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**THE INDUSTRIAL DEVELOPMENT BOARD OF THE
TOWN OF CALERA, ALABAMA**

and

MARIETTA FACILITIES, INC.

Lease Agreement

BOOK 281 PAGE 767

Dated as of June 1, 1973



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LEASE AGREEMENT

THIS LEASE AGREEMENT, made and entered into as of the first day of June, 1973 by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE TOWN OF CALERA, a public corporation organized and existing under the laws of the State of Alabama (the "Board"), party of the first part, and MARIETTA FACILITIES, INC. (the "Lessee"), a corporation organized and existing under and by virtue of the laws of the State of Delaware, party of the second part:

WITNESSETH:

WHEREAS, Act No. 648 has been heretofore enacted by the 1949 Regular Session of the Legislature of Alabama and as amended appears as Chapter 17 and Chapter 17A of Title 37 of the Recompiled Code of Alabama; and

WHEREAS, said Act authorizes and provides for the creation of Industrial Development Boards in the several municipalities in the State of Alabama and empowers such boards to acquire, enlarge, improve, expand, own, lease and dispose of properties to the end that such boards may be able to promote industry and develop trade by inducing manufacturing, industrial, commercial and research enterprises to locate in said State; and

WHEREAS, said Act has been amended to further authorize and provide for the financing of pollution control facilities as a project for lease and use by any industry or enterprise; and

WHEREAS, said Act, as amended, further authorizes each such board to lease to others any or all of its projects, to charge and collect rent therefor, to issue its bonds for the purpose of carrying out any of its powers and, as security for the payment of the principal of and interest on any such bonds so issued and any agreements made in connection therewith, to mortgage and pledge any or all of its projects or any part or parts thereof, whether then owned or thereafter acquired, and to pledge the revenues and receipts therefrom or from any thereof to such bonds; and

WHEREAS, pursuant to and in accordance with the provisions of said Act the Board has been created and proposes to promote industry, develop trade and further the use of the natural products and natural resources of the State of Alabama by acquiring certain land and constructing thereon buildings, structures, machinery and equipment, and related facilities which upon completion thereof will constitute air and water pollution control facilities (the "Project") for the benefit of the Existing Plant hereinafter referred to and to lease the Project to the Lessee; and

WHEREAS, Martin Marietta Corporation, a corporation organized and existing under the laws of the State of Maryland, (the "Guarantor") owns and operates a cement plant (the "Existing Plant") within 25 miles from the corporate limits of the Town of Calera, Alabama; and

WHEREAS, the Guarantor wishes to comply with both Federal and State environmental standards for the Existing Plant and therefor is considering the construction of the Project for the purpose of reducing, preventing or eliminating certain air and water pollution by reason of the operation of the Existing Plant; and

WHEREAS, the Guarantor has been required by the Alabama Air Pollution Control Commission to comply by May 31, 1975 with the State of Alabama's air emission standards; and

WHEREAS, the Lessee is a wholly owned subsidiary of the Guarantor and to induce the Board to enter into this Lease Agreement and to cause the purchaser or purchasers of the Bonds hereinafter referred to, to purchase said Bonds, the Guarantor has contemporaneously executed and delivered a Guaranty Agreement pursuant to which the Guarantor unconditionally guarantees the obligations of the Lessee under this Lease Agreement and to further perform its own obligations under the Guaranty Agreement; and

WHEREAS, the acquisition and construction of the Project by the Board and the leasing thereof to the Lessee is necessary for the continued operation of the Guarantor's Existing Plant and the Lessee intends to operate the Project as an air pollution control facility for the benefit of the Existing Plant from the Completion Date to the expiration or sooner termination of the Lease Term as provided herein, and affirmatively so represents to the Board; and

WHEREAS, the Board in order to defray the cost of the acquisition and construction of the Project, will issue and sell its Industrial Development Revenue Bonds (Marietta Facilities, Inc. Pollution Control Project—1973 Series) (the "Bonds"), in the aggregate principal amount of \$9,000,000 pursuant to said Act as amended, a resolution of the Board adopted June 29, 1973 and an Indenture of Trust dated as of June 1, 1973 by and between the Board and The First National Bank of Birmingham, Birmingham, Alabama, as Trustee securing the Bonds; and

WHEREAS, the Board is empowered to enter into the transactions contemplated by this Lease Agreement and to carry out its obligations hereunder and by proper action of the Board of Directors of the Board, the Board has been duly authorized to execute and deliver this Lease Agreement; and

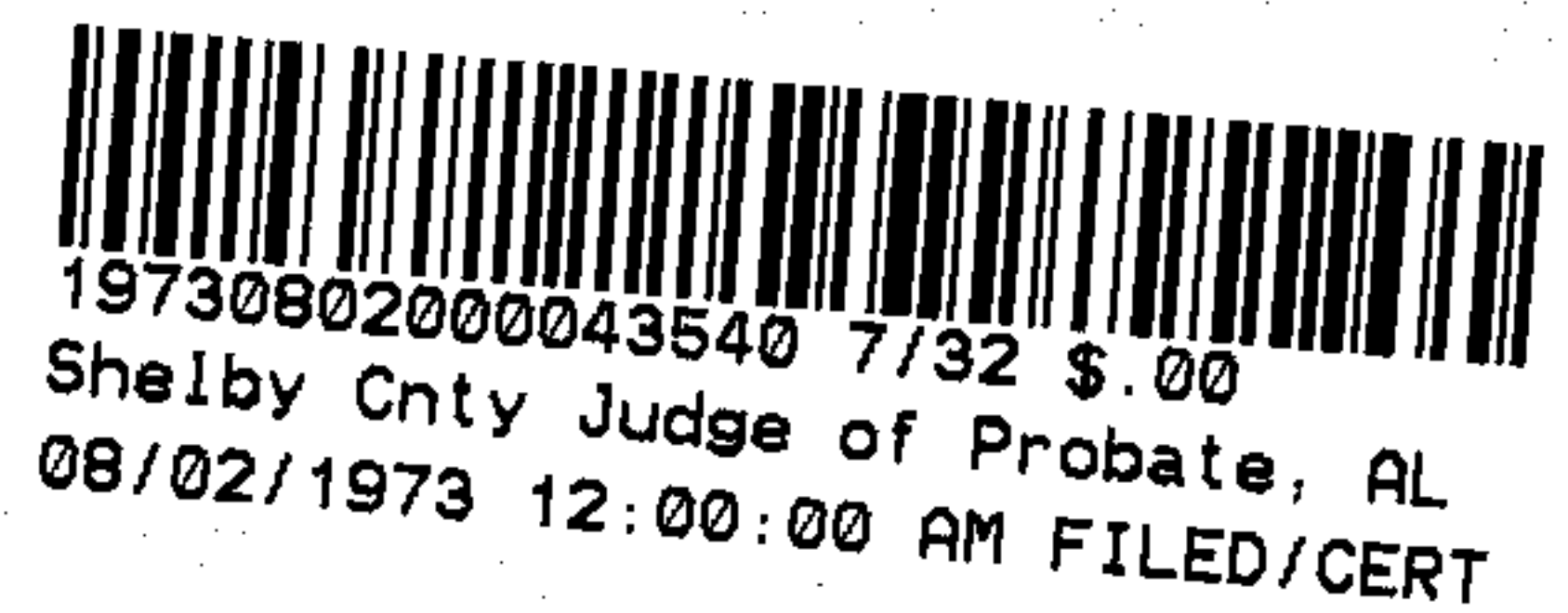
WHEREAS, the Lessee is a corporation duly incorporated, existing and in good standing under the laws of the State of Delaware, is in good standing and qualified to do business under the laws of the State of Alabama, is authorized under its Certificate of Incorporation and its By-Laws and under the laws of the state of its incorporation to enter into this Lease Agreement and to perform all covenants and obligations on its part to be performed under and pursuant to this Lease Agreement and by proper corporate action has been duly authorized to execute and deliver this Lease Agreement, and affirmatively so represents to the Board; and

WHEREAS, the Lessee is not prohibited under its Certificate of Incorporation, its By-Laws or the terms of any outstanding trust indentures, deeds of trust, mortgages, loan agreements or other instruments or evidences of indebtedness of whatever nature from entering into this Lease Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Lease Agreement, and affirmatively so represents to the Board; and

WHEREAS, the Alabama Air Pollution Control Commission, having jurisdiction in the premises has certified that the Project, as designed, is in furtherance of the purpose of abating or controlling effluents of the air at the Existing Plant; and

WHEREAS, the Lessee represents and covenants that substantially all of the Project (a) will be constructed to constitute an air pollution control facility in furtherance of the purpose of abating or controlling atmospheric pollutants or contaminants, (b) will be used solely to abate and control atmospheric pollution or contamination by removing, altering, disposing or storing pollutants or contaminants, (c) would not be constructed but for the purpose of controlling pollution, (d) is not designed to result in an increase of production or capacity or in a material extension of the useful life of a manufacturing or production facility or a part thereof, (e) has no significant purpose other than the purpose of pollution control and (f) will not be originally used until after the date the said bonds are issued;

NOW, THEREFORE, in consideration of the premises and the respective recitals, representations and agreements herein contained, the parties hereto agree as follows (provided that in the performance of the agreements of the Board herein contained, any obligation it may incur for the payment of money shall never constitute a liability or indebtedness of the Town of Calera, Alabama within the meaning of any state constitutional provision or statutory limitation and shall not constitute nor give rise to a pecuniary liability of the Town of Calera, Alabama or a charge against its general credit or taxing powers, but shall



be payable solely out of the lease rentals, revenues and receipts derived from or in connection with the Project, including moneys received under this Lease Agreement):

ARTICLE I

DEFINITIONS

SECTION 1.1. *Definitions.* The following terms shall have the following meanings in this Agreement:

"Act" shall mean Title 37, Chapter 17 and Chapter 17A of the Recompiled Code of Alabama as amended to the date of this Lease Agreement.

"Additional Bonds" shall mean one or more series of additional Bonds authenticated and delivered under the Indenture.

"Authorized Board Representative" means such person at the time designated by written certificate furnished to the Lessee and the Trustee containing the specimen signature of such person and signed on behalf of the Board by its President, to act in behalf of the Board. Such certificate shall designate an alternate or alternates. Any such person shall be satisfactory to the Lessee and shall be replaced promptly by the President upon the written request of the Lessee.

"Authorized Lessee Representative" means such person, and his alternate or alternates, at the time designated by written certificate furnished to the Board and the Trustee containing the specimen signature of such persons and signed on behalf of the Lessee by the president or any vice president of the Lessee, to act on behalf of the Lessee. All notices and requests required or permitted to be given by Lessee hereunder shall be signed by an Authorized Lessee Representative.

"Bond Fund" shall mean The Industrial Development Board of the Town of Calera, Alabama, Industrial Development Revenue Bond Marietta Facilities, Inc. Project Bond Fund established by Section 5.01 of the Indenture.

"Bonds" shall mean the Industrial Development Revenue Bonds (Marietta Facilities, Inc. Pollution Control Project—1973 Series), of the Board and any Additional Bonds, issued, authenticated and delivered under the Indenture.

"Completion Date" means the date of completion of the construction of the Facility and the installation therein of the Leased Equipment as that date shall be certified as provided in Section 4.04 of the Indenture.

"Construction Period" means the period between the beginning of construction or the date on which Bonds are first delivered to the purchasers thereof (whichever is earlier) and the Completion Date.

"Existing Plant" shall mean the cement plant within 25 miles of the corporate limits of the Town of Calera, Alabama owned and operated by the Guarantor.

"Facility" means the buildings or improvements generally described in Exhibit B attached hereto, as the same may be modified or changed from time to time in accordance with Lessee's specifications and directions.

"Guaranty Agreement" means the Guaranty Agreement executed by the Guarantor and accepted by the Board, of even date herewith, and any amendments, changes or modifications thereto.

"Guarantor" means Martin Marietta Corporation, a Maryland corporation, or its successors or assigns, or any surviving, resulting or transferee corporation as provided in Section 10 of the Guaranty Agreement.

"Indenture" shall mean the Indenture of Trust dated as of the date hereof by and between the Board and The First National Bank of Birmingham, as Trustee, together with all indentures supplemental thereto.

"Independent Counsel" means an attorney duly admitted to practice law before the highest court of any state and not an officer, director or full time employee of either the Board, the Lessee or the Guarantor, or a firm of attorneys, a member of which is duly admitted to practice law before the highest court of any state and no member of which is an officer, director or full time employee of either the Board, the Lessee or the Guarantor, in each case selected by the Board and acceptable to the Lessee and the Trustee (such acceptance not to be unreasonably withheld).

"Independent Engineer" means an engineer or engineering firm registered and qualified to practice the profession of engineering under the laws of Alabama and who is not and no member of which is an officer, director or employee of the Board, the Lessee or the Guarantor.

"Lease Agreement" means this Lease Agreement as from time to time amended.

"Lease Term" means the duration of the leasehold estate created in the Lease Agreement as specified in Section 3.2.

"Leased Equipment" means

(i) those items of machinery, equipment or other tangible personal property generally described in Exhibit C hereto and such other or substitute items of machinery and equipment, which in Lessee's judgment may be necessary in connection with the Project and as shall from time to time prior to the Completion Date be specified in written orders from the Lessee to the Board,

(ii) any item of machinery, equipment or other tangible personal property acquired in substitution for, as a renewal or replacement of, or a modification or improvement to any Leased Equipment, pursuant to the provisions of Section 4.2 hereof, and

(iii) any other machinery, equipment or other tangible personal property which is identified as the Board's property in the index referred to in Section 2.6.

"Leased Equipment" shall not, however, include machinery, equipment and tangible personal property for which other items have been substituted pursuant to the provisions of Section 4.2(a) hereof.

"Leased Land" means any leasehold interests, easements, licenses, rights and interests in real property which are described in Exhibit A hereto, together with all additions thereto and substitutions therefor, less any easements, licenses, rights of way or similar rights or privileges as granted or released from this Lease Agreement pursuant to Section 4.7 hereof or upon the exercise of the power of eminent domain as provided in Section 4.5 hereof.

"Lessee" shall mean Marietta Facilities, Inc., a corporation organized and existing under the laws of the State of Delaware and in good standing and qualified to do business in the State of Alabama, and its successors and assigns.

"Net Proceeds", when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all expenses (including attorneys' fees and any extraordinary expenses of the Trustee) incurred in the collection of such gross proceeds.

"Permitted Encumbrances" means, as of any particular time,

- (i) liens for taxes not then delinquent,
- (ii) this Lease Agreement and the Indenture,
- (iii) utility, access and other easements and rights of way, restrictions and exceptions that the Authorized Lessee Representative certifies will not materially interfere with or impair the Project,
- (iv) any mechanic's, laborer's, materialman's, supplier's or vendor's lien or right in respect thereof if payment is not yet due and payable or is being contested in good faith, and
- (v) defects, irregularities, encumbrances, easements, rights of way, and clouds on title which do not, in the opinion of counsel satisfactory to Trustee, materially impair the property affected thereby for the purpose for which it was acquired or is held by the Board.

"Project" means the Leased Land, the Facility and the Leased Equipment constituting an industrial pollution control facility at the Existing Plant to reduce, prevent or eliminate certain air and water pollution emanating from the Existing Plant, and any replacements, structures, improvements, substitutions and additions thereto, constructed and acquired as provided in this Lease Agreement, together with all additions, extensions, improvements, and facilities financed by Additional Bonds of the Board pursuant to Section 2.04 of the Indenture, provided that such term shall not include any machinery, equipment or other property installed by the Lessee and the title to which has been retained pursuant to Section 4.1 hereof.

"Project Fund" shall mean The Industrial Development Board of the Town of Calera, Alabama, Industrial Development Revenue Bond Marietta Facilities, Inc. Project Fund established by Section 4.02 of the Indenture.

"Project Supervisor" means the project supervisor or supervisors who at the time shall have been designated as such in or pursuant to the provisions of Section 2.2 hereof.

"Redemption Price" shall mean, with respect to any Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond and the Indenture.

"Trustee" shall mean The First National Bank of Birmingham, Birmingham, Alabama, and its successor or successors hereafter appointed in the manner provided in the Indenture.

Except where the context otherwise requires, words imparting the singular number shall include the plural number and vice versa and words imparting persons shall include firms, associations and corporations.

Any terms not otherwise defined herein, unless a different meaning clearly appears from the context, shall have the same meanings in this Lease Agreement as those terms are given in the Indenture.

ARTICLE II

ACQUISITION AND CONSTRUCTION OF PROJECT

SECTION 2.1. Acquisition of Leased Land. The Guarantor has concurrently conveyed to the Board title to the Leased Land against payment therefor by the Board of \$100, constituting the purchase price thereof, from the proceeds of the Bonds deposited in the Project Fund under the Indenture.

SECTION 2.2. Construction of Facility and Acquisition of Leased Equipment. 1. As promptly as practicable after receipt of the proceeds of sale of the Bonds referred to in Section 2.4 hereof and out of said proceeds of sale, the Board will, subject to the provisions of Section 2.3 hereof, cause the Facility to be constructed and acquired on the Leased Land, and cause to be acquired and installed in the Facility or in the Existing Plant, or elsewhere on the Leased Land for use of the Lessee the Leased Equipment, all in accordance with the Lessee's specifications and directions. The Board shall make no



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commitment for the construction or acquisition of the Facility or any part thereof or for the purchase or installation of any Leased Equipment or any part thereof without the prior written approval of the Authorized Lessee Representative or the Project Supervisor. The construction and equipping of the Facility and the acquisition and installation of Leased Equipment shall be supervised by John Miller, hereby appointed the Project Supervisor. In the event the Project Supervisor resigns or is removed by Lessee or becomes incapable of undertaking or carrying out his duties hereunder, the Lessee shall appoint a new Project Supervisor.

2. The Lessee covenants that it will obtain or cause to be obtained all necessary approvals, occupancy certificates, permits and other certifications and authorizations from any and all governmental agencies requisite to the construction, occupancy and use of the Project.

3. The Board will extend to the Lessee all vendor's warranties received by the Board in connection with the acquisition and construction of the Facilities and the acquisition and installation of Leased Equipment, including, without limitation, any warranties given by contractors, manufacturers, suppliers or service organizations. If requested, the Board shall execute and deliver appropriate instruments to the Lessee to accomplish the foregoing.

4. The Board covenants that it will take such action and institute such proceedings as shall be necessary to cause and require all contractors and suppliers to complete their contracts diligently in accordance with the terms of said contracts, including, without limitations, the correcting of any defective work and replacement and repair of defective equipment and materials, and the Board agrees that the Lessee may, from time to time, in its own name, or in the name of the Board, take such actions as may be necessary or advisable, as determined by the Lessee, to insure the construction of the Project in accordance with the terms of such contracts and the acquisition and installation of machinery and equipment in accordance with any applicable contract pertaining thereto, and to correct, replace and repair defects in the Facility and the Leased Equipment, with all costs and expenses incurred in connection with any and all of the foregoing to be borne by Lessee, subject to reimbursement, however, as part of the costs of the Project.

5. In order to accomplish the purposes of the Board, and to assure the construction of the Project in conformity with the requirements of the Lessee, the Lessee has undertaken to proceed with the design of the Project, preparation of the site and the construction of the Project under the supervision of the Project Supervisor.

SECTION 2.3. *Completion by Lessee.* In the event that moneys in the Project Fund are not sufficient to pay the costs of the acquisition, transfer and construction of the Project in full, the Lessee shall at its own expense pay that portion of such costs, as may be in excess of said moneys; provided, however, that the Lessee may request the Board to issue Additional Bonds pursuant to the Indenture to pay such costs if such costs aggregate more than \$1,000,000. The Lessee further covenants to construct or cause to be constructed such connections and facilities and improvements on the site of the Existing Plant necessary to connect to the Project for the purposes for which it is being constructed.

SECTION 2.4. *Issuance of Bonds.* The Board has concurrently with the execution and delivery hereof sold and delivered the Bonds in the principal amount of \$9,000,000 under and pursuant to a resolution adopted by the Board on June 29, 1973 authorizing the issuance of the Bonds and under and pursuant to the Indenture. The proceeds of sale of the Bonds remaining after the deposit in the Bond Fund of an amount equal to interest accrued on the Bonds to the date of delivery thereof shall be deposited in the Project Fund.

SECTION 2.5. *Disbursements from the Project Fund.* The Board will as hereinafter provided authorize and direct the Trustee to use the moneys in the Project Fund for the following purposes, only, without duplication of amounts:

(a) Payment of all costs of acquiring and leasing the Leased Land, including recording fees

for instruments of conveyance and this Lease Agreement and any and all fees and expenses incurred at the instance of Independent Counsel and approved by Lessee in order to perfect or protect the title of the Board to the Leased Land.

(b) Payment of the initial or acceptance fee of the Trustee, legal and accounting fees and expenses and printing and engraving costs, and all other costs and expenses incurred in connection with the preparation, authorization, sale and issuance of the Bonds, and the preparation, execution and filing of the Indenture and this Lease Agreement and all other documents in connection therewith or herewith.

(c) Payment of, or reimbursement of the Lessee and the Board in full for all advances and payments made by them or either of them or for their accounts at any time prior to or after the delivery of the Bonds for, expenditures in connection with the preparation of plans and specifications for the Project; labor, services, materials and supplies used or furnished in site preparation and improvement and in the construction and acquisition of the Facility, including the costs of landscaping, paving and other dust prevention or collection facilities; the cost of acquisition and installation of the Leased Equipment; the cost of the construction, acquisition and installation of utility services or other facilities and any and all other real and personal property deemed necessary in connection with the Project; and miscellaneous expenses incidental to any of the foregoing items.

(d) Payment of the fees, if any, for architectural, engineering and supervisory services with respect to the Project, and expenses for supervision and other work done by officers or employees of the Lessee or Guarantor in connection with the preparation of plans and specifications for and acquisition, installation and construction of the Project, provided that such expenses are to be treated on its books by Lessee or Guarantor as capital expenditures in accordance with generally accepted accounting principles applied on a consistent basis.

(e) Payment of interest on the Bonds (provided, that the amount of any such interest payment shall not exceed the amount by which the balance in the Project Fund immediately prior thereto exceeds the then unpaid estimated costs to complete the Project, as certified by the Authorized Lessee Representative), and insurance premiums, taxes (including without limitation payments referred to in Section 4.3(a) hereof), assessments and other charges, if any, all with respect to the Project, and fees and expenses of the Trustee and any other registrar or paying agent, that may become due and payable during the Construction Period, or reimbursement thereof if paid by the Lessee.

(f) Payment of expenses incurred with approval of the Lessee in seeking to enforce any remedy against any contractor, subcontractor or supplier relating to the Project.

(g) Payment of any other costs and expenses relating to the construction of the Project that may be approved in writing by the Authorized Board Representative and the Authorized Lessee Representative.

Such payments and reimbursements shall be made by the Trustee only upon receipt of a written requisition for such payment signed by the Authorized Board Representative (or his alternate) and the Authorized Lessee Representative (or his alternate) certifying that:

(1) An obligation in the stated amount has been incurred or paid by or on behalf of the Board or the Lessee, describing in reasonable detail the purpose of the payment and to whom such obligation is owed, accompanied by appropriate evidence of such obligation; and

(2) They have no notice of any vendor's, mechanic's, or other liens or right to liens, chattel mortgages or conditional sales contracts, or other contracts or obligations which should be satisfied or discharged before such payment is made;

provided, however, that the Trustee may advance monies from the Project Fund to the Board or the Lessee, as agent of the Board, for use by the Board or such agent in making any such payments referred



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to in subsections (c), (d), and (g) of this Section, if there is furnished to the Trustee an agreement satisfactory to the Trustee, executed by the Lessee, indemnifying the Trustee against any loss occasioned thereby.

Any balance remaining in the Project Fund after the Completion Date (as certified by the Authorized Lessee Representative) shall be paid into the Bond Fund as provided in Section 4.04 of the Indenture.

SECTION 2.6. *Index of Leased Equipment.* The Lessee will keep on file an index of all machinery and equipment constituting part of the Project.

ARTICLE III

LEASE OF PROJECT AND RENTAL PROVISIONS

SECTION 3.1. *Lease of the Project.* The Board hereby leases to the Lessee and the Lessee hereby leases from the Board the Project for and during the term hereinafter provided and upon and subject to the terms and conditions hereinafter set forth. The Lessee intends during the term of this Lease Agreement to use and occupy the Project as a pollution control facility for the benefit of the Existing Plant.

SECTION 3.2. *Duration of Term.* The term of this Lease Agreement shall commence as of June 1, 1973 and shall expire on June 1, 1993 or such earlier date as this Lease Agreement may be terminated as hereinafter provided. The Board shall deliver to the Lessee and the Lessee shall accept sole and exclusive possession of the Project upon the Completion Date provided that the Lessee shall be permitted such possession of the Project prior to such date of delivery of sole and exclusive possession as shall not interfere with the acquisition and construction of the Facility or the acquisition and installation of the Leased Equipment therein.

SECTION 3.3. *Rental Provisions; Pledge of Agreement and Rent.* (a) The Lessee covenants to make semiannual rental payments during the term of this Lease Agreement not later than 5 days prior to each interest payment date for the Bonds. In the event a rental payment date falls on a non-banking day of the Trustee, the rental payment involved shall be due and payable at the time of opening for business on the next succeeding day that is a banking day of the Trustee. The amount of each such rental payment shall be the sum of (i) the interest due on the Outstanding Bonds on such interest payment date, (ii) the principal amount, if any, of the Bonds then Outstanding due (otherwise than by call for redemption) on such interest payment date and (iii) the Sinking Fund Installment, if any, due on such interest payment date as provided in the Indenture, provided that such rental payments shall, to the extent Lessee elects, be reduced by (1) the amount of all monies then held by the Trustee in the Bond Fund to the extent not previously the basis for such reduction or then held for the payment of Bonds called for optional redemption, plus (2) any amount transferred from the Project Fund in respect of interest on the Bonds during the Construction Period in accordance with Section 2.5(e), plus (3), as and to the extent Bonds theretofore redeemed, purchased by or delivered to the Trustee are permitted by Section 5.08 of the Indenture to be credited against Sinking Fund Installments, the principal amount of such Bonds. If at any interest payment date, the balance in the Bond Fund (including the rental payment as aforesaid) is not sufficient to pay such total amount due on such date, the Lessee agrees to pay to the Trustee, on the day prior to such date, rentals under this Lease Agreement equal to the amount of such deficiency.

(b) The Board hereby notifies the Lessee and the Lessee acknowledges that all the Board's right, title and interest in this Lease Agreement, including the rental provided for in this Section 3.3 has been pledged by the Board as security for the Bonds, and in furtherance of said pledge the Board hereby unconditionally assigns, and directs Lessee to make, and the Lessee hereby covenants to make, such rental payments directly to the Trustee for deposit in the Bond Fund in accordance with the Indenture.



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(c) Lessee's election to deliver Bonds to the Trustee in satisfaction of Sinking Fund Installments under the Indenture, or to reduce rental payments by the principal amount of Bonds redeemed or purchased by or delivered to the Trustee, shall be exercised by Lessee's giving to the Trustee written notice of such election accompanied by the delivery of all such Bonds not theretofore delivered to the Trustee, with all unmatured coupons attached, on or before the 45th day preceding the date such Bonds are to be redeemed.

(d) There is expressly reserved to the Lessee the right, and the Lessee is authorized and permitted, at any time it may choose, to prepay, by deposit into the Bond Fund, all or any part of the rents payable under this Section 3.3, and the Board agrees that the Trustee may accept such prepayments of rents when the same are tendered by the Lessee.

(e) After all Bonds have been retired and all interest and applicable premiums, if any, due thereon have been paid or provision for such retirement and payment has been made in accordance with the Indenture, and after payment in full of the fees, charges and expenses of the Trustee and paying agents and any other amounts required to be paid hereunder or under the Indenture, any excess moneys in the Bond Fund from whatever source derived will be paid to the Lessee as an adjustment of rentals. This paragraph shall survive the termination or expiration of this Lease Agreement for any reason.

SECTION 3.4. *Obligation of Lessee Unconditional.* So long as any Bonds shall be Outstanding,

(a) The obligation of the Lessee to pay the rent as provided in Section 3.3 of this Lease Agreement, and to make all other payments required by this Lease Agreement, and to maintain the Project in accordance with Section 4.1 of this Lease Agreement, shall be absolute and unconditional, irrespective of any defense or any rights of set-off, recoupment or counterclaim it might otherwise have against the Board or any removal of property from the Project pursuant to Section 4.2 hereof, or any release of Leased Land pursuant to Section 4.7 hereof; and

(b) The Lessee will not suspend or discontinue any such payment or terminate this Lease Agreement (other than such termination as is provided for in this Lease Agreement) for any cause including, without limiting the generality of the foregoing, any act or circumstances that may constitute an eviction or constructive eviction, failure of consideration, failure of title, or commercial frustration of purpose, or any damage to or destruction of the Project, or the taking by eminent domain of title to or the right of temporary use of all or any part of the Project, or any change in the tax or other laws of the United States, the State of Alabama or any political subdivision of either thereof, or any failure of the Board to perform and observe any agreement or covenant, whether express or implied, or any duty, liability or obligation arising out of or connected with this Lease Agreement.

Notwithstanding the foregoing, the Lessee may, at its own cost and expense, and in its own name or in the name of the Board prosecute or defend any action or proceeding or take any other action which the Lessee deems reasonably necessary in order to insure the acquisition, construction, installation, equipping and completion of the Project or to secure or protect its right of possession, use and occupancy and other rights hereunder.

ARTICLE IV

MAINTENANCE, MODIFICATIONS, ADDITIONAL RENTS AND TAXES, INSURANCE, AND REMOVAL OF PROPERTY OF PROJECT, DAMAGE AND CONDEMNATION OF PROJECT AND EXISTING PLANT

SECTION 4.1. *Maintenance and Modifications of Project by Lessee.* (a) The Lessee agrees that during the Lease Term it will at its own expense maintain, preserve and keep the Project in good and safe operating order and condition and in good repair and shall make, from time to time, all replacements and repairs thereto (whether ordinary, extraordinary, structural, nonstructural, foreseen or unfore-

seen) as may be required to maintain and operate the Project as a pollution control facility. In its use and occupancy of the Project, the Lessee will at all times comply with all applicable zoning, pollution, sanitary and safety laws, and rules and regulations thereunder, provided, however, the Lessee shall not be required to comply with any such laws (either statutory or the common law), rules or regulations so long as the Lessee shall contest in good faith the validity, existence or applicability thereof.

(b) The Lessee or Guarantor may from time to time, in its sole discretion and at its own expense, make any additions, modifications or improvements to the Existing Plant and the Project, including installation of additional machinery, equipment, furniture or fixtures in the Facility or on the Leased Land and to remove same, as it may deem desirable for its business purposes; provided that all such additions, modifications, improvements and removals do not materially impair the overall operating efficiency of the Project as a pollution control facility. All machinery, equipment, furniture and fixtures so installed by the Lessee or Guarantor shall be property in which the Board shall have no interest and, without limitation, no statutory or common law right to any landlord's lien.

(c) The Lessee will not permit any materialmen's, mechanics' or similar liens to be established or remain against the Project; provided, that if the Lessee shall first notify the Trustee of its intention so to do, the Lessee may in good faith contest any such lien, and may permit the items so contested to remain unpaid during the period of such contest unless the Board or the Trustee shall notify the Lessee that, in the opinion of Independent Counsel, as the result of such nonpayment the Project or any part thereof will be subject to loss or forfeiture, in which event the Lessee shall promptly pay the same. The Board will cooperate fully with the Lessee in any such contest.

SECTION 4.2. Removal of Property of the Project. The Lessee shall have the right from time to time to remove from the Project any improvements, machinery, equipment, fixtures or facilities constituting a part of the Project free and clear of this Lease Agreement, thereby acquiring the sole and exclusive property therein, if and only if:

(a) such improvements, machinery, equipment, fixtures or facilities are substituted or replaced by improvements, machinery, equipment, fixtures or facilities free of all liens and encumbrances (other than Permitted Encumbrances) and such substitution or replacement shall not materially impair the overall operating efficiency of the Project as a pollution control facility; or

(b) such improvements, machinery, equipment, fixtures or facilities shall have been made or installed by the Lessee at its own expense (other than pursuant to paragraph (a) above) and the removal thereof shall not materially impair the overall operating efficiency of the Project as a pollution control facility; or

(c) such removal shall not materially impair the overall operating efficiency of the Project as a pollution control facility, and (i) in the case of the sale by Lessee of any such improvements, machinery, equipment, fixtures or facilities the Lessee shall promptly pay to the Trustee for deposit in the Bond Fund the proceeds from such sale, or (ii) in the case of the trade-in thereof for other improvements, machinery, equipment, fixtures or facilities not to be installed in the Project, the Lessee shall promptly pay to the Trustee for deposit in the Bond Fund the amount of the credit received by it in such trade-in, or (iii) in the case of any other disposition thereof the Lessee shall pay to the Trustee for deposit in the Bond Fund an amount equal to the original cost thereof less depreciation at rates calculated in accordance with the accounting practice of the Lessee (which shall be in accordance with generally accepted accounting practices); provided that no payment need be made under this paragraph (c) unless and until all such proceeds and amounts aggregate at least \$50,000; or

(d) such removal shall not materially impair the overall operating efficiency of the Project as a pollution control facility and the aggregate fair resale value of (i) all improvements, machinery, equipment, fixtures and facilities of the Project which shall have been made or installed and

paid for by the Lessee (other than pursuant to paragraph (a) above or Section 4.1) and which shall have become the property of the Board, exceeds the aggregate fair resale value of (ii) all improvements, machinery, equipment, fixtures and facilities of the Project exclusive of those to which title has been retained by the Lessee, which shall have been removed from the Project by the Lessee (including the property then being removed).

Within 60 days after the close of each fiscal year of the Lessee, the Lessee shall furnish to the Board and the Trustee a written report of a qualified engineer (who may be an employee of the Lessee), selected by the Lessee and acceptable to the Board and the Trustee (which acceptance shall not be unreasonably withheld), summarizing the action taken by the Lessee pursuant to this Section 4.2 during the preceding fiscal year and stating that, in his opinion, such action complies with the provisions of this Section.

The Lessee shall deliver to the Board appropriate documents transferring and conveying to the Board title to any property to be transferred and conveyed to the Board pursuant to this Section 4.2, and shall index same pursuant to Section 2.6 hereof, and upon request of the Lessee, the Board shall deliver to the Lessee appropriate documents conveying to the Lessee title to any property removed from the Project pursuant to this Section 4.2.

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SECTION 4.3. *Taxes, Assessments and Charges.* The Board acknowledges that under present law no part of the Project will be subject to ad valorem taxation by the State of Alabama or any county, city, municipality or other political or taxing subdivision of said State so long as the same is owned by the Board, and that these factors, among others, materially induced the Lessee to enter into this Lease Agreement. However, the Lessee will pay all taxes, assessments and utility charges, if any, in connection with the Project which may be lawfully levied, assessed or charged upon the Lessee or the Board or the property covered by this Lease Agreement or upon rental payments hereunder, when the same shall become due, but only if and to the extent that such taxes, assessments or charges, if any, shall result in a lien or charge upon the Project or the revenues of the Board therefrom; provided however, that any such taxes, assessments or charges relating to a fiscal period of the taxing authority, a part of which exists prior to or extends beyond the term of this Lease Agreement, shall be apportioned between the Board and the Lessee. The Board shall promptly forward to the Lessee any notice, bill, statement, assessment or other advice received by it concerning any such tax, assessment or charge, and the Lessee shall not be in default hereunder for non-payment thereof unless it has timely received the same. If by law any such taxes, assessments or charges are payable or may at the option of the payor be paid in installments (whether or not interest shall accrue on the unpaid balance thereof) over a period of time, the Lessee may exercise such option.

The Board covenants that during the term of this Lease Agreement it will retain title to the Project, except as otherwise expressly provided in this Lease Agreement, and will take no action, unless otherwise required by law, which may tend to cause or induce any attempt to impose any ad valorem taxes on the Project; and should any such imposition be threatened or occur, the Board will cooperate with the Lessee in all reasonable ways to resist the same. The Lessee shall have the right, in its or the Board's name, or both, but at its own cost and expense, to contest any taxes, assessments or charges by appropriate proceedings timely instituted, provided that the Lessee gives the Board and the Trustee written notice thereof and diligently prosecutes such contest and at all times effectively stays or prevents any official or judicial sale of the Project or any part thereof by reason of non-payment thereof. The Lessee shall hold the Board whole and harmless from any costs and expenses related to any such contest and shall promptly comply with any valid final adjudication and shall cause any such final adjudication to be satisfied of record.

SECTION 4.4. *Insurance.* (a) The Lessee shall during the Construction Period and throughout the Lease Term keep the Project insured against loss or damage by fire, with standard extended coverage

endorsement but only to the extent that the Guarantor insures its properties of similar character. All policies, if any, shall name the Board, the Trustee and the Lessee as insureds as their respective interests may appear, and certificates of such insurance shall be promptly furnished to the Trustee and to the Board upon request.

(b) The Lessee agrees that it will carry public liability insurance in minimum amounts of \$300,000 for the death of or bodily injury to one person and \$500,000 for death or bodily injury in connection with each occurrence and \$50,000 for property damage in connection with each occurrence, naming the Town and Lessee as insureds, as their respective interests may appear.

(c) The Net Proceeds of the insurance carried pursuant to paragraph (a) above shall be applied as provided in Section 4.5 hereof and the Net Proceeds of the insurance carried pursuant to paragraph (b) above shall be applied to the extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

SECTION 4.5. *Damage, Destruction or Condemnation of the Project or Existing Plant.* (a) If the whole of or any part of the Project or Existing Plant shall be damaged or destroyed by fire or other casualty or if title to, or the temporary use, in whole or any part, of the Project or Existing Plant shall be taken or condemned by a competent authority under the exercise of the power of eminent domain, the Lessee shall be obligated to continue to make the rental payments and others payments required hereunder, and shall either (1) repair, restore, reconstruct, replace or relocate the Project or any part thereof, with land, facilities and equipment similar to the Leased Land, the Facility and the Leased Equipment (herein collectively called "Replacements") on the Leased Land or elsewhere on the site of the Existing Plant so that the operating efficiency as an air pollution control facility of the Project shall not be materially impaired or (2) if permitted by Section 8.1, exercise its option to purchase the Project.

(b) The Net Proceeds from any insurance or condemnation award with respect to the Project shall be deposited in a special fund (herein called "Special Fund") to be held by the Trustee and either (1) applied to pay for the cost of making Replacements or to reimburse Lessee for payment therefor from time to time in the same manner as disbursements are provided to be made from the Project Fund or (2) if purchase of the Project is then permitted and the Lessee exercises its option to purchase the Project, transferred to the Bond Fund and applied against payment of the purchase price of the Project.

(c) If Lessee makes Replacements as herein above provided,

(1) Any surplus of such Net Proceeds remaining after the completion of all payments for such Replacements shall be deposited in the Bond Fund.

(2) The Lessee will pay any cost of Replacements in excess of the amount of the Net Proceeds.

(3) Such Replacements shall be deemed a part of the Project as if specifically described herein.

(d) The Board agrees that, if and to the extent that the Lessee may request, it will cooperate with the Lessee in all matters relating to any taking or condemnation of the Project or any part thereof and the Board, to the extent that it may lawfully do so, hereby appoints and designates, and reserves the right in and for, the Lessee and in its own name or in the name of the Board as it may elect, to take all action which the Board may lawfully take in respect of any and all matters relating thereto; provided, however, that all costs and expenses of the Board thereby incurred at the request of the Lessee or by reason of any action on its part taken in behalf of the Board shall be borne by the Lessee. Without limiting the foregoing, the Board, the Trustee and the Lessee shall cooperate and consult with each other in all matters pertaining to settlement or adjustment of any and all claims and demands for damages on account of any taking or condemnation of the Project, and the settlement or adjustment of any such claim shall be subject to the approval of the Lessee.

SECTION 4.6. *Advances by Board or Trustee.* In the event the Lessee fails (except by reason of force majeure, as defined in Section 7.1) to perform any of its obligations under this Article IV, the Board or the Trustee, after first notifying the Lessee, may (but shall not be obligated to) perform the same, and all amounts advanced therefor by the Board or the Trustee, after deducting therefrom the Net Proceeds of any insurance or condemnation award available therefor, shall become additional rent immediately due and payable by the Lessee to the Board with interest thereon at the rate of 8% per annum, from the date advanced.

SECTION 4.7. *Release of Certain Land.* Notwithstanding any other provisions of this Lease Agreement, the Board and Lessee reserve the right, and the Board will if the Lessee reasonably so requests, at any time or from time to time to execute and deliver any and all instruments necessary or appropriate to amend this Lease Agreement so as to release and remove from this Lease Agreement any part of the Leased Land and to convey title thereto to the Lessee or such person as the Lessee may designate, upon filing with the Trustee the following:

(a) a copy of the amendment executed by the Lessee and Board, giving an adequate legal description of that part of the Leased Land to be released and removed;

(b) a resolution of the Board (i) authorizing the execution of said amendment, (ii) stating that the Board is not in default under the Indenture and the Lessee is not to the knowledge of the Board in default under the Lease Agreement and (iii) directing the Trustee to release such part of the Leased Land from the lien of the Indenture;

(c) a certificate of an Authorized Lessee Representative stating that (i) the Lessee has duly authorized and approved the amendment, (ii) the Lessee is not in default under the Lease Agreement, and (iii) such release and the proposed use of such part of the Leased Land will not materially impair the operating efficiency of the Project as a pollution control facility; and

(d) a certificate of an Independent Engineer stating that, in the opinion of the person signing such certificate, the part of the Leased Land to be released does not materially impair the operating efficiency of the Project as a pollution control facility.

ARTICLE V

PARTICULAR COVENANTS

SECTION 5.1. *No Warranty of Condition or Suitability by the Board.* The Board 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.

SECTION 5.2. *Inspection of the Project.* The Lessee agrees that the Board, 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. The Lessee further agrees that the Board and its duly authorized agents shall have such rights of access to the Project as may be reasonably necessary to cause to be completed the construction and installation thereof, as provided for in Article II hereof, and thereafter for the proper maintenance or repair and restoration of the Project in the event of failure by the Lessee to perform its obligations under Article IV hereof.

SECTION 5.3. *Board's Authority; Covenant of Quiet Enjoyment.* The Board covenants and agrees that it has full right and lawful authority to enter into this Lease Agreement for the full term hereof, including the right to grant the options to purchase herein contained, and that so long as the Lessee shall pay the rent and all other sums payable by it under this Lease Agreement and shall duly observe all the covenants, stipulations and agreements herein contained obligatory upon it, the Lessee shall have,

hold and enjoy, during the Lease Term, peaceful, quiet and undisputed possession of the Project, and the Lessee shall have the right from time to time to take all necessary action to that end.

SECTION 5.4. Lessee To Maintain its Corporate Existence; Conditions Under which Exceptions Permitted; Qualifications. (a) The Lessee agrees that during the Lease Term it will maintain its corporate existence, 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 it; provided, that the Lessee may consolidate with or merge into another corporation, or permit one or more other corporations to consolidate with or merge into it, or sell or otherwise transfer to another corporation all or substantially all of its assets as an entirety and thereafter dissolve, if the surviving, resulting or transferee corporation, as the case may be, (i) is the Lessee, or (ii) assumes in writing all of the obligations of the Lessee herein and qualifies to do business in Alabama, and (iii) is not or does not thereby become the Guarantor.

(b) The Lessee warrants that it is and throughout the Lease Term it will continue to be duly qualified to do business in Alabama.

SECTION 5.5. Release and Indemnification Covenants and Approval. The Lessee releases the Board from, and agrees that the Board shall not be liable for and to hold the Board harmless from, 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 acquisition, installation and construction of the Project or the ownership or use thereof; provided, that the indemnity provided in this sentence shall be effective only to the extent of any loss that might be sustained by the Board in excess of the Net Proceeds received from any insurance carried with respect to the loss sustained. The Board shall forthwith give notice to Lessee of any claim, suit, action or proceeding to which this indemnity relates, and Lessee shall have the exclusive right to control the defense or settlement thereof.

SECTION 5.6. Approvals by Lessee. Whenever under the provisions of this Lease Agreement the approval of the Lessee is required, such approval shall be given by the Authorized Lessee Representative or the Project Supervisor unless otherwise specified in this Lease Agreement and the Board shall be authorized to act on any such approval or request and the Lessee shall have no complaint against the Town as a result of any such action taken.

SECTION 5.7. Financial Statements and Certificates. The Lessee agrees that it will furnish to the Trustee and the Board a copy of all financial statements and other reports of Guarantor which Guarantor furnishes to its stockholders generally and a certificate of an Authorized Lessee Representative to the effect that Lessee is not in default hereunder, annually within 120 days after the end of each fiscal year of Lessee.

SECTION 5.8. Covenant by Lessee as to Compliance with Indenture. The Lessee covenants and agrees that it will comply with the provisions of the Indenture with respect to the Lessee and that the Trustee shall be entitled to exercise the powers, duties and obligations vested in the Trustee by the Indenture.

SECTION 5.9. Covenant by Board as to Compliance with Indenture. The Board covenants and agrees that it will comply with the provisions of the Indenture with respect to the Board, and will exercise its powers, rights and privileges under the Indenture as from time to time requested by the Lessee in accordance with law and the Indenture.

SECTION 5.10. Compensation and Expenses of Trustee, Registrar and Paying Agents. The Lessee shall, to the extent not paid out of the proceeds of the Bonds, upon demand pay reasonable compensation

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to the Trustee for its services under or in connection with enforcement of the Indenture and this Lease Agreement, and all reasonable actual out-of-pocket expenses (including counsel fees) reasonably incurred by the Trustee in performing its duties thereunder or hereunder or the enforcement hereof or thereof, including but not limited to expenses incurred in purchasing any Bonds or making any investments in accordance with the Indenture. The Lessee shall also pay the reasonable compensation and reasonable out-of-pocket expenses of any other registrar or paying agent for the Bonds and reasonable out-of-pocket expenses of the Board in connection with the performance of duties of the Board under the Lease Agreement, the Indenture and the authorization, execution, delivery and sale of the Bonds.

SECTION 5.11. *Issuance of Additional Bonds.* So long as the Lessee is not in default hereunder, the Board will, upon written request of the Lessee, use its best efforts to issue and sell Additional Bonds on a parity with the Industrial Development Revenue Bonds (Marietta Facilities, Inc. Pollution Control Project—1973 Series) for the purpose of completing the Project or providing extensions, additions, improvements or facilities to or for the Project or the Existing Plant constituting pollution control facilities within the meaning of the Act, in such amount as shall be specified in such request in accordance with this Lease Agreement and the Indenture. The Board and the Lessee shall enter into supplemental lease agreements providing for the payment by the Lessee of such additional rentals as are necessary in order to amortize in full the principal and interest of such Additional Bonds and any other costs in connection therewith, and containing other appropriate provisions relating to such pollution control facilities.

SECTION 5.12. *Covenants with Respect to Use of Bond Proceeds.* Pending application of amounts in the Project Fund, any Special Fund and the Bond Fund for the purposes for which such Funds are established the monies therein shall be invested by the Trustee as directed by the Authorized Lessee Representative in accordance with the Indenture. Lessee covenants with the Board, with the Trustee and with each holder of any Bonds or interest coupons appertaining thereto, that it will never cause Bond proceeds to be so used as to result in the loss of exemption of interest thereon from Federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1954 (except during any period while such Bond or coupons are held by a person referred to in Section 103 (c)(7) of said Code). Lessee further agrees to file with the United States Internal Revenue Service or other authorized governmental agency any and all statements or other instruments, if any, required under said Section 103 and regulations thereunder.

ARTICLE VI

ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING; REDEMPTION OF BONDS

SECTION 6.1. *Assignment and Subleasing.* This Lease Agreement may be assigned to any person other than the Guarantor, and the Project may be subleased as a whole or in part to any person, by the Lessee without the consent of either the Board or the Trustee, subject, however, to each of the following conditions:

(a) No assignment (other than pursuant to Section 5.4 hereof) or subleasing shall 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 payment of all rents specified hereunder hereof and for performance and observance of the other agreements on its part herein provided to be performed and observed by it.

(b) Any assignee shall assume the obligations of the Lessee hereunder to the extent of the interest assigned.

(c) The Lessee shall, within thirty days after the delivery thereof, furnish or cause to be furnished to the Board and to the Trustee a true and complete copy of each such assignment and sublease, as the case may be.

SECTION 6.2. *Restrictions on Disposition of Project by Board.* Subject to the provisions of Articles VII and VIII hereof, the Board agrees that, except for the assignment of this Lease Agreement and the rentals hereunder to the Trustee pursuant to the Indenture, and except as permitted by Section 4.7 hereof, it will not sell, assign, convey, mortgage, encumber or otherwise dispose of the Project or any part thereof during the Lease Term and any attempted such sale, assignment, conveyance, mortgage, encumbrance or other disposition of the Project or any part thereof shall be void.

SECTION 6.3. *Redemption of Bonds.* The Board, at the request of the Lessee, shall promptly take all steps that may be necessary under the applicable provisions of the Indenture to effect redemption of all or part of the then outstanding Bonds as may be specified by the Lessee, on such redemption date as may be specified by the Lessee in accordance with the Indenture. Prior to the date fixed for such redemption, the Lessee shall pay to the Trustee, as advance rental for deposit in the Bond Fund an amount sufficient (when added to any amounts available therefor then held in the Bond Fund and any Special Fund) to pay the Redemption Price for such Bonds plus interest accrued and unpaid thereon to the date of redemption.

SECTION 6.4. *References to Bonds Ineffective After Bonds Paid.* Upon payment in full (or provision for payment in accordance with the provisions of the Indenture and this Lease Agreement) of the Bonds and all fees and charges of the Trustee, any paying agent or registrar and the Board, all references in this Lease Agreement to the Bonds and the Trustee shall be ineffective and neither the Trustee nor the holder of any of the Bonds shall thereafter have any rights hereunder, saving and excepting those that shall have theretofore vested.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.1. *Events of Default Defined.* Except as otherwise provided below in this Section, 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) Failure by the Lessee for a period of five days to pay or cause to be paid the rent required to be paid under Section 3.3 hereof at the times specified therein.

(b) Failure by the Lessee to observe and perform any other covenant, condition or agreement in this Lease Agreement on its part to be observed or performed, for a period of thirty days after written notice, specifying such failure and requesting that it be remedied, given to the Lessee by the Board or the Trustee, unless the Board and the Trustee (with any required consent of Bondholders under the provisions of the Indenture) shall agree in writing to an extension of such time.

(c) The entry of a decree or order by a court having jurisdiction in the premises adjudging the Lessee or the Guarantor a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Lessee or Guarantor under the Federal Bankruptcy Act or any other applicable Federal or State Law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Lessee or Guarantor or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days.

(d) The institution by the Lessee or Guarantor of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it,



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or the filing by it of a petition or answer or consent seeking reorganization or relief under the Federal Bankruptcy Act or any other applicable Federal or State law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Lessee or Guarantor or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by the Lessee or Guarantor in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Lessee or Guarantor in furtherance of any such action.

The foregoing provisions of this Section are subject to the following limitations: If by reason of force majeure the Lessee is unable in whole or in part to carry out its agreements on its part herein contained, other than the obligations on the part of the Lessee contained in Sections 3.3 and 4.3 hereof, the Lessee shall not be deemed in default, nor shall an event of default be deemed to have occurred, during the continuance of such inability. The term "force majeure" as used herein shall include the following: acts of God; strikes, lockouts or other industrial disturbances, acts of public enemies; acts or omissions of any kind of the government of the United States or of Alabama or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Lessee. The Lessee agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the Lessee from carrying out its agreements; provided, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Lessee.

SECTION 7.2. *Remedies on Default.* So long as any of the Bonds shall be Outstanding whenever any event of default referred to in Section 7.1 hereof shall have occurred and be subsisting, the Board or the Trustee may take any one or more of the following remedial steps:

(a) The Trustee as provided in the Indenture may, at its option, declare the entire principal of and interest on the Bonds to be immediately due and payable, whereupon rent in an equal amount shall become immediately due and payable under this Lease Agreement, with interest thereon until the date of payment at the rate of 8% per annum.

(b) The Board, with the prior written consent of the Trustee, may re-enter and take possession of the Project without terminating this Lease Agreement, and sublease the Project for the account of the Lessee, holding the Lessee liable for the difference between the rent and other amounts payable by the sublessee and the rents and other amounts payable by the Lessee hereunder.

(c) The Board, with the prior written consent of the Trustee, may terminate the Lease Term, exclude the Lessee from possession of the Project and use its best efforts to lease the Project to another party for the account of the Lessee, holding the Lessee liable for all rent and other amounts due under this Lease Agreement and not paid by such other party.

(d) The Board or the Trustee may take whatever other action at law or in equity may appear necessary or desirable to collect the rent then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Lessee under this Lease Agreement.

Any amounts collected pursuant to action taken under this Section shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture and this Lease Agreement.

SECTION 7.3. *No Remedy Exclusive.* No remedy herein conferred upon or reserved to the Board or to the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this

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 and power may be exercised from time to time and as often as may be deemed expedient.

SECTION 7.4. *Obligation and Rights of Lessee in Default.* Notwithstanding the foregoing, unless and until the Board shall have executed a firm bilateral agreement for the reletting of the Project:

(a) the Lessee may, at any time, pay all accrued unpaid rentals (exclusive of any such rentals accrued solely by virtue of acceleration of maturity of the Bonds as provided in Section 7.01 of the Indenture) and fully cure all defaults; and

(b) in such event, this Lease Agreement shall be fully reinstated, as if it had never been terminated, and the Lessee shall be restored to the use, occupancy and possession of the Project.

ARTICLE VIII

OPTIONS TO PURCHASE THE PROJECT

SECTION 8.1. *Option to Purchase.* 1. The Lessee shall have the option to purchase the Project at any time if:

(a) The Project or the Existing Plant shall have been damaged or destroyed to such extent that as evidenced by a certificate of an Independent Engineer acceptable to the Trustee (such acceptance not to be unreasonably withheld) and filed with the Board and the Trustee (i) the Project or the Existing Plant cannot be reasonably restored within a period of six months to the condition thereof immediately preceding such damage or destruction, or (ii) the Lessee or any sublessee of the Project or the Guarantor is thereby prevented from carrying on its normal operation of the Project or Existing Plant for a period of six consecutive months, or (iii) the cost of restoration thereof would equal or exceed the principal amount of Bonds Outstanding; or

(b) Title to, or the temporary use of all or a substantial part of the Project or the Existing Plant shall have been taken or condemned by a competent authority and, as evidenced by a certificate of an Independent Engineer acceptable to the Trustee (such acceptance not to be unreasonably withheld) and filed with the Board and the Trustee, such taking or condemnation results or is likely to result, in the Lessee or any sublessee of the Project or the Guarantor being thereby (i) prevented or likely to be prevented from carrying on its normal operation of the Project or the Existing Plant for a period of six months, (ii) unable to reasonably restore or replace the Project or the Existing Plant, as the case may be, elsewhere on the site or remaining site of the Existing Plant within a period of six months to the condition thereof immediately preceding such taking or condemnation or (iii) required to expend for the cost of restoration or replacement an amount equal to or exceeding the principal amount of Bonds Outstanding; or

(c) As a result of changes in the Constitution of the United States of America or of the State of Alabama or of legislative or executive action of said State or any political subdivision thereof or of the United States of America or by final decree or judgment of any court, this Lease Agreement becomes void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed therein or unreasonable burdens or excessive liabilities are imposed upon the Lessee, the Guarantor or any sublessee of the Project; or

(d) Changes in the availability at reasonable cost of the raw materials, supplies, personnel, services or facilities necessary for the operation of the Project or the Existing Plant, or technological, marketing or other changes (including in each case but not limited to changes in relation to pollution control technology, facilities or requirements) shall have occurred which in the reasonable business

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judgment of the Lessee or the Guarantor shall render uneconomic or unsuitable the continued use of the Project or the Existing Plant; or

(e) The Lessee or the Guarantor shall be required by action of or agreement with any competent authority to change or alter the Project, because the Project does not provide a pollution control facility for the benefit of Existing Plant which meets applicable statutory or regulatory standards and as a result thereof, shall be required to expend a substantial amount of money to pay the cost of such changes or alterations; or

(f) Operation of the Project or the Existing Plant or a material portion thereof is permanently enjoined and such decision has become final.

2. The Lessee shall have the additional option to purchase the Project on June 1, 1983 or on any date thereafter during the term of this Lease Agreement.

3. To exercise any such option to purchase pursuant to Subsections 1 or 2, the Lessee shall give written notice to the Board and to the Trustee, if any of the Bonds remaining outstanding, specifying therein the date of closing such purchase, which shall be not less than forty-five nor more than ninety days from the date such notice is mailed, shall file with the Board and the Trustee (a) the certificate of an Authorized Lessee Representative stating the applicable provision under which the Lessee is authorized to purchase the Project, and certifying that the applicable condition or event required by such provision, exists, or has occurred, (b) the opinion of an Independent Engineer, if required, and (c) a certified copy of a resolution of its Board of Directors declaring its intention to exercise such option, and shall no later than the date of closing, pay to the Trustee for deposit in the Bond Fund an amount (hereinafter called the "purchase price") sufficient, when added to any amounts then in the Bond Fund or any Special Fund, (i) to discharge the lien of the Indenture pursuant to Section 10.01 thereof, which amounts shall be applied to redemption of the Bonds on the earliest possible redemption date, and (ii) to pay all fees and expenses of the Trustee and any other registrar or paying agent accrued and to accrue through such final retirement or redemption, plus (iii) one dollar.

SECTION 8.2. Conveyance Under This Article. At the closing of any purchase of the Project by the Lessee pursuant to Section 8.1, hereof, the Board will, upon receipt of the purchase price, deliver or cause to be delivered to the Lessee (a) a release or satisfaction of the Indenture and other documents transferring and conveying to the Lessee good and merchantable title to the Leased Land, Facility and Leased Equipment, as such property then exists, and all rights, privileges and appurtenances thereto belonging or anyway appertaining, subject to the following: (i) any liens, easements and encumbrances to which title to said property was subject when conveyed to the Board; (ii) any liens, easements and encumbrances created at the request of the Lessee or to the creation or suffering of which the Lessee consented in writing; (iii) any liens and encumbrances resulting from the failure of the Lessee to perform or observe any of the covenants on its part contained in this Lease Agreement; (iv) any liens for taxes or assessments or additional rentals pursuant to Section 4.3 not paid by Lessee; and (v) if option is exercised as a result of condemnation, the rights and title of the condemning authority, and (b) documents releasing and conveying to the Lessee all of the Board's rights and interests in and to any rights of action, or any insurance proceeds or otherwise with respect to such property. Concurrently with the delivery of such title documents, there shall be delivered by the Board to the Trustee any instructions or other instruments required by Section 10.01 of the Indenture to defease and pay the Bonds.

SECTION 8.3. Termination of Agreement. The Lessee shall have the following options to cancel or terminate this Lease Agreement:

(a) At any time prior to full payment of the Bonds, the Lessee may terminate this Lease Agreement by notifying the Board and the Trustee of such termination and concurrently paying to or depositing with the Trustee, as advance rental, moneys or obligations of or guaranteed by the

United States of America which with interest payable on such obligations, when added to other amounts (including other such obligations with interest payable thereon) on deposit in the Bond Fund, will be sufficient to pay the principal or Redemption Price, if applicable, of, and interest on the Outstanding Bonds when due or to become due in accordance with their terms and the terms of the Indenture, whether upon redemption on such dates, in whole or in part, or by operation of Sinking Fund Installments or at maturity, or any combination of the foregoing, as shall be specified in Lessee's notice of termination and as shall have the effect of discharging the lien of the Indenture;

(b) After full payment of the Bonds, the Lessee may terminate this Lease Agreement by giving the Board ten (10) days notice in writing.

Upon expiration of the Lease Term, exercise of Lessee's option to purchase the Project pursuant to Section 8.1 or termination of this Lease Agreement pursuant to this Section,

(1) if the Lessee so elects by giving written notice to the Board, the Board will transfer and convey to Lessee the Leased Land, Facility and Leased Equipment, and rights, privileges and appurtenances thereto belonging or in any wise appurtenant as provided in Section 8.2 against receipt from Lessee of the amounts referred to in clause (ii) of Section 8.1.3 (or an undertaking, in form and substance satisfactory to the Board and the Trustee, to pay the same) plus the sum of one dollar; and

(2) this Lease Agreement and all obligations of the Lessee hereunder except as set forth in Sections 3.3(e), 5.5, 5.10, 6.3 and this 8.3 shall be terminated.

ARTICLE IX

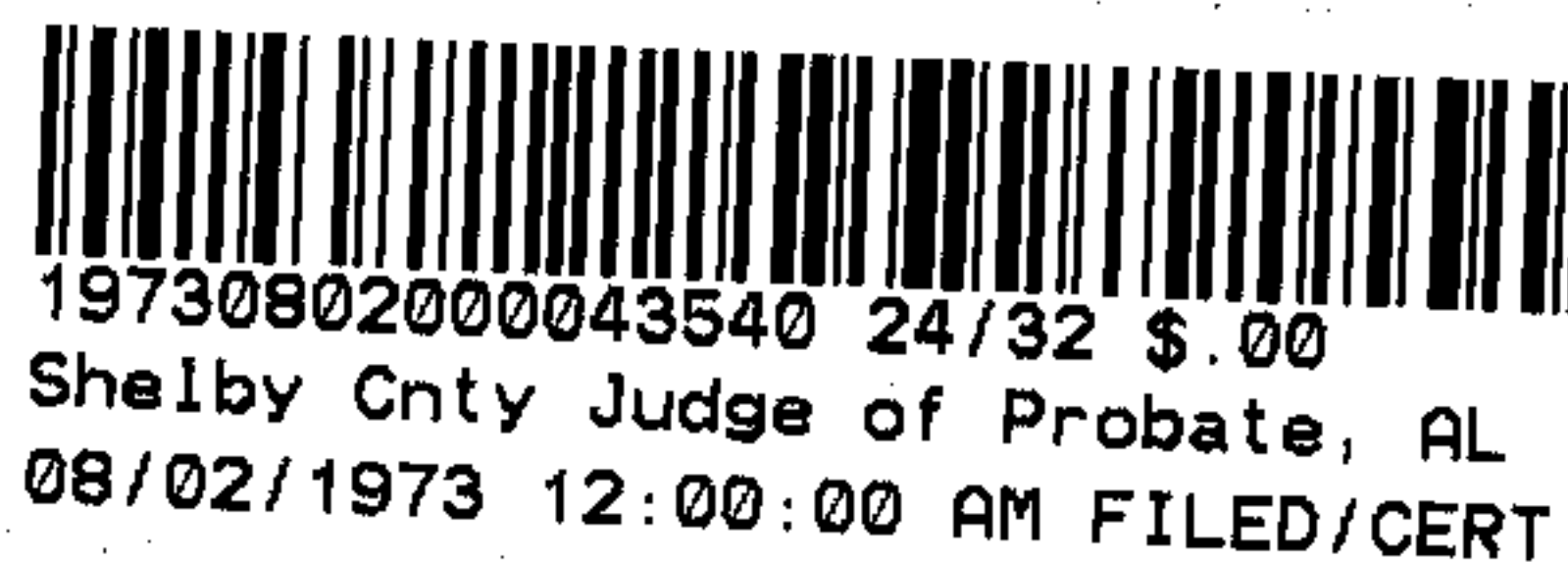
MISCELLANEOUS

SECTION 9.1. *Indenture; Amendment.* Moneys received from the sale of the Bonds and all rentals paid by the Lessee and all other moneys received by the Board or the Trustee in connection with the Project shall be applied solely and exclusively in the manner and for the purposes expressed and specified in the Indenture and in the Bonds and in this Lease Agreement. The Lessee shall have and may exercise all the rights, powers and authority stated to be in the Lessee in the Indenture and in the Bonds, and the Indenture and the Bonds shall not be modified, altered or amended in any manner without the written consent of the Lessee and the Guarantor.

SECTION 9.2. *Option to Purchase or Invite Tenders of Bonds.* The Lessee shall have the option, at any time during the term of this Lease Agreement, to purchase Bonds for its own account, whether by direct negotiation, through a broker or dealer, or by making a tender offer to the Holders thereof. The Board shall at all times make available or cause to be made available to the Lessee its registration books (maintained at the principal office of the Trustee) containing the names and addresses of the holders of the Bonds.

SECTION 9.3. *Benefit of and Enforcement by Bondholders.* The Board and the Lessee agree that this Lease Agreement is executed in part to induce the purchase by others of the Bonds and for the further securing of the Bonds, and accordingly all covenants and agreements on the part of the Board and the Lessee as set forth in this Lease Agreement are hereby declared to be for the benefit of the holders from time to time of the Bonds and may be enforced as provided in Article VII of the Indenture on behalf of such bondholders by the Trustee.

SECTION 9.4. *Amendments.* Except as provided in Section 4.7 hereof with respect to the release of part of the Project and in Section 5.11 hereof with respect to the issuance of Additional Bonds, this Lease Agreement may not be effectively amended, changed, modified, altered or terminated without the





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concurring written consent of the Trustee and Guarantor given in accordance with the provisions of the Indenture and then only if the Lessee shall assume the obligations of such amended Lease Agreement.

SECTION 9.5. Notices. All notices, requests, consents, certificates and other communications hereunder shall be sufficient if deposited in the United States registered mail, return receipt requested, postage prepaid, addressed, if to the Board, to President, The Industrial Development Board of the Town of Calera, Calera, Alabama; and if to the Lessee or the Guarantor, to the Secretary, Martin Marietta Corporation, 277 Park Avenue, New York, New York 10017; and if to the Trustee, at its then principal corporate trust office, or to such other address as the Board, the Lessee, the Trustee or the Guarantor, may designate by like notice to the others.

SECTION 9.6. Prior Agreements Superseded. This Lease Agreement shall completely and fully supersede all other prior understandings or agreements, both written and oral, between the Board and the Lessee relating to the Project.

SECTION 9.7. Severability. If any clause, provision or Section of this Lease Agreement be ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or Section shall not affect any of the remaining provisions hereof.

SECTION 9.8. Recording. 1. This Lease Agreement shall be recorded in the office of Judge of Probate of Shelby County, Alabama, as ex officio Recorder of Deeds, or in such other office as may at the time be provided by law as the proper place for the recordation hereof. Such recording shall be prior to the recording of the Indenture with respect to the Project. The interest of the Board created herein and the assignment of such interest to the Trustee shall be perfected by the filing of financing statements which fully comply with the Alabama Uniform Commercial Code—Secured Transactions in the office of the Secretary of State in the State of Alabama. The parties further agree that all necessary continuation statements shall be filed within the time prescribed by the Alabama Uniform Commercial Code—Secured Transactions in order to continue the security interest created by this Lease Agreement, to the end that the rights of the holders of the Bonds and the Trustee shall be fully preserved.

2. The Lessee shall prepare and duly cause to be recorded schedules listing all of the items owned by the Board and installed in the Project and not previously described in this Lease Agreement in order to fully describe the property owned by the Board and installed as part of the Project, upon request by the Board or the Trustee given within 60 days after the end of any calendar year; provided that the Board and the Trustee shall execute and deliver all instruments and shall furnish all information necessary in connection with the foregoing.

SECTION 9.9. Effective Date; Counterparts. This Lease Agreement shall become effective upon its delivery. It may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 9.10. Binding Effect. This Lease Agreement shall inure to the benefit of, and shall be binding upon, the Board, the Lessee, the Trustee and their respective successors and assigns.

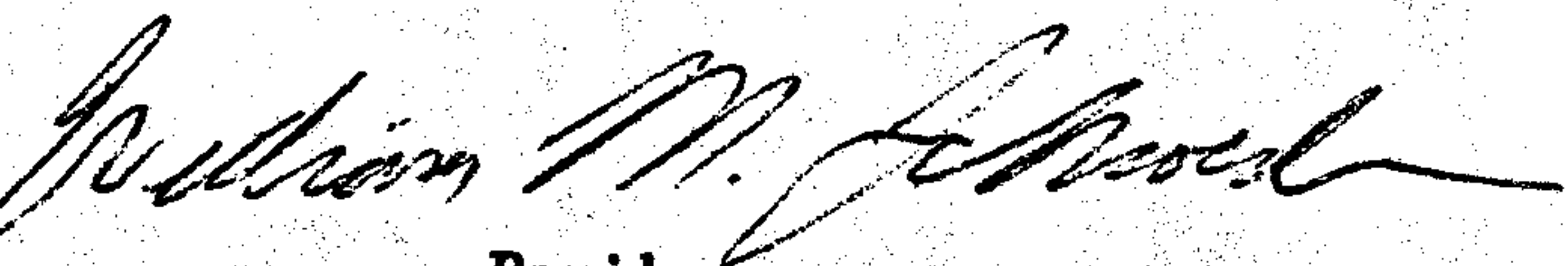
SECTION 9.11. Net Lease. This Lease Agreement shall be deemed and construed to be a "net lease", and the Lessee shall pay absolutely net during the Lease Term the rent and all other payments required hereunder, free of any deductions, without abatement, diminution or set-off other than those herein expressly provided.

SECTION 9.12. Law Governing. This Lease Agreement shall be governed by, and construed in accordance with, the laws of the State of Alabama.

SECTION 9.13. *Guaranty and Conveyance to Trustee.* The obligations of the Lessee under this Agreement are guaranteed by the Guarantor pursuant to a Guaranty dated as of the date hereof. Performance by the Guarantor of any of the obligations of the Lessee under this Lease Agreement shall be considered performance by the Lessee.

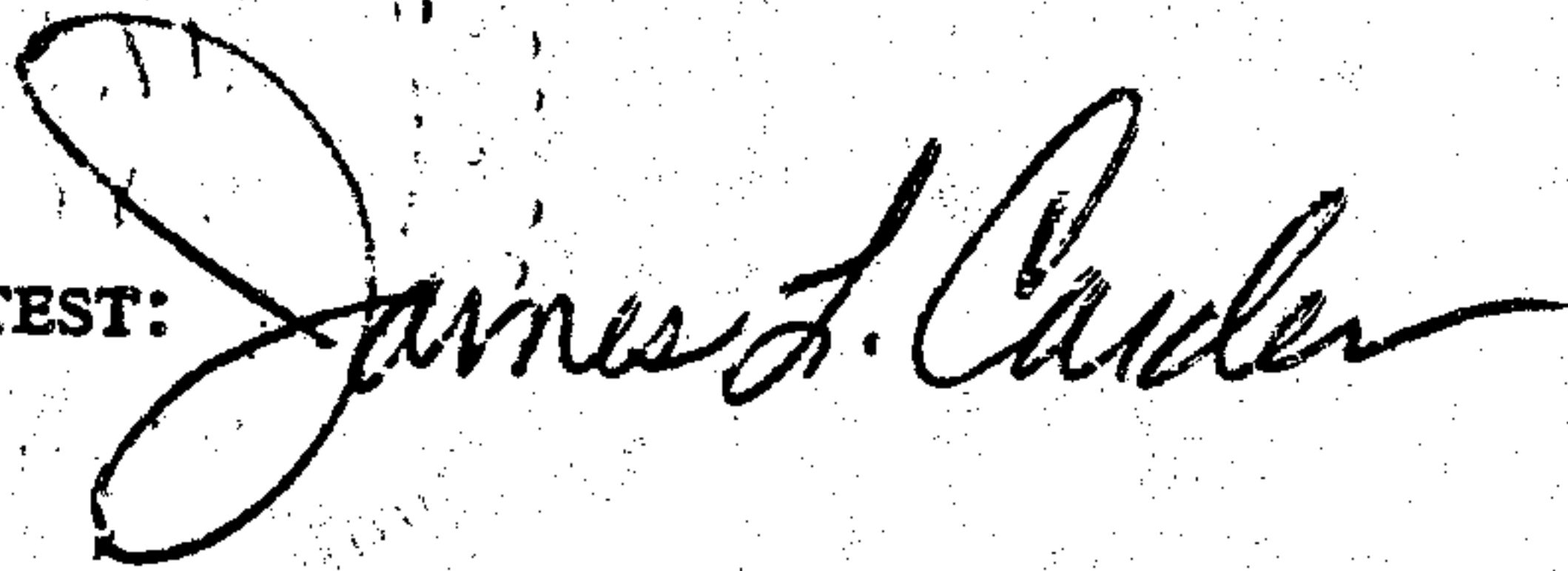
IN WITNESS WHEREOF, the Board has caused its corporate name to be hereunto subscribed by its duly authorized President and attested under the seal of the Board by its Secretary and the Lessee has caused its corporate name to be subscribed hereto by its President or a Vice President and attested under its corporate seal by its Secretary or Assistant Secretary pursuant to a resolution duly adopted by its Board of Directors, all being done as of the year and day first above written.

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE TOWN OF CALERA

By 
President

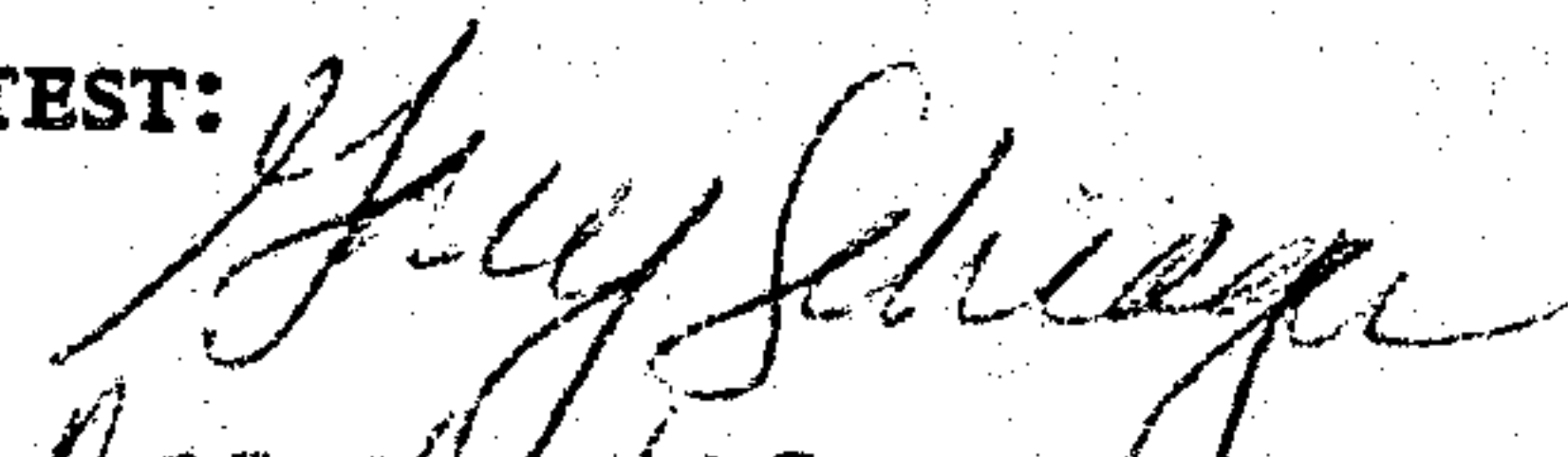
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ATTEST:

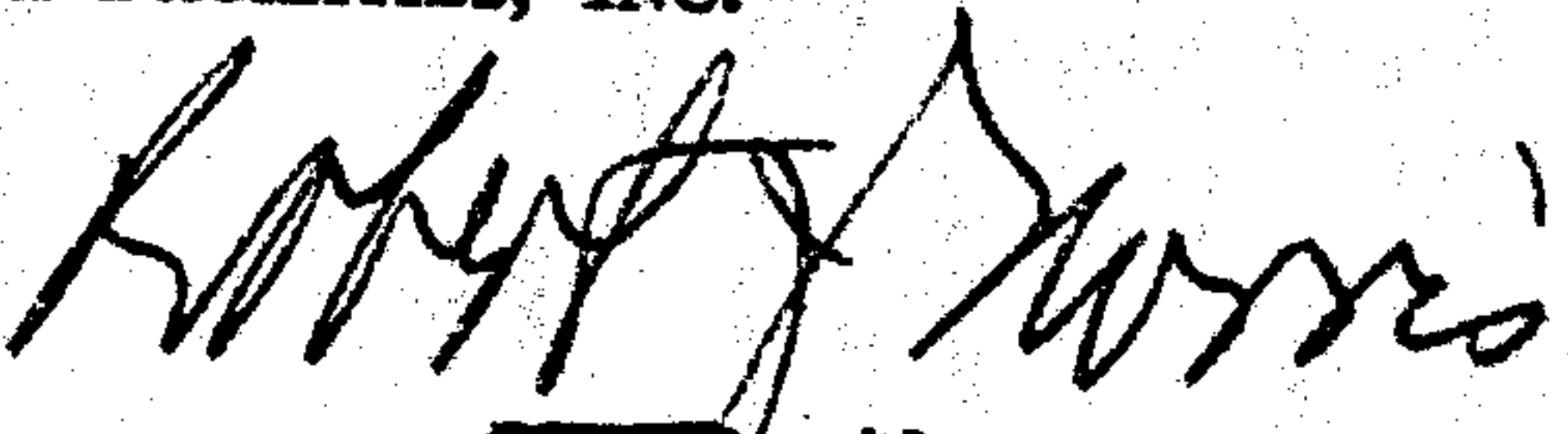

Secretary

(SEAL)

ATTEST:


Assistant Secretary

MARIETTA FACILITIES, INC.

By 
Vice President

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STATE OF ALABAMA }
COUNTY OF SHELBY } ss.:

On this 31 day of July, 1973, before me, a notary public in and for said state and county, personally appeared William M. Schroeder and James C. Cardin, both to me personally known, who being by me duly sworn did say that they are the President and Secretary, respectively, of The Industrial Development Board of the Town of Calera, an Alabama corporation; that the seal affixed to the foregoing instrument is the seal of the said Board, and that said instrument was signed and sealed on behalf of the said Board by authority of the Board, and the said President and Secretary acknowledged the execution of said instrument to be the voluntary act and deed of said Board by it voluntarily executed.

Mark G. Harmon

Notary public in and for Shelby County, Alabama

My Commission expires 10/84

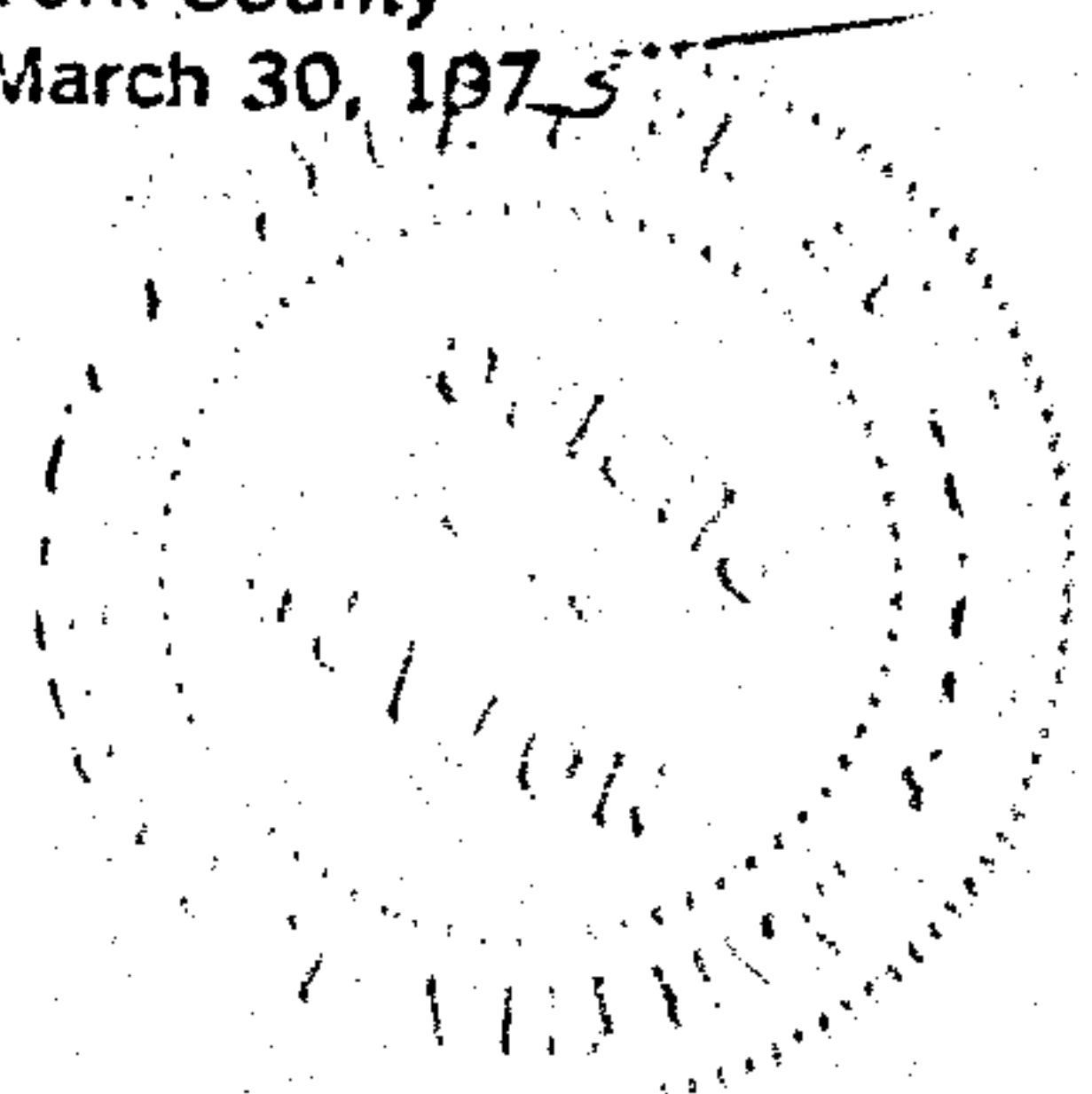
BOOK 281 PAGE 733

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this 27th day of July, 1973, before me, a notary public in and for said state and county, personally appeared *Robert J. Harmon* and *John L. Harmon*, both to me personally known, who being by me duly sworn did depose and say that they are the President and Secretary, respectively, of Marietta Facilities Inc., a Delaware Corporation; that the seal affixed to the foregoing instrument is the seal of the said Corporation and that said instrument was signed and sealed on behalf of the said Corporation by authority of its board of directors, and the said President and Secretary acknowledged the execution of said instrument to be the voluntary act and deed of said Corporation by it voluntarily executed.

Martha J. Rafferty

Notary public in and for MARTHA J. RAFFERTY
NOTARY PUBLIC, STATE OF NEW YORK
No. 31-3195860
My Commission expires Qualified in New York County
Commission Expires March 30, 1975



DESCRIPTION OF LEASED LAND

An easement for a term commencing as of June 1, 1973 and ending on June 1, 1993, upon and across the real estate located in Shelby County, Alabama and hereinafter described for the purposes set forth herein, to-wit:

TRACT I: *Cement Kiln Exit Baghouse*

An easement for the purpose of entering upon, constructing, operating and maintaining thereon a cement kiln exit baghouse consisting of a steel frame building with corrugated transite covering, on concrete foundation, together with connecting manifold ducts, and support structure for elevated dust bin and accessory equipment thereto, in, upon and across the following described real estate:

Beginning at the NE Corner of the NE $\frac{1}{4}$ of SE $\frac{1}{4}$, Section 24, Township 22 South, Range 3 West, thence S2°-29'E along the East line of said NE $\frac{1}{4}$ of SE $\frac{1}{4}$ for a distance of 214.35 feet to a point on said East line, thence S87°-30'W for a distance of 320.58 feet, thence N2°-30'W for a distance of 703.61 feet to the point of beginning, thence continuing N2°-30'W for a distance of 142.79 feet, thence S87°-30'W for a distance of 66 feet, thence S2°-30'E for a distance of 142.79 feet, thence N87°-30'E for a distance of 66 feet to the point of beginning.

TRACT II: *Clinker Cooler Baghouse*

An easement for the purpose of constructing, operating and maintaining a clinker cooler baghouse, an unenclosed, elevated concrete based steel column supported structure, containing metal housed bags for collecting of dust from clinker coolers and a support structure for elevated dust bin and accessory equipment thereto, in, upon and across the following described real estate:

Beginning at the NE Corner of the NE $\frac{1}{4}$ of SE $\frac{1}{4}$, Section 24, Township 22 South, Range 3 West, thence S2°-29'E along the East line of said NE $\frac{1}{4}$ of SE $\frac{1}{4}$ for a distance of 214.35 feet to a point on said East line, thence S87°-30'W for a distance of 330.92 feet, thence N2°-30'W for a distance of 73.24 feet to the point of beginning, thence S87°-30'W for a distance of 78.0 feet, thence S2°-30'E for a distance of 82.5 feet, thence N87°-30'E for a distance of 78.0 feet, thence N2°-30'W for a distance of 82.5 feet to the point of beginning.

TRACT III: *Lime Plant Baghouse (West)*

An easement for the purpose of entering upon, constructing, operating and maintaining thereon a lime kiln baghouse consisting of a steel frame building with corrugated transite covering, on concrete foundations, together with connecting manifold ducts and a support structure for an elevated dust bin and accessory equipment thereto, together also with an electrical equipment building and combination compressor building, in, upon and across the following described real estate:

Beginning at the NE Corner of the NE $\frac{1}{4}$ of SE $\frac{1}{4}$, Section 24, Township 22 South, Range 3 West, thence S2°-29'E along the East line of said NE $\frac{1}{4}$ of SE $\frac{1}{4}$ for a distance of 214.35 feet to a point on said East line, thence S87°-30'W for a distance of 901.75 feet, thence N2°-30'W for a distance of 334.92 feet to the point of beginning, thence N2°-30'W for a distance of 141.0 feet, thence S87°-30'W for a distance of 43.08 feet, thence S2°-30'E for a distance of 141.0 feet, thence N87°-30'E for a distance of 43.08 feet to the point of beginning.

TRACT IV: *Lime Plant Baghouse (East)*

An easement for the purpose of entering upon, constructing, operating and maintaining thereon a lime kiln baghouse consisting of a steel frame building with corrugated transite covering, on concrete





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foundations, together with connecting manifold ducts, in, upon, and across the following described real estate:

Beginning at the NE Corner of the NE $\frac{1}{4}$ of the SE $\frac{1}{4}$, Section 24, Township 22 South, Range 3 West, thence S2°-29'E along the East line of said NE $\frac{1}{4}$ of SE $\frac{1}{4}$, for a distance of 214.35 feet to a point on said East line, thence S87°-30'W for a distance of 804.46 feet, thence N2°-30'W for a distance of 334.92 feet to the point of beginning, thence N87°-30'E for a distance of 21.04 feet, thence N2°-30'W for a distance of 95.0 feet, thence S87°-30'W for a distance of 21.04 feet, thence S2°-30'E for a distance of 95.0 feet to the point of beginning.

TRACT V: *Additional Easement Rights*

Such additional rights of easement in, upon and across lands of Martin Marietta Corporation which surround the easement tracts described in the preceding four paragraphs of this Exhibit A (the "Tracts") as may be required (i) for access and egress to and from the Tracts in connection with the construction, installation, operation, maintenance and lease on the Tracts, under Lease Agreement dated as of June 1, 1973 from The Industrial Development Board of the Town of Calera, Alabama to Marietta Facilities, Inc. (the "Lease Agreement"), of that part of the Facility and the Leased Equipment (as defined in the Lease Agreement) to be located on the Tracts, and (ii) for the construction, installation, operation, maintenance and lease in and upon said surrounding lands of any part of the Facility or any of the Leased Equipment which is not to be located on the Tracts.

It is the intention of the parties hereto that the easement herein described shall be construed as an easement in gross and not as a license, but that in the event any part hereof shall be found invalid as to the purpose intended, then the rights herein described shall be construed to be a lease of the real estate herein described for the term, the consideration and the conditions herein stated.

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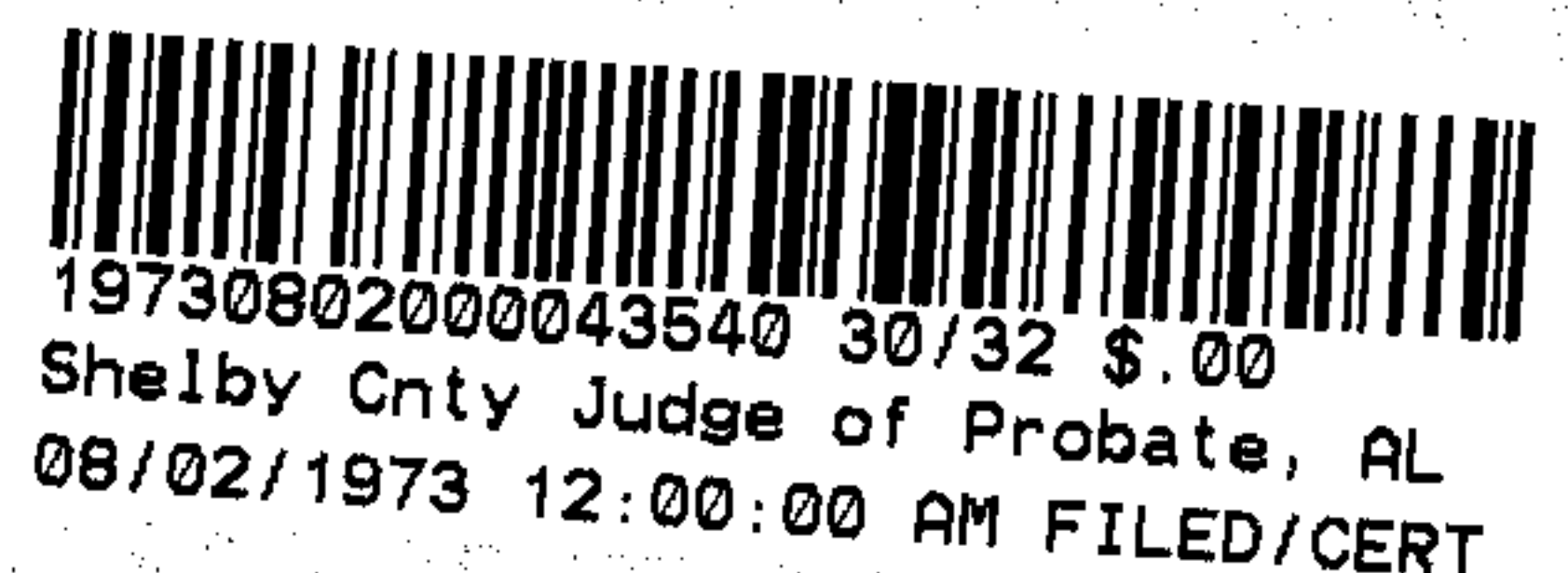
DESCRIPTION OF FACILITY

A. CEMENT PLANT

1. *Dust Collection—Conveyors to Top Mill Feed Silo*—1 baghouse, fan and necessary ancillary equipment
2. *Dust Collectors for Raw Mill Feeders and Conveying System*—2 baghouses, 2 fans and necessary ancillary equipment
3. *Dust Collectors—Top of Mill Feed Silos*—1 baghouse, fan and necessary ancillary equipment
4. *Dust Collectors—Miscellaneous Equipment in Raw Grinding Mill Circuit*—1 baghouse, fan and necessary ancillary equipment
5. *Dust Collectors—Raw Grinding Mill and Air Separator*—This system has three large units, 1 mechanical cyclone collector, 1 baghouse with a motor. Between these two units is a booster fan and necessary ancillary equipment
6. *Dust Collectors—Kiln Feed System*—1 baghouse, fan and necessary ancillary equipment
7. *Dust Collectors—Kiln Baghouse and Dust Handling*—2 Glass baghouses, Size 12-72 manufactured by American Air Filter Co. Each unit has a 550 HP Buffalo Forge fan and necessary ancillary equipment in addition there is one 200 T bin with a dustless unloader to service both units
8. *Dust Collectors—Clinker Coolers and Dust Handling*—2 Glass baghouses, Size 6-920 manufactured by American Air Filter Co. Each unit has a 400 HP fan with a common 80 Ton dust storage and pneumatic conveying system
9. *Dust Collectors—Clinker Conveying System*—1 baghouse, fan and necessary ancillary equipment
10. *Water Dust Suppression Units—Clinker Conveying System*—This unit is made up of mixing tanks, 2 water pumps, piping, nozzles, regulators, and heaters
11. *Dust Collectors—Finish Mill Clinkers Feed Bins*—2 baghouses and necessary ancillary equipment
12. *Dust Collectors—No. 4 and 5 Finish Mill Grinding Circuit*—Upgrade of all ancillary equipment on 2 existing collectors to comply with air pollution codes.
13. *Dust Collector—Top of Cement Silos*—6 baghouses, fans and necessary ancillary equipment
14. *Dust Collectors—Cement Storage Silos Sideloaders*—6 baghouses, new loading spouts, airslides and all necessary ancillary equipment

B. LIME PLANT

1. *Water-Dust Suppression Units Feed End Conveyor*—Necessary piping, nozzles, controls, regulators
2. *Dust Collectors—Kiln Baghouse, Dust Handling and Feed End Modifications*—3 Glass baghouses, Size 6-72 manufactured by American Air Filter Co. each unit has a 250 HP Buffalo Forge Fan, kiln feed end seals, temperature protection water spray



systems and all necessary ancillary equipment in addition there is a 170 Ton dust holding tank and pneumatic conveying system

3. *Dust Collection—Kiln Feed Equipment*—3 baghouses, fans, 3-pneumatic conveying systems and necessary ancillary equipment
4. *Dust Collector—Contract Cooler*—1 Glass baghouse, fan and necessary ancillary equipment
5. *Lime Hydrate Scrubber*—1-Size 5424 GPM 20 PSI, high efficiency scrubber with fan and necessary ancillary equipment
6. *Dust Collectors—Hydrate and Pebble Lime Out Bins*—6 units, fans and all necessary ancillary equipment

C. MISCELLANEOUS ITEMS

1. *Mine Water Purity Control System*—Consists of polymer tank, blending pump, automatic feed control and a turbidimeter
2. *Landscaping*—Planting grass, trees, etc.
3. *General Plant Work*—The installation and paving of service roads and expansion of water and drainage systems necessary for the Project
4. *Utilities*—A 46 percent interest (the portion allocable to the Project) in the switchgear, transformers, wiring and yard duct banks necessary to connect the Project to Alabama Power Company's new substation
5. *Miscellaneous Electrical Equipment*—Electrical equipment which will service the Project and certain production equipment being installed concurrently with the Project

Such related facilities as may be deemed necessary in the judgment of the Lessee or the Guarantor with respect to the Project

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EXHIBIT C

DESCRIPTION OF LEASED EQUIPMENT

Miscellaneous equipment (other than that described in Exhibit B) connected to the Facility, as follows:

- (a) screw conveyors
- (b) electric motors with gear reducers
- (c) valves
- (d) material elevators
- (e) compressors
- (f) material pumps (pneumatic) for transporting collected material to storage facilities
- (g) bleed-in air dampers
- (h) instrumentation
- (i) electrical load centers
- (j) fans
- (k) spray water systems
- (l) dust collecting bins

Such other related miscellaneous equipment as may be deemed necessary in the judgment of the Lessee or the Guarantor with respect to the Project.

STATE OF ALA. SHELBY CO.
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Carroll M. Jones

JUDGE OF PROBATE



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