

STATE OF ALABAMA)
SHELBY COUNTY)

7376

Sublease dated as of June 1, 1975, between Henry S. Arnold and Amy B. Arnold, 2024 Arnold Road, Birmingham, Alabama, herein referred to as the Lessee, and Industrial Heating and Finishing Company, Inc., a corporation under the laws of Alabama, herein referred to as the Sublessee.

R E C I T A L S

1. The Lessee proposes that contemporaneously with the execution and delivery of this sublease between the Lessee and the Sublessee, and with the execution and delivery of a guaranty agreement dated as of June 1, 1975, by and between the Sublessee and The Industrial Development Board of the Town of Pelham (the "Board"), substantially in the form set out and attached hereto as Exhibit A (the "Guaranty Agreement"), the Lessee will execute and deliver to the Board that certain Lease Agreement between the Board, as Lessor, and the Lessee dated as of June 1, 1975, and referred to in the Guaranty Agreement (herein called the "Lease Agreement").

2. The Sublessee desires to sublease from the Lessee the premises hereinafter described and for the term herein set out and as consideration therefor to enter into and execute the Guaranty Agreement and deliver the same to the Board, and in addition thereto, so long as the Lessee is not in default under said Lease Agreement, to pay to the Lessee rental payments as herein provided.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereby covenant, agree and bind themselves, as follows:

A. In consideration of the execution and delivery by the Sublessee to the Board of the Guaranty Agreement and the execution and delivery by the Sublessee of this Sublease



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BOOK 294 PAGE 318

to the Lessee, the Lessee does hereby demise and let unto the Sublessee the following described premises in the Town of Pelham, Alabama, to-wit:

A parcel of land located in the Northwest 1/4 of the Southeast 1/4 of Section 14, Township 20 South, Range 3 West, Shelby County, Alabama, more particularly described as follows: Commence at the Southeast Corner of said 1/4 - 1/4 Section; thence in a Westerly direction along the South line of said 1/4 - 1/4 Section a distance of 73.83 feet; thence 88 degrees 23 minutes right in a Northerly direction a distance of 174.72 feet to the most Southerly corner of American Forest Products property; thence 48 degrees 31 minutes 30 seconds left in a Northwesterly direction along the Southwest line of American Forest Products property a distance of 539.51 feet to the Point of Beginning; thence continue along last described course a distance of 605.00 feet to a point on the Southeast line of Parker Drive; thence 90 degrees left in a Southwesterly direction along said Southeast line of Parker Drive a distance of 180.0 feet; thence 90 degrees left in a Southeasterly direction a distance of 605.00 feet; thence 90 degrees left in a Northeasterly direction a distance of 180.0 feet to the Point of Beginning. Said parcel contains 2.5 acres.

Subject however to the following:

- (1) Right of way in favor of Alabama Power Company recorded in the Probate Office of Shelby County, Alabama in Deed Volume 76, Page 307; in Volume 169, page 19; and in Volume 182, page 56; and
- (2) Permit to South Central Bell Telephone Company recorded in the Probate Office of Shelby County, Alabama, in Deed Book 285, page 183; and
- (3) That certain Mortgage and Indenture of Trust dated as of June 1, 1975, by and between The Industrial Development Board of the Town of Pelham and Birmingham Trust National Bank, as Trustee;

together with the Building (as defined in the Lease Agreement) and the machinery and equipment to be installed in the Building or on the Leased Realty as provided in Section 2.1 of the Lease Agreement and all other improvements now or hereafter situated on the Leased Realty and forming a part of the Project as defined in the Lease Agreement for use and occupancy by the Sublessee for the manufacture of gas and electric industrial ovens and finishing equipment, and the manufacture, processing, storing, warehousing, distributing and sale of such products or for any other use permitted under the Lease Agreement and for no other or different use

or purpose for and during the term which shall begin on the date of the delivery of this Sublease and shall continue until midnight of May 31, 1985.

B. The Sublessee as a consideration for the execution of this Sublease by the Lessee, will simultaneously with the execution and delivery of this Sublease, execute and deliver to the Board, the Guaranty Agreement in substantially the form set out on Exhibit A hereto.

C. The Sublessee will pay to the Lessee, commencing on October 1, 1975, and thereafter on the first day of each month of said term, in advance, the sum of \$4,000 so long as the Lessee is not in default under the Lease Agreement.

D. The Sublessee shall not cause or allow any undue waste on the premises and shall comply with all applicable laws and ordinances respecting the use and occupancy of the premises. The Sublessee shall perform and observe the terms and conditions to be performed on the part of the Lessee under the provisions of the Lease Agreement between the Lessee and the Board, provided that the Sublessee shall not be liable for the payment of rent reserved under the Lease Agreement, except pursuant to the Guaranty Agreement.

E. The Sublessee shall keep the subleased premises free and clear of all liens arising out of any work performed, materials furnished or obligations incurred by the Lessee.

F. The Sublessee shall allow the Lessee or the Board or the agents of employees of either the free access to the premises at all reasonable times for the purpose of inspecting or of making repairs, additions or alterations to the premises, or any property owned by or under the control of either party.

G. The Sublessee shall not assign this Sublease or sell or sublet the premises subleased herein, or any part thereof or interest therein, without the prior written

consent of the Lessee and Birmingham Trust National Bank,
Birmingham, Alabama.

H. This Sublease shall not be amended, modified or
terminated, except with the consent of Birmingham Trust
National Bank, Birmingham, Alabama.

IN WITNESS WHEREOF, the Lessee and the Sublessee have
respectively executed these presents as of the 1st day of
June, 1975.

Henry S. Arnold
Henry S. Arnold

Amy B. Arnold
Amy B. Arnold

AS SUBLESSEE

INDUSTRIAL HEATING AND FINISHING
COMPANY, INC.

By Henry S. Arnold
Its President

SEAL

Attest: Amy B. Arnold

Its Secretary

STATE OF ALABAMA)
Jefferson
SHELBY COUNTY)

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Shelby Cnty Judge of Probate, AL
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I, Bonnie Mary Dunn, a Notary Public in and for
said County, in said State, hereby certify that Henry S.
Arnold and Amy B. Arnold, whose names are signed to the
foregoing Sublease, and who are known to me, acknowledged
before me on this day that, being informed of the contents
of the Sublease they executed the same voluntarily on the
day the same bears date.

Given under my hand and official seal this 3rd day
of September, 1975.

Bonnie Mary Dunn
Notary Public

NOTARIAL SEAL

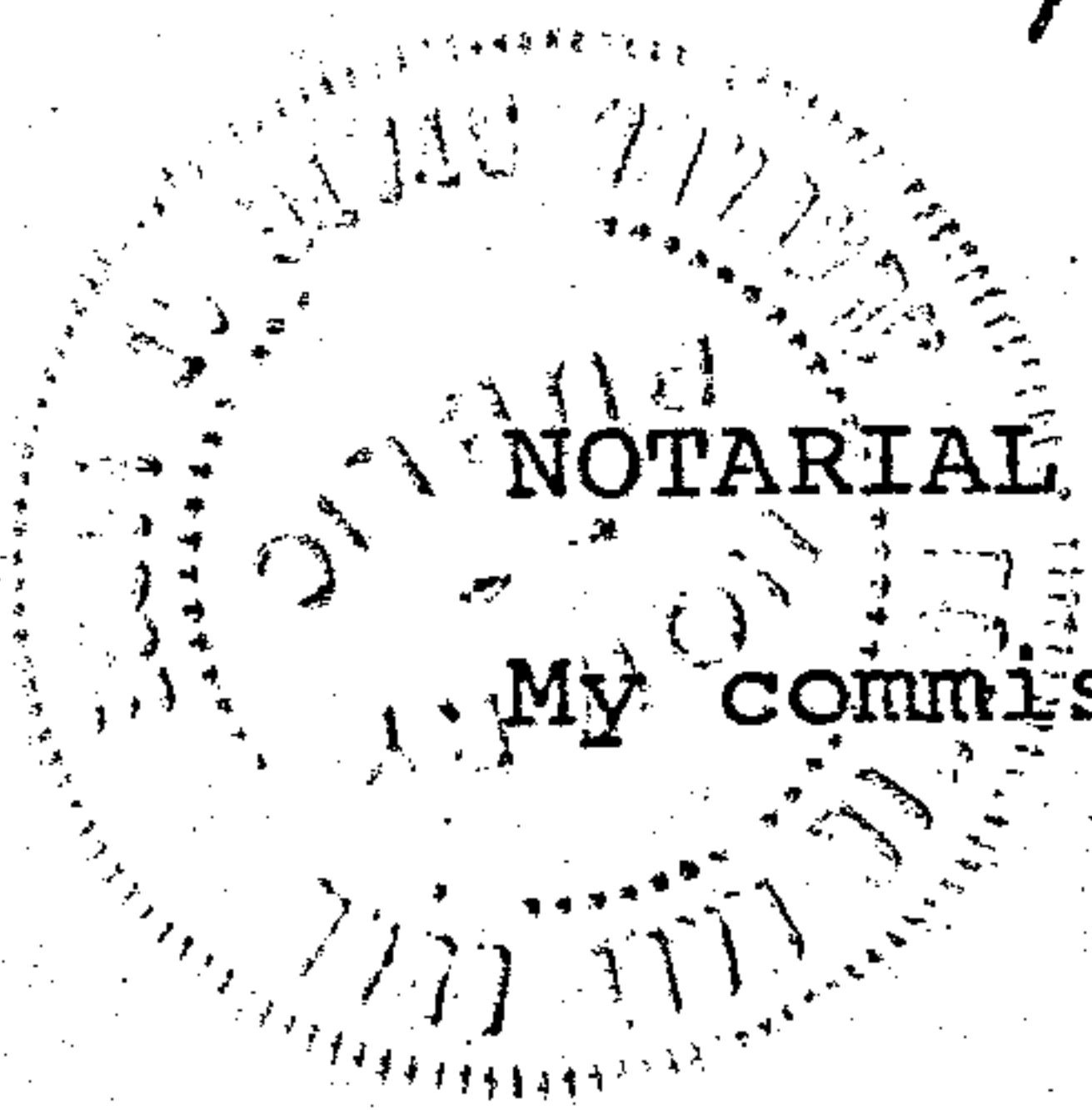
My commission expires: MY COMMISSION EXPIRES 8-3-77

STATE OF ALABAMA)
Jefferson
SHELBY COUNTY)

I, Bonnie Mary Dunn, a Notary Public in
and for said County in said State, hereby certify that Henry S. Arnold
whose name as President of Industrial Heating and Finishing
Company, Inc., a corporation, is signed to the foregoing
Sublease, and who is known to me and known to be such
officer, acknowledged before me on this day that, being
informed of the contents of said Sublease, he, as such
officer and with full authority, executed the same volun-
tarily for and as the act of said corporation.

Given under my hand and seal of office this 3rd day
of September, 1975.

Bonnie Mary Dunn
Notary Public



NOTARIAL SEAL

My commission expires: MY COMMISSION EXPIRES 8-3-77

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BOOK 294 PAGE 322

GUARANTY AGREEMENT dated as of June 1, 1975, between INDUSTRIAL HEATING AND FINISHING COMPANY, INC., a corporation under the laws of Alabama, party of the first part (herein called the "Guarantor") and THE INDUSTRIAL DEVELOPMENT BOARD OF THE TOWN OF PELHAM, a public corporation under the laws of Alabama, party of the second part (herein called the "Board").

R E C I T A L S:

Henry S. Arnold and Amy B. Arnold, jointly and severally (hereinafter referred to as the "Lessee" under that certain Lease Agreement hereinafter identified), proposes that contemporaneously with the delivery of this agreement they will deliver to the Board that certain lease agreement between the Board and the Lessee dated as of June 1, 1975 (herein called the "Lease Agreement"). Likewise, contemporaneously with the delivery of this agreement, the Board proposes to execute and deliver to Birmingham Trust National Bank, a mortgage and indenture of trust between the Board and said Bank as trustee (herein called the "Trustee") dated as of June 1, 1975 (herein called the "Mortgage Indenture") and to issue under the terms of the Mortgage Indenture the Board's Industrial Development Revenue Bonds, Series 1975-Arnold, dated June 1, 1975, authorized to be issued thereunder in the aggregate principal amount of \$225,000 (herein called the "Bonds") and to assign the Lease Agreement and this Guaranty Agreement to the Trustee as part of the security afforded by the Mortgage Indenture for the Bonds.

The Board will not be able to acquire the real property, to construct a building and improvements thereon, or to acquire the personal properties as contemplated in the Lease Agreement, unless the Board is able to sell the Bonds, and the proposed purchaser of the Bonds has informed the Board that it is not willing to purchase the Bonds unless the Guarantor

enters into this Guaranty Agreement. In consequence thereof, the Board has informed the Lessee and the Guarantor that the Board will not enter into the Lease Agreement unless the Guarantor enters into this agreement. The Guarantor is desirous that the Board enter into the Lease Agreement with the Lessee, and is accordingly willing to enter into this Guaranty Agreement as an inducement to the Board to enter into the Lease Agreement and in order to enable the Board to effect sale of the Bonds.

The Guarantor represents that it is a corporation duly organized and existing under the laws of the state of its incorporation, and that it is not in default under any of the provisions of said laws or of its certificate of incorporation, that all of the stock of the Guarantor is owned by Henry S. Arnold, and the Guarantor will sublease the Project from the Lessee for a term co-extensive with the original term of the Lease Agreement, that the Guarantor has corporate power under said laws and under its certificate of incorporation to make the agreements on its part herein contained, and that by proper corporate action the Guarantor has been authorized to enter into this agreement.

NOW, THEREFORE, in consideration of and as an inducement to the Board to enter into the Lease Agreement with the Lessee and in further consideration of and as an inducement to the proposed purchasers of the Bonds to purchase the Bonds from the Board, the Guarantor does hereby guarantee and agree with the Board as follows:

(1) The Guarantor hereby unconditionally guarantees the prompt payment of all rental payments required to be paid, and the prompt performance of all other agreements required to be performed, by the Lessee under the provisions of the Lease Agreement, as and when the said rental payments are therein required to be paid, and said other agreements are therein required to be performed.

(2) If the Lessee should at any time default in making any of the rental payments required in the Lease Agreement

as and when the said rental payments become due and payable, the Guarantor will make the said rental payments so in default within five (5) days after written notice of such default shall have been given to the Guarantor by any of the Board, the Trustee, or the holders of any of the Bonds or of any of the interest coupons applicable thereto.

(3) If the Lessee should at any time default in the performance of any of the agreements (other than the payment of rent) on the part of the Lessee contained in the Lease Agreement the Guarantor will well and truly perform such agreement, or cause the same to be performed, and will further pay to the Board and to the Trustee all damages that the Board and the Trustee, or either of them, may sustain, and all expenses they, or either of them, may incur as a result of or arising from the nonperformance of any such agreement, upon there being given to the Guarantor the same notice to which the Lessee is entitled under the provisions of Section 8.1 of the Lease Agreement.

(4) The Guarantor agrees that this agreement and the obligations of the Guarantor hereunder will not in any manner be affected by the granting of any extensions of time to the Lessee for making of any payments due under the Lease Agreement, or the performance of any other covenants performed by the Lessee thereunder.

(5) The Guarantor hereby expressly waives notices in writing, or otherwise from the Board or the Trustee, or the holders at any time of any of the Bonds or the interest coupons applicable thereto, of their or any of their acceptance and reliance on this agreement. The obligations of the Guarantor hereunder shall attach absolutely and unconditionally when the Lease Agreement shall have been executed and delivered by the parties hereto. The Guarantor waives, as to the enforcement of this agreement, all rights of exemption which it may

have under the Constitution and laws of the State of Alabama or any other state as to any levy on and sale of property, and it agrees to pay all costs, expenses and fees, including all reasonable attorneys' fees, which may be incurred by the Board or the Trustee or the holders of any of the Bonds or interest coupons applicable thereto in enforcing, or attempting to enforce, this agreement following any default on the part of the Guarantor hereunder, whether the same shall be enforced by suit or otherwise.

(6) The Guarantor agrees that so long as the Lease Agreement shall remain effective it will maintain its corporate existence, and will not merge or consolidate with any other corporation and will not transfer or convey all of its property, assets and licenses, or any substantial portion thereof; provided, however, the Guarantor may, without violating any provision of this agreement, consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it, or transfer all or substantially all of its assets to another corporation and thereafter dissolve, but only on condition (i) that the assignee corporation or the corporation resulting from or surviving such merger or consolidation shall expressly assume and agree to perform all of the Guarantor's obligations under this Guaranty Agreement, and (ii) in connection with any such consolidation or merger, there shall be filed with the Board and the Trustee a letter or certificate by a firm of certified public accountants (which is of the size and type commonly referred to as nationally known certified public accountants and which is acceptable to the Trustee), certifying that after the consummation of such consolidation or merger, the corporation resulting from or surviving such consolidation or merger will have an excess of assets over liabilities at least as great as the Guarantor would have had if such consolidation or merger had not occurred, or (iii) in connection with any

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such sale there shall be filed with the Board and the Trustee a letter or certificate by a firm of certified public accountants (which is of the size and type commonly referred to as nationally known certified public accountants and which is acceptable to the Trustee) certifying that after the consummation of such transfer the corporation to which such transfer is made has an excess of assets over liabilities at least as great as the Guarantor would have had if such transfer had not been made.

294 PAGE 327 BOOK (7) The Guarantor agrees that so long as the Lease Agreement shall remain effective, it will not in any manner transfer or convey any substantial portion of its property, assets and licenses; provided, however, the Guarantor may without violating the foregoing provision make such a transfer or conveyance if prior thereto it files with the Trustee a letter or certificate by a firm of certified public accountants (which is of the size and type commonly referred to as nationally known certified public accountants and which is acceptable to the Trustee) certifying that at the consummation of such transfer or conveyance the Guarantor will have an excess of assets over liabilities at least as great as the Guarantor would have had if such transfer had not been made.

(8) The Guarantor hereby covenants and agrees that in the event that suit or action is brought in any court, state or federal, located in the State of Alabama, involving this Guaranty Agreement, or the Lease Agreement and to which suit the Guarantor may be a party, the Guarantor will accept service of process and consent to the jurisdiction of the court in the premises. The Guarantor hereby designates and appoints the Trustee as its true and lawful agent and attorney upon whom process may be served in any such suit; provided, however, any process, pleading or other paper served upon such Trustee shall be sent by registered or certified mail to the Guarantor at

its address as provided in paragraph (10) hereof, and any such service of process, pleadings and other papers upon the Trustee shall be taken and held in said court to be as valid and as binding upon the Guarantor as if due personal service thereof had been duly made upon the chief executive officer of the Guarantor within the State of Alabama; provided, further, until the Guarantor shall have entered its appearance in any such suit, action or proceeding, or shall have failed to enter its appearance within the time prescribed by law, no initial process in any such suit, action or proceeding shall be deemed to have been effectively served upon the Guarantor until the expiration of ten days following the mailing of such process as hereinabove provided.

(9) The Guarantor covenants and agrees to furnish to the Board, to the Trustee and to the original purchaser of the Bonds copies of all financial statements and other reports furnished by the Guarantor to its shareholders. The Guarantor also covenants and agrees to have an annual audit made of its books of record and account, and to furnish to the Trustee and to the original purchaser of the Bonds within thirty days after the receipt thereof a written report of such audit, including a balance sheet and a statement of income and surplus, showing, respectively, in reasonable detail, the financial condition of the Guarantor and any consolidated subsidiaries, at the close of each fiscal year and the results of its operations during each such year. The annual audit, balance sheet and statement of income and surplus shall be certified in accordance with the form of opinion adopted by the American Institute of Certified Public Accountants by a recognized firm of public accountants, one or more of the members of which is a member of the said American Institute of Certified Public Accountants.

(10) This agreement is entered into by the Guarantor not only for the benefit of the Board and its successors and assigns, but also as a third party beneficiary agreement for

the benefit of the Trustee and any successor trustee or successor trustees under the Mortgage Indenture and all holders at any time of the Bonds and the interest coupons applicable thereto, all of whom shall be entitled to enforce performance and observance of the agreements on the part of the Guarantor herein contained to the same extent as if they were parties hereto.

(11) Any notice or notices which may be given to the Guarantor respecting any matters pertaining to this agreement or any part thereof shall be deemed to have been sufficiently given if it is forwarded in a sealed envelope by United States registered mail, postage and registered charges prepaid, addressed to the Guarantor at 203 Parker Drive, Pelham Industrial Park, Pelham, Alabama. The Guarantor may at any time and from time to time change such address by like notice given to the Board, to the Trustee, and to the original purchasers of the Bonds at their respective addresses as provided in Section 11.9 of the Lease Agreement.

BOOK 294 PAGE 329
(12) The Guarantor expressly consents to the provisions of Section 11.4 of the Lease Agreement, and agrees that, insofar as the Guarantor is concerned, the Lease Agreement supersedes any and all prior agreements referred to in said section.

(13) This Guaranty shall terminate in all respects upon payment in full of the Bonds.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their respective officers thereunto duly authorized and to be dated as of June 1, 1975.


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INDUSTRIAL HEATING AND FINISHING
COMPANY, INC.

By _____
Its President

S E A L

Attest: _____
Its Secretary

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE TOWN OF PELHAM

By _____
Chairman of its Board of Directors

S E A L

Attest: _____
Its Secretary

STATE OF ALABAMA

COUNTY OF _____

I, the undersigned Notary Public in and for said County in said State, hereby certify that _____ whose name as Chairman of the Board of Directors of The Industrial Development Board of the Town of Pelham is signed to the foregoing Agreement and who is known to me and known to be such officer, acknowledged before me on this day that, being informed of the contents of said Agreement, he, in his capacity as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal of office this _____ day of _____, 1975.

Notary Public

NOTARIAL SEAL

My commission expires: _____

STATE OF _____

COUNTY OF _____

I, the undersigned Notary Public in and for said County in said State, hereby certify that _____ whose name as President of Industrial Heating and Finishing Company, Inc., a corporation, is signed to the foregoing Agreement, and who is known to me and known to be such officer, acknowledged before me on this day that, being informed of the contents of said Agreement, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal of office this _____ day of _____, 1975.

Notary Public

NOTARIAL SEAL

My commission expires: _____

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STATE OF ALA. SHELBY CO.
I CERTIFY THIS
INSTRUMENT WAS FILED
1975 SEP -4 PM 8:34
Need Sup 2950
Conrad McArthur
JUDGE OF PROBATE

BOOK 294 PAGE 330