

STATE OF ALABAMA)

COUNTY OF SHELBY)

THIS LEASE, made effective on the 19th day of October, 1976, by and between Mr. Lewis W. Headley and wife, Dot W. Headley (hereinafter, for convenience, collectively called the "Lessor"), and Alabama Power Company, a corporation (hereinafter, for convenience, called the "Lessee"):

W I T N E S S E T H:

The Lessor does hereby lease and rent unto the Lessee the following described property located in the City of Montevallo in Shelby County, Alabama:

Lots 23 and 24 of the original survey of the City of Montevallo, Alabama.

The Lessor shall construct or cause to be constructed thereon a masonry building, said building to be constructed according to the plans prepared by Cobb/Adams/Benton, Inc., Architects, Sheets 1 through 71 dated August 31, 1976, and the outline specifications entitled "A Solar Research and Office Building, Montevallo, Alabama, Job No. 619", both of which are on file in the offices of the Lessor and Lessee, said building to be complete and ready for occupancy on or about November 1, 1977. The term of this lease shall be for and during the period of 20 years from the date construction of the Lessor's portion of said building is completed and accepted by the Lessee.

IN CONSIDERATION WHEREOF, the Lessee agrees to pay the Lessor for the same during said term the sum of Eight Thousand Three Hundred Thirty-nine and 46/100 Dollars (\$8,339.46) per month payable on the first day of each month in advance. Such monthly rental rate shall be adjusted by an amount equal to one-twelfth (1/12) of the amount by which the annual ad valorem taxes on the leased premises exceeds \$6,379.73, if any excess there be. Payment shall be deemed to have been made when posted in the United States mail, addressed to the Lessor as follows:

Mr. Lewis W. Headley
P. O. Box 471
Clanton, Alabama 35045

For the consideration expressed the Lessor does further grant the Lessee the right at the expiration of this lease, at Lessee's option, to renew the same for an additional period of five (5) years under the same terms and conditions, provided written notice of its intention of so doing is given sixty (60) days prior to the date of expiration of this lease, such notice to be given in the manner hereinafter provided. The rental rate for such extended term shall be negotiated sixty (60) days prior to the expiration of this lease, but in no event shall such rental rate exceed by more than 15% the basic rental as set out for the original term hereof. Such monthly rental rate shall be adjusted by an amount equal to one-twelfth (1/12) of the amount by which the annual ad valorem taxes on the leased premises exceeds \$6,379.73, if any excess there be.

In the event the Lessee avails itself of the option for renewing this lease for an extended term of five (5) years,

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for the consideration expressed, the Lessor does further grant the Lessee the right at the expiration of this extended lease, at the option of the Lessee, to renew the same for a second extended term of five (5) years and under the same terms and conditions as herein set out, provided notice of its intention of so doing is given sixty (60) days prior to the expiration of this lease, as extended, which said notice shall be given in the manner hereinafter provided. The rental rate for such extended term shall be negotiated sixty (60) days prior to the expiration of the first extended term of five (5) years, but in no event shall such rental rate exceed by more than 15% the basic rental established by negotiations to cover such first extended term of five (5) years. Such monthly rental rate shall be adjusted by an amount equal to one-twelfth (1/12) of the amount by which the annual ad valorem taxes on the leased premises exceed \$6,379.73, if any excess there be.

Lessor agrees to give Lessee thirty (30) days' notice in writing before making any assignment of this lease.

This lease is made upon the following terms, conditions and covenants:

The Lessor covenants to keep the Lessee in possession of said premises during the term of this lease or any extension thereof or until the lease is cancelled as hereinafter provided.

During the term of this lease or any extension thereof the Lessor agrees to repair and keep repaired the roof, the floor support, the building foundation, the guttering and the outside of the building, including the windows and doors, and to repair any damage done to said building by termites and shall be responsible for damages to the interior of the leased premises occasioned by leaks in the roof of the building. Further, Lessor shall keep in a good state of repair all parts of the leased premises which have been or are to be furnished hereunder by Lessor. Upon the expiration or termination of this lease the Lessee will surrender peaceable possession of said premises to the Lessor in as good condition as the same were when received, usual wear and tear excepted.

In the event the building or any part thereof herein leased be damaged or destroyed by fire, windstorm, or any other cause, including acts of the public enemy, then the premises shall be repaired with due diligence by the Lessor within a reasonable length of time. In case of damage or destruction such as to substantially destroy the building or any part thereof so that it cannot be occupied, the Lessor will not require the Lessee to pay any rent during the period in which the building is being repaired, and the Lessee may at its option cancel this lease immediately by giving the Lessor notice of its intention of so doing, such notice to be given in the manner hereinafter provided, and thereafter the Lessee shall not be liable for any other or further amount.

It is understood and agreed that the Lessee may install any fixtures on the said premises which it may deem to be necessary or convenient and the Lessee may at the termination of this lease, remove any and all of said fixtures placed on said premises by it.

Should the electric distribution system of the Alabama Power Company in the City of Montevallo, Alabama, be acquired by such City, a power authority, a cooperative or a similar agency, or any governmental agency, or should a distribution system be erected and operated by such City, a power authority, a cooperative, or a similar agency, or any governmental agency in competition with the system of Alabama Power Company, the

Alabama Power Company may at its option cancel and terminate this lease by giving the Lessor thirty (30) days' notice of its intention of so doing, and upon the expiration of such thirty (30) day period this lease shall cease and terminate.

Where written notice is provided for hereinabove the same shall be deemed to have been given when posted in the United States mail, addressed to the Lessor, P. O. Box 471, Clanton, Alabama 35045.

The Lessee may sublet said leased premises, or any part of same, during the term of this lease, or any extension thereof, but in no event shall such sublease affect the obligations of the Lessee to the Lessor under the terms of this lease.

Reference to the Lessor and the Lessee shall include his or its heirs, successors and assigns.

EXECUTED in duplicate on the day and year shown below.

Witness:

H. Hampton Bales

Witness:

H. Hampton Bales

ATTEST:

Notary Public
in and for the State of Alabama

Lessor:

Lewis W. Headley
Lewis W. Headley

Date Executed: 12/30/76

Dot W. Headley
Dot W. Headley

Date Executed: 12/30/76

ALABAMA POWER COMPANY, LESSEE

By Robert P. [Signature]
Its Vice President

Date Executed: December 30, 1976

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STATE OF Alabama)
COUNTY OF Jefferson)

I, Peggy Moore Huckbay, a Notary Public in and for said County in said State, hereby certify that Lewis W. Headley and wife, Dot W. Headley, whose names are signed to the foregoing instrument, and who are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they executed the same voluntarily.

Given under my hand and official seal this the 30th day of December, 1976.

Peggy Moore Huckbay
Notary Public

STATE OF Alabama)
COUNTY OF Jefferson)

I, Peggy Moore Huckbay, a Notary Public in and for said County in said State, hereby certify that Charles P. Jackson whose name as Vice President of Alabama Power Company, a corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal, this the 30th day of December, 1976.

Peggy Moore Huckbay
Notary Public



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Charles P. Jackson
Vice President

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