibility of the Lessee.

In the event that the premises or any part thereof, subject to this lease should at any time be condemned or otherwise taken by public authority, then Lessor may, at its option, terminate this lease without liability to the Lessee for damage to the unexpired term of the leasehold.

In the event of the employment of an attorney by the Lessor on account of violation of any of the conditions of this lease, by the Lessee, the Lessee agrees that it shall be taxed with said attorney's fees and cost of court, if any incurred.

In Testimony Whereof, the said Lessor and said Lessee by its proper officers who are authorized to execute this lease have hereto set the signature and seals of said Lessor and Lessee, this the 19<sup>th</sup> day of March 1968.

LESSOR

GULF STATES PAPER CORPORATION

By [Signature]  
As President

LESSEE

CARPENTER, INCORPORATED

By [Signature]  
As President

Attest:

[Signature]

Attest:

[Signature]  
S. Dent, Sec.

STATE OF ALA. SHELBY CO.  
I CERTIFY THIS  
INSTRUMENT WAS FILED

1969 JUL 11 AM 11:53

U.C.C. FILE NUMBER OR  
REC. BK. & PAGE AS SHOWN ABOVE

[Signature]  
JUDGE OF PROBATE

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