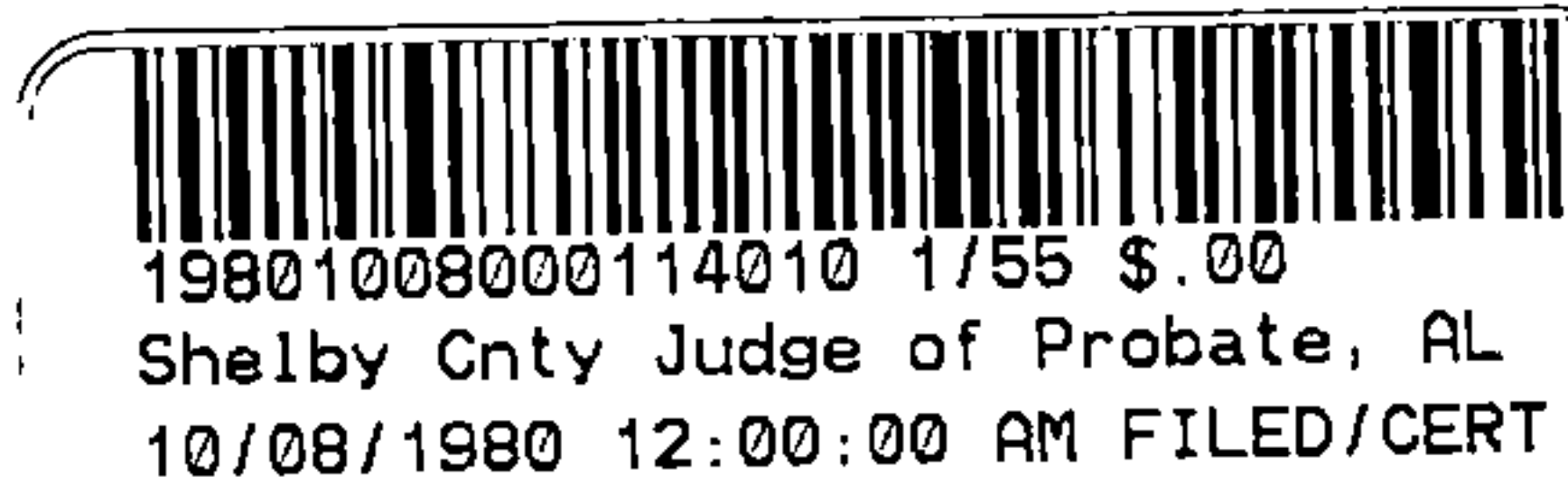


This instrument prepared by:
J. Foster Clark
600 N. 18th Street
Birmingham, Alabama 35203

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(23)

LEASE AGREEMENT



between

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE TOWN OF HELENA, ALABAMA

and

METROCK STEEL AND WIRE COMPANY, INC.

Dated as of October 1, 1980

The interests of The Industrial Development Board of the Town of Helena, Alabama in this Lease Agreement have been assigned to Central Bank of Birmingham, as Trustee under the Mortgage and Indenture of Trust, dated as of October 1, 1980, from The Industrial Development Board of the Town of Helena, Alabama in connection with the issuance by the Board of its Industrial Development Revenue Bond (Metrock Project), Series 1980 in the principal amount of \$380,000.


Balch, Bingham et al

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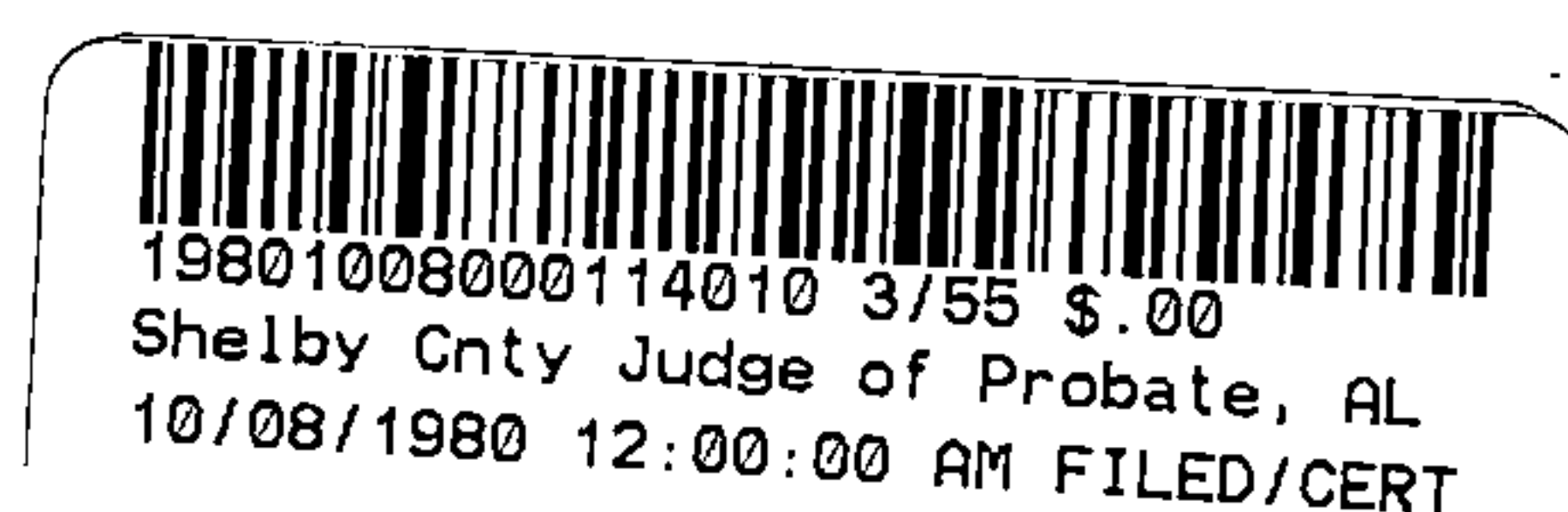
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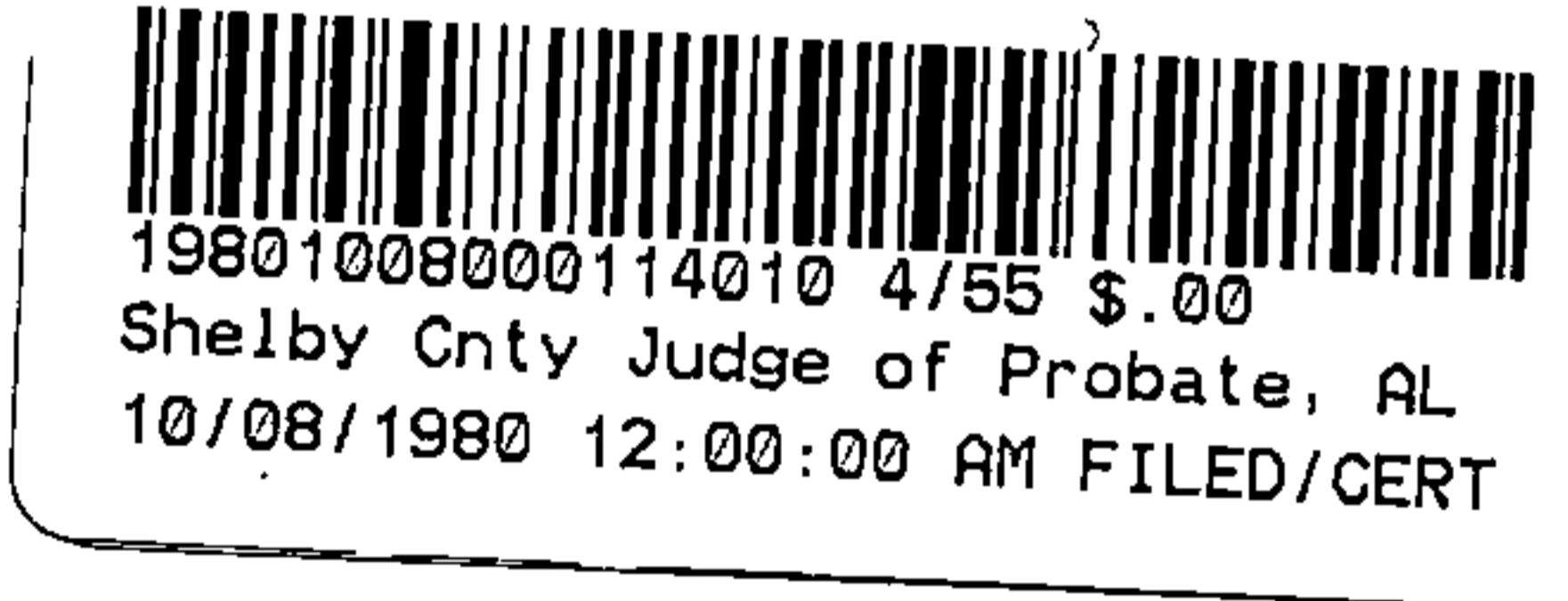
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STATE OF ALABAMA)

SHELBY COUNTY)

THIS LEASE AGREEMENT made and entered into as of October 1, 1980, by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE TOWN OF HELENA, ALABAMA (herein called "the Board"), a public corporation duly organized and existing under the laws of the State of Alabama, as Lessor, and METROCK STEEL AND WIRE COMPANY, INC. (herein called the "Lessee"), a corporation duly organized and existing under the laws of the State of Alabama, as Lessee.

W I T N E S S E T H:

In consideration of the respective representations and agreements herein contained, the parties hereto agree as follows (provided, that any obligation of the Board to pay money created by or arising out of this Lease Agreement shall be payable solely out of the proceeds derived from this Lease Agreement, the sale of the bonds referred to in Section 2.1 hereof, the insurance and condemnation awards as herein provided and any other revenues arising out of or in connection with its ownership of the Project as hereinafter defined):

ARTICLE I.

DEFINITIONS

"Act" means Act No. 648 enacted at the 1949 Regular Session of the Legislature of Alabama, as heretofore amended and as supplemented by Act No. 1893 enacted at the 1971 Regular Session of the Legislature of Alabama (codified as Sections 80-101, Chapter 54, Title 11 of the Code of Alabama 1975), and any future acts supplemental thereto or amendatory thereof.

"Additional Bonds" means additional parity Bonds authorized to be issued by the Board pursuant to Section 210 of the Indenture.

"Authorized Board Representative" means the person or persons at the time designated to act on behalf of the Board 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 chairman.



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"Authorized Lessee Representative" means the person or persons at the time designated to act on behalf of the Lessee by written certificate furnished to the Board and the Trustee containing the specimen signature of such person and signed on behalf of the Lessee by the chairman of the board, president or any vice president of the Lessee.

"Board" means The Industrial Development Board of the Town of Helena, Alabama, a public corporation duly organized and existing under the laws of the State of Alabama, and its lawful successors and assigns.

"Bonds" means the Series 1980 Bond and all Additional Bonds issued by the Board pursuant to the Indenture.

"Bond Fund" means the Bond principal and interest fund created by Section 502 of the Indenture.

"Building" means those certain facilities forming a part of the Project and not constituting part of the Leased Equipment, as they may at any time exist.

"Code" means the Internal Revenue Code of 1954, as amended.

"Completion Date" means the date of completion of the acquisition, construction and equipping of the Project as that date shall be certified as provided in Section 4.5 hereof.

"Construction Fund" means the construction fund created by Section 602 of the Indenture and referred to in Sections 4.2 and 4.3 hereof.

"Construction Period" means the period between the beginning of construction of the Project or the date on which the Series 1980 Bond is first delivered to the original purchaser thereof (whichever is earlier) and the Completion Date.

"Determination of Taxability" means the issuance by the Internal Revenue Service of a statutory notice of deficiency holding, in effect, that the interest payable on the Series 1980 Bond is includable in the gross income of the holder thereof (other than a holder who is a "substantial user" of the Project or a "related person" as used in Section 103(b) of the Code) for any reason other than a change in the tax laws from those in force on the date hereof. Such Determination of Taxability shall be deemed to have occurred on the date borne by said statutory notice of deficiency.



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"Government Obligations" means (a) direct obligations of the United States of America for the payment of which the full faith and credit of the United States of America is pledged, or (b) obligations issued by a person controlled or supervised by and acting as an instrumentality of the United States of America, the payment of the principal of, premium, if any, and interest on which is fully and unconditionally guaranteed as a full faith and credit obligation by the United States of America.

"Indenture" means the Mortgage and Indenture of Trust between the Board and Central Bank of Birmingham as Trustee, of even date herewith, pursuant to which the Bonds are authorized to be issued, the Project is to be mortgaged to the Trustee and the Board's interest in this Lease and the rents and other revenues received by the Board from the Project are to be assigned and pledged to the Trustee as security for the payment of the principal of, premium, if any, and interest on the Bonds, and including any indenture supplemental thereto.

"Lease" means this Lease Agreement as it now exists and as it may hereafter be amended pursuant to the terms hereof and Article XIII of the Indenture.

"Lease Term" means the duration of the leasehold estate as provided in Section 5.1 hereof, including the renewal term provided for in Section 11.7 hereof.

"Leased Equipment" means those items of machinery, equipment and other tangible personal property required or permitted herein to be acquired and installed as part of the Project with the proceeds from the sale of the Bonds or the proceeds from any payment by the Lessee pursuant to Section 4.6 hereof (which property is more fully described in Exhibit "B" attached hereto and by this reference made a part of this Lease) and any item of machinery, equipment and other tangible personal property acquired and installed in substitution therefor and renewals and replacements thereof pursuant to the provisions of Sections 4.1, 6.1(a), 6.2(a), 7.1 and 7.2, hereof, less such machinery, equipment and other tangible personal property as may be released from this Lease pursuant to Section 6.2(b) hereof or damaged or destroyed and not restored as provided in Section 7.1 or taken by the exercise of the power of eminent domain as provided in Section 7.2 hereof, but not including any machinery, equipment and other tangible personal property installed so as not to constitute part of the Project under the provisions of Section 6.1(b) hereof.

"Leased Land" means the real estate and interests in real estate described in Exhibit "A" attached hereto and by this reference made a part of this Lease, less such real estate and interests in real estate as may be released from this Lease pursuant to Sections 8.5 and 11.3 hereof or taken by the exercise of the power of eminent domain as provided in Section 7.2 hereof.



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"Lessee" means Metrock Steel and Wire Company, Inc., an Alabama corporation, and its successors and assigns including any surviving, resulting or transferee corporation as provided in Section 8.3 hereof.

"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 the reasonable attorney's fees and any extraordinary expenses of the Trustee as defined in the Indenture) incurred in the collection of such gross proceeds.

"Permitted Encumbrances" means, as of any particular time, (i) liens for ad valorem taxes and special assessments not then delinquent or permitted to exist as provided in Section 6.3 hereof, (ii) this Lease and the Indenture, (iii) utility, access and other easements, licenses, right-of-way, restrictions, reservations and exceptions which, according to the certificate of a licensed engineer (who may be an employee of the Lessee), will not materially interfere with or impair the operations being conducted at the Project (or, if no operations are being conducted therein, the operations for which the Project was designed or last modified), (iv) unfiled and inchoate mechanics', materialmen's or other similar liens for construction work in progress, (v) mechanics', laborers', materialmen's, suppliers' and vendors' liens or other similar liens not then payable permitted to exist as provided in Section 6.1 hereof, and (vi) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as do not, in the aggregate, and in the opinion of counsel, materially impair the property affected thereby for the purpose for which it was acquired or is held by the Board.

"Project" means the facilities, including the Leased Land, the Building and the Leased Equipment, acquired or to be acquired, constructed and installed pursuant to plans and specifications prepared by, and directions given by, the Lessee, which facilities, as presently contemplated, are generally described in Exhibit C hereto.

"Project Development Costs" shall include the following:

(a) the cost of the land and interests in land, if any, acquired by the Board for the Project;

(b) all obligations of the Board or the Lessee incurred pursuant to contracts for the purchase or supply of equipment, machinery, labor and materials (including reimbursements of expenses incurred by the Board or the Lessee as provided in, and payments on contracts made or executed in the name of the Board or the Lessee pursuant to, the Memorandum of Agreement dated as of May 26, 1980 between the Board and the Lessee, whereby the Board agreed to issue the Series 1980 Bond) in connection with the acquisition, construction, installation and equipping of the Project;

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(c) the cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of construction of the Project;

(d) all costs of architectural and engineering services, including the costs of the Board or the Lessee for test borings, surveys, estimates, preliminary studies, all costs connected with developing the plans and specifications for the Project, and for supervising construction, as well as for the performance of all other duties required by or consequent upon the proper construction and equipping of the Project;

(e) all expenses incurred in connection with the issuance of the Bonds including without limitation compensation and expenses of the Trustee, legal expenses and fees, costs of printing and engraving, recording and filing fees, compensation of the underwriters and rating agency fees;

(f) all other costs and expenses which the Board or the Lessee may properly pay or accrue for the acquisition, construction, installation or equipping of the Project or the leasing thereof to the Lessee;

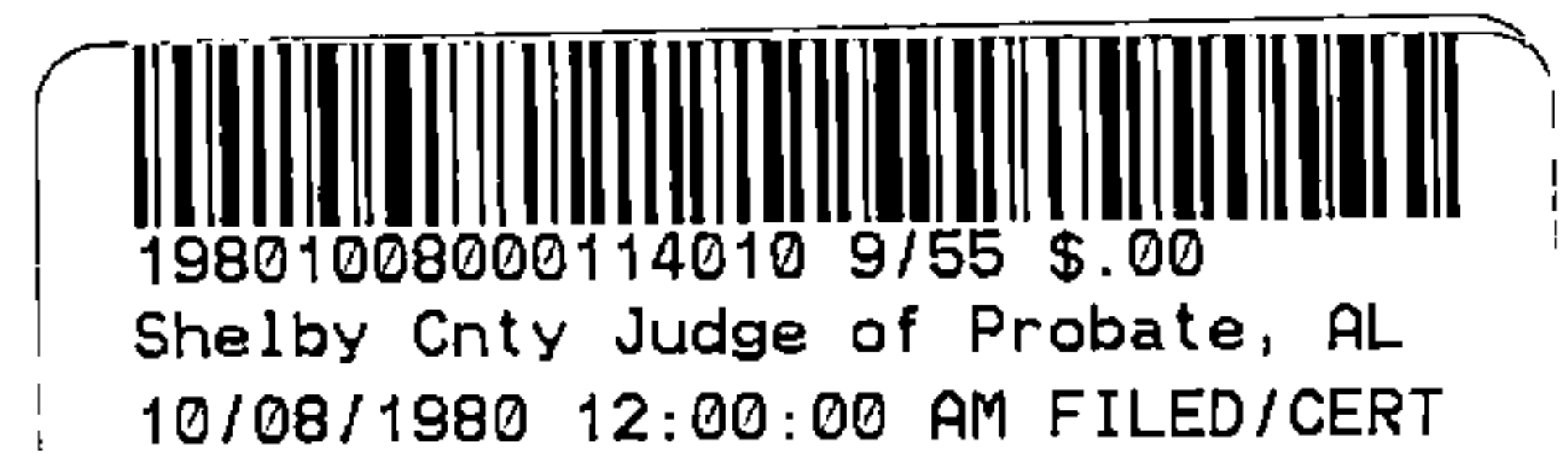
(g) any sums required to reimburse the Board or the Lessee for advances made by either of them for any of the above items, or for any other costs incurred and for work done by either of them, which are properly chargeable to the Project, whether incurred before or after the date of this Lease; and

(h) interest on the Series 1980 Bond during construction of the Project.

"Series 1980 Bond" means the Board's Industrial Development Revenue Bond (Metrock Project), Series 1980, in the principal amount of \$380,000, authorized to be issued pursuant to Section 201 of the Indenture.

"Trustee" means Central Bank of Birmingham, or any co-trustee or successor trustee serving as such under the Indenture.

* * * * *



ARTICLE II.

REPRESENTATIONS

SECTION 2.1 Representations by the Board. The Board makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Board is a public corporation duly incorporated under the provisions of the Act by certificate of incorporation duly filed for record in the office of the Judge of Probate of Shelby County, Alabama. Under the provisions of the Act, the Board has the power to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder. The Project constitutes and will constitute a "project" within the meaning of the Act. The Board is not in default under any of the provisions contained in its certificate of incorporation or in the laws of the State of Alabama. By proper corporate action, the Board has duly authorized the execution and delivery of this Lease.

(b) The Board proposes to acquire, construct and equip the Project in accordance with the directions of the Lessee, proposes to lease the Project to the Lessee and proposes to sell the Project to the Lessee at the expiration or sooner termination of the Lease Term, all for the purpose of promoting industry, developing trade, and furthering the use of the natural and human resources of the State of Alabama.

(c) To finance the cost of the Project, the Board will issue initially its Series 1980 Bond in the principal amount of \$380,000 on the terms set forth in the Indenture, and will issue such Additional Bonds as may be hereafter deemed desirable for the purposes and on the terms set forth herein and in the Indenture.

(d) The Bonds are to be issued under and secured by the Indenture, pursuant to which the Board's interest in this Lease and the rents and other revenues derived by the Board from its ownership, leasing and sale of the Project will be assigned and pledged to the Trustee, and the Project will be mortgaged to the Trustee, all as security for the payment of the principal of, premium, if any, and interest on the Bonds.

(e) All of the Project will be located within the corporate limits of the Town of Helena, Alabama, and no part of the Project will be located within the corporate limits or police jurisdiction of another city or town in the State of Alabama.

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SECTION 2.2. Representations by the Lessee. The Lessee makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Lessee is a corporation duly incorporated under the laws of the State of Alabama, is in good standing under its Certificate of Incorporation and under the laws of Alabama, has the power to enter into this Lease and to perform all obligations contained herein, and, by proper corporate action, has been duly authorized to execute and deliver this Lease.

(b) The Lessee hereby warrants that it is not subject to any provision under its Certificate of Incorporation or its By-laws or any contractual limitation or provision of any nature whatsoever which in any way limits, restricts or prevents the Lessee from entering into this Lease or performing any of its obligations hereunder and covenants that, anything in this Lease to the contrary notwithstanding, so long as any of the Bonds are outstanding there shall be no abatement or reduction of the rent payable by the Lessee except as otherwise provided herein.

(c) The financing, acquisition and completion of the Project, as provided under this Lease, will contribute to the promotion of industry, the development of trade, and the furtherance of the use of the natural and human resources of the State of Alabama.

(d) Substantially all of the proceeds of the Series 1980 Bond will be used to pay costs of acquiring, constructing and equipping the Project, which constitutes and will constitute either land or property of a character subject to the allowance for depreciation under Section 167 of the Code.

(e) There are no bonds or other obligations outstanding, the interest on which is exempt from Federal income taxation by virtue of Section 103 of the Code and the proceeds of which were used to finance the Project or any portion thereof, or any other facilities located in the Town of Helena, Alabama, the "principal user" (as used in Section 103(b)(9) of the Code) of which is the Lessee or any "related person" (as defined in Section 103(b)(6)(C) of the Code).

* * * * *



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ARTICLE III.


DEMISING CLAUSES AND WARRANTY OF TITLE

SECTION 3.1. Demise of the Project. The Board hereby demises and leases to the Lessee, and the Lessee hereby leases from the Board, the Project at the rental set forth in Section 5.3 hereof and in accordance with the provisions of this Lease, subject to Permitted Encumbrances.

SECTION 3.2. Warranty of Title. The Board for itself, its successors and assigns warrants to the Lessee, its successors and assigns that it has good and marketable title to the Leased Land, free from all encumbrances except Permitted Encumbrances.

SECTION 3.3. Quiet Enjoyment. The Board covenants and agrees that it will warrant and defend the Lessee in the quiet enjoyment and peaceable possession of the Project free from all claims of all persons whomsoever, throughout the Lease Term, so long as the Lessee shall perform the covenants, conditions and agreements to be performed by it hereunder, or so long as the period for remedying any default in such performance shall not have expired.

* * * * *


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ARTICLE IV.

COMMENCEMENT AND COMPLETION OF THE PROJECT;
ISSUANCE OF THE SERIES 1980 BOND


SECTION 4.1. Agreement to Construct and Equip the Project.

Subject to the provisions of Section 4.6 hereof, the Board agrees that it will cause the Project to be acquired, constructed, installed and equipped substantially in accordance with directions to be given by the Lessee. The Board and the Lessee agree that the Lessee may supplement, amend, omit from and add to such directions, and that the Lessee is authorized to omit or make substitutions for components of the Project, provided that no such change shall result in any part of the Project not being a "project" within the meaning of the Act.

The Board will enter into such contracts for the construction, acquisition, installation and equipping of the Project and shall appoint such agents to act on its behalf with respect to the construction, acquisition, installation and equipping of the Project, as shall be acceptable to the Lessee. The Board hereby makes, constitutes and appoints the Lessee as one such agent, with power of substitution, and the Lessee hereby accepts such agency to act and do all things on behalf of the Board, to perform all acts and agreements of the Board hereinbefore provided in this Section 4.1, and to bring any actions or proceedings against any person which the Board might bring with respect thereto as the Lessee shall deem proper. The Board hereby ratifies and confirms all lawful and proper actions of, and assumes and adopts all such contracts entered into by, the Lessee with respect to the Project prior to the effective date hereof, and agrees that the Board will not enter into any contract or give any order regarding the acquisition, construction or installation of the Project unless and until the Lessee shall have approved the same in writing. This appointment of the Lessee to act as agent and all authority hereby conferred are granted and conferred to the Completion Date and thereafter until all activities in connection with the construction, acquisition, installation and equipping of the Project shall have been completed, and shall not be terminated prior thereto by act of the Board or of the Lessee. Upon the Completion Date or at any time prior thereto upon the request of the Lessee, so long as it is not in default hereunder, the Board will assign to the Lessee all warranties and guaranties of all contractors, subcontractors, suppliers, architects and engineers for the furnishing of labor, materials or equipment or supervision or design in connection with the Project and any rights or causes of action arising from or against any of the foregoing.

The Board agrees to use its best efforts to complete the acquisition, construction, installation and equipping of the Project as promptly as practicable after receipt of the proceeds from the sale of the Series 1980 Bond, delays incident to strikes, riots, acts of God or the public enemy beyond the reasonable control of the Board only excepted;

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but if such acquisition, construction and installation is not completed there shall be no resulting liability on the part of the Board and no diminution in the rental payments required in Section 5.3 hereof to be paid by the Lessee.

The Board is entering into this Lease pursuant to the authority conferred upon it by the Act. It is hereby expressly made a condition of this Lease that any agreements, covenants or representations herein contained or contained in the Bonds do not and shall never constitute or give rise to any personal or pecuniary liability or charge against the general credit of the Board, and in the event of a breach of any such agreement, covenant or representation, no personal or pecuniary liability or charge payable directly or indirectly from the general revenues of the Board shall arise therefrom. Nothing contained in this Section, however, shall relieve the Board from the observance and performance of the several covenants and agreements on its part herein contained or relieve any director, officer, employee or agent of the Board from performing all duties of their respective offices that may be necessary to enable the Board to perform the covenants and agreements on its part herein contained.

SECTION 4.2. Agreement to Issue Series 1980 Bond; Application of Bond Proceeds; Additional Bonds. (a) In order to provide funds for payment of the Project Development Costs, the Board agrees that it will sell, issue and deliver the Series 1980 Bond to the original purchaser thereof at 100% of the aggregate principal amount thereof plus accrued interest, if any, and that, upon receipt of the proceeds derived from the sale of the Series 1980 Bond, it will deposit in the Bond Fund all accrued interest, if any, received upon said sale, and will deposit the balance of the proceeds received upon said sale in the Construction Fund.

(b) The Board agrees to authorize the issuance of Additional Bonds upon the terms and conditions provided herein and in the Indenture. Additional Bonds may be authorized for the purpose of financing the cost of improvements or additions to the Project which the Lessee may deem necessary or desirable. If the Lessee is not in default hereunder, the Board agrees, on request of the Lessee, from time to time, to use its best efforts to issue Additional Bonds in such amounts, maturing on such dates, bearing such rate or rates of interest and redeemable at such times and prices as may be specified by the Lessee and as shall be permitted within the limits and under the conditions specified above and in the Indenture, provided, that (1) the Lessee and the Board shall have entered into an amendment to this Lease to provide for the lease of any additional properties to the Lessee and to include a description of such additional properties, to provide for such increase in the rental payments to be paid by the Lessee to the Board as shall be sufficient to pay the principal of and premium, if any, and interest on the Additional Bonds as provided to be paid in the supplemental indenture with respect to such Additional Bonds, and to extend the term of this Lease if the maturity of any Additional Bonds would occur after the expiration of the

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term of this Lease, and (II) the Board shall have otherwise complied with the provisions of the Indenture with respect to the issuance of such Additional Bonds. The Board hereby agrees to use its best efforts to comply with such provisions of the Indenture. Any amendment entered into pursuant to clause (I) above will provide that any such additional properties shall be included under this Lease upon terms equivalent to those pertaining to the Project. The Board will deposit the proceeds from the sale of Additional Bonds with the Trustee in the same manner as provided in paragraph (a) above.

(c) Upon request of the Lessee, the Board agrees to authorize and use its best efforts to issue, and if issued to deposit with the Trustee the proceeds from the sale of, Refunding Bonds (as defined in the Indenture) for the purpose and upon the terms and conditions provided in Section 211 of the Indenture.

SECTION 4.3. Disbursements from the Construction Fund. In the Indenture the Board has authorized and directed the Trustee to use the moneys in the Construction Fund to pay the Project Development Costs, or to reimburse the Board or the Lessee for any Project Development Costs paid or incurred by the Board or the Lessee before or after execution of this Lease and delivery of the Series 1980 Bond. Such payments shall be made by the Trustee upon receipt of a requisition, signed by the Authorized Board Representative and endorsed by the Authorized Lessee Representative, stating with respect to each payment to be made:

- (1) The requisition number;
- (2) If other than the Lessee, the name and address of the person to whom payment is due;
- (3) The amount to be paid;
- (4) That each obligation mentioned therein constitutes a Project Development Cost and has not been the basis of any previous withdrawal;
- (5) That no notice has been received 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; and
- (6) That payment of such requisition will not result in less than substantially all of the proceeds of the Series 1980 Bond being used for the acquisition, construction or installation of either land or property subject to the allowance for depreciation within the meaning of Section 103(b)(6)(A) of the Code.



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In the Indenture, the Board has authorized and directed that all moneys remaining in the Construction Fund (including moneys earned pursuant to the provisions of Section 4.8 hereof) after the Completion Date and payment in full of the Project Development Costs shall, at the written direction of the Board and the Lessee, be (i) used by the Trustee for the purchase of Bonds for the purpose of cancellation, or (ii) paid into the Bond Fund, or (iii) a combination of (i) and (ii) as is provided in such direction, provided that amounts approved by the Board and the Lessee shall be retained by the Trustee in the Construction Fund for payment of Project Development Costs not then due and payable. Any balance remaining of such retained funds after full payment of all such Project Development Costs shall be used by the Trustee as directed by the Board and the Lessee in the manner specified in clauses (i), (ii) and (iii) of this subsection.

In making any such payment from the Construction Fund the Trustee may rely upon any such requisitions and certificates delivered to it pursuant to this Section and the Trustee shall be relieved of all liability with respect to making such payments in accordance with such requisitions and certificates without inspection of the Project or any other investigation.

SECTION 4.4. Obligation of the Parties to Cooperate in Furnishing Documents to Trustee. The Board and the Lessee agree to cooperate with each other in furnishing to the Trustee the documents referred to in Section 4.3 hereof that are required to effect payments out of the Construction Fund, and to cause such requisitions to be directed to the Trustee as may be necessary to effect payments out of the Construction Fund in accordance with Section 4.3 hereof.

SECTION 4.5. Establishment of Completion Date. The Completion Date shall be evidenced to the Trustee by a certificate signed by the Authorized Board Representative and endorsed by the Authorized Lessee Representative stating that, except for amounts retained by the Trustee for Project Development Costs not then due and payable as provided in Section 4.3 hereof, (i) the acquisition, construction, installation and equipping of the Project have been completed in accordance with the plans and specifications of the Lessee, and all labor, services, materials, supplies and equipment used in such acquisition, construction and equipping have been paid for, (ii) the Project and all facilities in connection therewith have been acquired, constructed, installed and equipped to their satisfaction, and (iii) substantially all of the proceeds of the Bonds have been used to provide either land or property subject to the allowance for depreciation within the meaning of Section 103(b)(6)(A) of the Code. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights of the Board or the Lessee against third parties which exist on the date of such certificate or which may subsequently come into being. The Board and the Lessee agree to cooperate in causing such certificate to be furnished to the Trustee.



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SECTION 4.6. Lessee Required to Pay Construction and Equipment Costs in Event Construction Fund Insufficient. In the event the moneys in the Construction Fund available for payment of the Project Development Costs should not be sufficient to pay such costs in full, the Lessee agrees to complete the Project and to pay all that portion of the costs of the Project as may be in excess of the moneys available therefor in the Construction Fund by making payments directly to the construction contractor or contractors or the suppliers of materials and equipment as the same shall become due or by paying into the Construction Fund the moneys necessary to complete the Project, in which case the Board will proceed to complete the Project and the cost thereof will be paid from the Construction Fund. The Board does not make any warranty, either express or implied, that the moneys which will be paid into the Construction Fund and which, under the provisions of this Lease, will be available for payment of the Project Development Costs will be sufficient to pay all such Project Development Costs. The Lessee agrees that if, after exhaustion of the moneys in the Construction Fund, the Lessee should pay any portion of the Project Development Costs pursuant to the provisions of this Section, it shall not be entitled to any reimbursement therefor from the Board or from the Trustee or from the holders of any of the Bonds nor shall it be entitled to any diminution of the rents payable under Section 5.3 hereof.

SECTION 4.7. Board to Pursue Remedies Against Contractors and Subcontractors and Their Sureties. In the event of any default of any supplier, contractor or subcontractor under any contract made by it in connection with the Project or in the event of breach of warranty with respect to any materials, workmanship or performance guaranty, the Board will promptly proceed (at the direction and sole cost of the Lessee and subject to the Lessee's advice to the contrary), either separately or in conjunction with others, to exhaust the remedies of the Board against any defaulting supplier, contractor or subcontractor and against any surety therefor, for the performance of any contract made in connection with the Project. Unless the Lessee shall request the Board to proceed in another manner, the Board shall proceed, in connection with any such default, only through the Lessee as agent for the Board; and the Lessee, as such agent and in the name of the Board, shall prosecute, defend or settle any action or proceeding or take any other action involving any such supplier, contractor, subcontractor or surety which the Lessee deems reasonably necessary. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing prior to the Completion Date shall be paid into the Construction Fund and after the Completion Date shall be paid into the Bond Fund.

SECTION 4.8. Investment of Construction Fund and Bond Fund Moneys Permitted. Any moneys held as a part of the Construction Fund or the Bond Fund shall, to the extent permitted by law, be invested or reinvested by the Trustee upon the written request and direction of the Board and the Lessee in (i) Government Obligations, (ii) certificates of deposit

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issued by, or bankers' acceptances drawn on and accepted by, commercial banks having a capital and surplus of not less than \$10,000,000, (iii) obligations issued or guaranteed by the State of Alabama, (iv) commercial paper rated Prime-1 by Moody's Investors Service, Inc. and/or A-1 by Standard & Poor's Corporation, or having a comparable rating by another rating service of comparable standing, (v) repurchase agreements with solvent banking or other financial institutions with respect to any of the investments or securities referred to in subsections (i), (ii) or (iv) above, or (vi) any other obligations or securities to the extent that moneys in the Construction Fund or Bond Fund are permitted to be invested therein under applicable law.

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ARTICLE V.

EFFECTIVE DATE OF THIS LEASE; DURATION OF
LEASE TERM; RENTAL PROVISIONS

SECTION 5.1. Effective Date of This Lease; Duration of Lease Term. This Lease shall become effective upon its delivery and the leasehold estate created in this Lease shall then begin, and, unless sooner terminated or extended in accordance with the provisions of Section 11.7 hereof, shall expire at midnight, September 30, 1985, or if all of the Bonds have not been fully paid and retired (or provision for such payment made as provided in the Indenture), on such date as such payment or provision for payment shall have been made.

SECTION 5.2. Delivery and Acceptance of Possession. The Board agrees to deliver sole and exclusive possession of the Project to the Lessee upon the effective date of this Lease; provided, however, that the Board and its agents shall be permitted such access to the Project during the Construction Period as shall be necessary or desirable to permit construction of the Project, and thereafter as provided in Section 8.2 hereof.

SECTION 5.3. Rents and Other Amounts Payable. On or before November 1, 1980, and on or before the first day of each month thereafter until the principal of, premium, if any, and interest on the Series 1980 Bond shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, the Lessee shall pay to the Trustee as rent for the Project an amount (in funds which will be immediately available on the date when payment is due) equal to the amount payable on such date as principal, premium, if any, and interest upon the Series 1980 Bond, as provided in the Indenture. Each rental payment shall be sufficient to pay the total amount of principal, premium, if any, and interest payable on the Series 1980 Bond on the monthly interest payment date for which such rental payment is made. If at any monthly interest payment date the balance in the Bond Fund is insufficient to make the required payments of principal, premium, if any, and interest on such date, the Lessee shall forthwith pay any such deficiency. On the fifth business day following written notice from the Trustee or the Board to the Lessee, the Lessee shall also pay as rent for the Project an amount equal to the principal of and interest accrued to the date of such payment on the Series 1980 Bond by reason of any declaration of the Trustee pursuant to Section 1002 of the Indenture.

Anything herein to the contrary notwithstanding, any amount at any time held by the Trustee in the Bond Fund shall be credited against the next succeeding rental payment and shall reduce the rental payment



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to be made by the Lessee to the extent such amount is in excess of the amount required for payment of past due payments of the principal of, premium, if any, and interest on the Series 1980 Bond; and further, if the amount held by the Trustee in the Bond Fund should be sufficient to pay at the times required the then remaining unpaid principal of, premium, if any, and interest on the Series 1980 Bond, the Lessee shall not be obligated to make any further rental payments under the provisions of this Section.

The Lessee agrees to pay to the Trustee until the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the provisions of the Indenture, (i) an amount equal to the annual fee of the Trustee for the ordinary services of the Trustee rendered and its ordinary expenses incurred under the Indenture, (ii) the reasonable fees, charges and expenses of the Trustee as Bond Registrar and paying agent, as and when the same become due, and (iii) the reasonable fees, charges and expenses of the Trustee for the necessary extraordinary services rendered by it and extraordinary expenses incurred by it under the Indenture, as and when the same become due; provided, that the Lessee may, without creating a default hereunder, withhold such payment to contest in good faith the necessity for any such extraordinary services and extraordinary expenses and the reasonableness of any such fees, charges or expenses.

In the event the Lessee should fail to make any of the payments required in this Section, the item or installment so in default shall continue as an obligation of the Lessee until the amount in default shall have been fully paid, and the Lessee agrees to pay the same with interest thereon at the rate per annum borne by the Series 1980 Bond, until paid. The provisions of this Section shall be subject to the provisions of Section 9.7 hereof.


SECTION 5.4. Place of Rental Payments. The rent provided for in the first two paragraphs of Section 5.3 hereof shall be paid directly to the Trustee for the account of the Board and will be deposited by the Trustee in the Bond Fund. The additional payments provided for in Section 5.3 hereof shall be paid directly to the Trustee for its own use.

SECTION 5.5. Obligations of Lessee Hereunder Unconditional. Subject to the provisions of Section 9.7 hereof, the obligations of the Lessee to make the payments required in Section 5.3 hereof and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional and shall not be subject to diminution by set-off, counterclaim, abatement or otherwise. Until such time as the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, the Lessee (i) will not suspend or discontinue any payments provided for in Section 5.3 hereof except to the extent the same have been prepaid, (ii) will perform and observe all of


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its other agreements contained in this Lease and (iii) except as provided in Sections 11.1, 11.2 and 11.6 hereof, will not terminate the Lease Term for any cause, including, without limiting the generality of the foregoing, failure of the Board to complete the Project, failure of the Board's title to the Project or any part thereof, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of Alabama or any political subdivision of either thereof or any failure of the Board to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Lease. Nothing contained in this Section shall be construed to release the Board from the performance of any of the agreements on its part herein contained; and in the event the Board should fail to perform any such agreement on its part, the Lessee may institute such action against the Board as the Lessee may deem necessary to compel performance or recover its damages for nonperformance so long as such action shall not do violence to the agreements on the part of the Lessee contained in the preceding sentence. The Lessee may, however, at its own cost and expenses and in its own name or in the name of the Board, prosecute or defend any action or proceeding or take any other action involving third persons which the Lessee deems reasonably necessary in or to secure or protect its right of possession, occupancy and use hereunder, and in such event the Board hereby agrees to cooperate fully with the Lessee and to take all action necessary to effect the substitution of the Lessee for the Board in any such action or proceeding if the Lessee shall so request.

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ARTICLE VI.

MAINTENANCE, MODIFICATIONS, TAXES AND INSURANCE

SECTION 6.1. Maintenance and Modifications of Project by Lessee. (a) The Lessee agrees that during the Lease Term it will at its own expense (i) keep the Project in as reasonably safe condition as its operations shall permit and (ii) keep the Building and the Leased Equipment and all other facilities and improvements forming a part of the Project in good repair and in good operating condition, reasonable wear and tear excepted, making from time to time all necessary repairs thereto and renewals and replacements thereof.

(b) The Lessee may from time to time, in its sole discretion and at its own expense, make any additions, modifications or improvements to the Project, including additional real property and the installation of additional machinery, equipment and other tangible personal property that do not materially impair the effective use of the Project. Except as otherwise provided in this subsection (b), all such additions, modifications and improvements shall become a part of the Project and shall be covered by the Indenture; provided, however that any machinery, equipment, furniture, or fixtures installed by the Lessee at the Project without expense to the Board and not constituting Leased Equipment substituted under Section 6.2(a) hereof, and any discrete additions or improvements to the Building or fixtures thereon made or installed by the Lessee without expense to the Board which are capable of being physically removed and separately mortgaged without adversely affecting the utility or integrity of the Project and without causing irreparable damage thereto, shall not constitute a part of the Project and shall not be covered by the Indenture, and may be removed by the Lessee at any time and from time to time under the terms of this Lease; and provided further, that any damage to the Project occasioned by such removal shall be repaired by the Lessee at its own expense. At the time of the installation by the Lessee of any items of its own machinery and equipment in the Building or on the Leased Land, the Lessee shall fasten on each item a permanent plate, tag, or other readily visible form of identification showing such property to be the separate corporate property of the Lessee. In case any such plate shall at any time be removed, defaced or destroyed, the Lessee shall immediately cause the same to be restored or replaced.

Nothing contained in the preceding provisions of this Section shall prevent the Lessee from purchasing and installing at the Project, after delivery of the Indenture, machinery, equipment or other tangible personal property by conditional sale contract or lease sale contract, or subject to vendor's lien or purchase money mortgage, as security for the unpaid portion of the purchase price thereof, and each such conditional sale contract, lease sale contract, vendor's lien or purchase money

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mortgage made by the Lessee with respect to machinery, equipment and other tangible personal property purchased by it under the provisions of this Section after the delivery of the Indenture shall, if appropriate financing statements are duly filed for record in the manner, at the times and in the places required by the Alabama Uniform Commercial Code, be prior and superior to any other lien on such machinery and equipment and other tangible personal property.

(c) The Lessee will not permit any mechanics' or other liens to be established or remain against the Project for labor or materials furnished in connection with any additions, modifications, improvements, repairs, renewals or replacements so made by it; provided, that if the Lessee shall give the Trustee at least five days' written notice of its intention so to do, the Lessee may in good faith contest any mechanics' or other liens filed or established against the Project, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless, by nonpayment of any such items, the lien of the Indenture as to any part of the Project will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture and the Board or the Trustee shall have demanded in writing satisfaction of such lien, in which event the Lessee shall, within five days of such written demand, either pay and cause to be satisfied and discharged all such unpaid items or post an adequate bond for the payment of such items in the event that the contest of such items is finally resolved adversely to the Lessee. The Board will, at the expense of the Lessee, cooperate fully with the Lessee in any such contest.

SECTION 6.2. Removal of Leased Equipment. The Board shall not be under any obligation to renew, repair or replace any inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary item of Leased Equipment. In any instance where the Lessee in its sole discretion determines that any items of Leased Equipment have become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Lessee may remove such items of Leased Equipment and (on behalf of the Board), sell, trade-in, exchange or otherwise dispose of them (as a whole or in part) without any responsibility or accountability to the Board or the Trustee therefor, provided that the Lessee shall:

(a) Substitute (either by direct payment of the costs thereof or by advancing to the Board the funds necessary therefor) and install other machinery or equipment having equal or greater utility (but not necessarily having the same function) in the operation of the Project (provided such removal and substitution shall not impair the operation of the Project), all of which substituted machinery or equipment shall be free of all liens and encumbrances (other than Permitted Encumbrances) but shall become a part of the Leased Equipment; or



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(b) Not make any such substitution and installation, provided (i) that in the case of the sale of any such machinery or equipment to anyone other than itself or in the case of the scrapping thereof, the Lessee shall pay into the Bond Fund the proceeds from such sale or the scrap value thereof, as the case may be, (ii) that in the case of the trade-in of such machinery or equipment for other machinery or equipment not to be installed as part of the Project, the Lessee shall pay into the Bond Fund the amount of the credit received by it in such trade-in and (iii) that in the case of the sale of any such machinery or equipment to the Lessee or in the case of any other disposition thereof the Lessee shall pay into the Bond Fund an amount equal to the original cost thereof less depreciation at rates calculated in accordance with generally accepted accounting practice; provided, further, that the Lessee may not fail to make any such substitution and installation if such failure would materially impair the operation of the Project.

In the event that prior to such removal of items of Leased Equipment, the Lessee has acquired and installed machinery or equipment with its own funds which it has contributed to the Project and which has become part of the Leased Equipment, the Lessee may take credit to the extent of the amount so spent by it against the requirement that it either substitute and install other machinery and equipment having equal or greater value or that it make payment into the Bond Fund, providing that the provisions of this sentence shall not relieve the Lessee of its obligations under the first sentence of Section 6.1 hereof.

The removal from the Project of any portion of the Leased Equipment pursuant to the provisions of this Section shall not entitle the Lessee to any abatement or diminution in amount of the rents payable under Section 5.3 hereof.

The Lessee will promptly report to the Trustee each such removal, substitution, sale and other disposition and will pay to the Trustee such amounts as are required by the provisions of the preceding subsection (b) of this Section to be paid into the Bond Fund promptly after the sale, trade-in or other disposition requiring such payment; provided that no such report and payment need be made until the amount to be paid into the Bond Fund on account of all such sales, trade-ins or other dispositions not previously reported aggregates at least \$25,000. The Lessee will pay any costs (including reasonable counsel fees) incurred in subjecting to the lien of the Indenture any items of machinery or equipment that under the provisions of this Section, are to become part of the Leased Equipment. The Lessee will not remove or permit the removal of any of the Leased Equipment except in accordance with the provisions of this Section.



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SECTION 6.3 Taxes, Other Governmental Charges and Utility Charges.

The Board and the Lessee acknowledge that under present law no part of the Project owned by the Board will be subject to ad valorem taxation by the State of Alabama or by any political or taxing subdivision thereof, and that under present law the income and profits (if any) of the Board from the Project are not subject to either Federal or Alabama taxation. However, the Lessee will pay, as the same respectively become lawfully due and payable (i) all taxes and governmental charges of any kind whatsoever upon or with respect to the Lessee's interest in this Lease, (ii) all taxes and governmental charges of any kind whatsoever upon or with respect to the Project or any machinery, equipment or other property installed or brought by the Lessee therein or thereon (including, without limiting the generality of the foregoing, any taxes levied upon or with respect to the income or profits of the Board from the Project which, if not paid, will become a lien on the Project prior to or on a parity with the lien of the Indenture or a charge on the revenues and receipts therefrom prior to or on a parity with the lien of the Indenture or a charge on the revenues and receipts therefrom prior to or on a parity with the charge thereon and the pledge or assignment thereof to be created and made in the Indenture), (iii) all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project, and (iv) all assessments and charges lawfully made by any governmental body for public improvements that may be secured by lien on the Project; provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Lessee shall be obligated to pay only such installments as are required to be paid during the Lease Term.

The Lessee may, at its own expense and in its own name and behalf or in the name and behalf of the Board, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless, by nonpayment of any such items, the lien of the Indenture as to any part of the Project will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture and the Board or the Trustee shall have demanded payment of such items, in which event such taxes, assessments or charges shall be paid promptly. The Board will cooperate fully with the Lessee in any such contest. In the event that the Lessee shall fail to pay any of the foregoing items required by this Section to be paid by the Lessee, the Board or the Trustee may (but shall be under no obligation to) pay the same upon five days' prior written notice to the Lessee, and any amounts so advanced therefor by the Board or the Trustee shall become an additional obligation of the Lessee to the one making the advancement, which amounts together with interest thereon at the rate per annum borne by the Series 1980 Bond, from the date thereof, the Lessee agrees to pay.

SECTION 6.4. Insurance and Indemnity. During the construction of the Project and throughout the Lease Term, the Lessee shall take out and continuously maintain in effect the following insurance with respect to the Project, paying as the same become due all premiums with respect thereto:

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(a) Insurance to the extent of the full insurable value of the Project against loss or damage by fire, with uniform standard extended coverage endorsement covering losses from windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles and smoke;

(b) In time of war in which the United States of America is a belligerent, such insurance to the extent of the full insurable value of the Project as may be available from the United States government or an agency thereof against loss or damage by the risks and hazards of war; and

(c) Insurance against liability for bodily injury to or death of persons and for damage to or loss of property occurring on or about the Project or in any way related to the condition or operation of the Project, in the minimum amounts of \$500,000 for death of or bodily injury to any one person, \$1,000,000 for all death and bodily injury claims resulting from any one accident, and \$100,000 for property damage.

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All policies evidencing the insurance required by the terms of the preceding paragraph shall be taken out and maintained in generally recognized responsible insurance companies, qualified under the laws of the State of Alabama to assume the respective risks undertaken; provided that any policy or policies evidencing the insurance required in clause (b) of the preceding paragraph may be taken out from and maintained in the United States of America or an agency thereof. All such insurance policies shall name as insureds the Board, the Trustee and the Lessee (as their respective interests shall appear) and shall contain standard mortgage clauses providing for all losses thereunder in excess of \$25,000 to be paid to the Trustee; provided that all losses (including those in excess of \$25,000) may be adjusted by the Lessee, subject, in the case of any single loss in excess of \$10,000, to the approval of the Trustee. The Lessee may insure under a blanket policy or policies. All policies evidencing the insurance required to be carried by this Section shall be deposited with the Trustee; provided, however, that in lieu thereof the Lessee may deposit with the Trustee a certificate or certificates of the respective insurers attesting the fact that such insurance is in force and effect. Prior to the expiration of any such policy, the Lessee will furnish to the Trustee evidence reasonably satisfactory to the Trustee that such policy has been renewed or replaced by another policy or that there is no necessity therefor under this Lease.


The Lessee shall also indemnify the Board against liability for any loss or damage to property of others or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project; provided, however, that the indemnification required by this Section 6.4 shall not include indemnification for liabilities resulting from wanton negligence or intentional acts by the Board, and provided

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further that the indemnity provided in this Section shall be effective only to the extent of any loss that may be sustained by the Board in excess of the Net Proceeds of any insurance carried with respect to the loss sustained. Unless the Lessee shall request the Board to proceed in another manner, the Board shall proceed in connection with any claim against which the Lessee herein indemnifies the Board, only through the Lessee as agent for the Board; and the Lessee, as such agent and in the name of the Board, shall defend or settle any such claim, action or proceeding or take any other action with respect thereto as the Lessee shall deem reasonably necessary and appropriate.

SECTION 6.5. Advances by Board or Trustee. In the event the Lessee shall fail to maintain the insurance coverage required by Section 6.4 hereof or shall fail to keep the Project in as reasonably safe condition as its operating conditions will permit, or shall fail to keep the Project in good repair and good operating condition, the Board or the Trustee may (but unless satisfactorily indemnified shall be under no obligation to), upon thirty days' prior written notice to the Lessee, take out the required policies of insurance and pay the premiums on the same or make the required repairs, renewals and replacements; and all amounts so advanced therefor, by the Board or the Trustee shall become an additional obligation of the Lessee to the one making the advance, which amounts, together with interest thereon at the rate per annum borne by the Series 1980 Bond, from the date thereof, the Lessee agrees to pay.

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ARTICLE VII.

DAMAGE, DESTRUCTION AND CONDEMNATION

SECTION 7.1. Damage and Destruction. Unless the Lessee shall elect to exercise its option to purchase the Project pursuant to the provisions of Section 11.2(a) hereof, if prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) the Project is damaged by fire or other casualty to such extent that the claim for loss resulting from such damage (including any deductible amount pertaining thereto) is not greater than \$50,000, the Lessee, or the Board at the Lessee's direction, (i) will promptly repair, rebuild or restore the property damaged to substantially the same condition as it existed prior to the event causing such damage, with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Lessee and as will not impair the utility of the Project and (ii) will apply for such purpose so much as may be necessary of any Net Proceeds of insurance resulting from claims for such losses, as well as any additional moneys of the Lessee necessary therefor. All Net Proceeds of insurance received by the Board, the Lessee, the Trustee or any of them, resulting from claims for such losses not in excess of \$50,000 shall be paid to the Lessee.

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Unless the Lessee shall elect to exercise its option to purchase the Project pursuant to the provisions of Section 11.2(a) hereof, if prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) the Project is destroyed (in whole or in part) or is damaged by fire or other casualty to such extent that the claim for loss resulting from such destruction or damage (including any deductible amount pertaining thereto) is in excess of \$50,000, the Lessee shall promptly give written notice thereof to the Trustee and shall be obligated to continue to make the rental payments specified in Section 5.3 hereof. All Net Proceeds of insurance received by the Board, the Lessee or the Trustee, or any of them, resulting from claims for such losses in excess of \$50,000 shall be held by the Trustee, to be applied in one or more of the following ways as shall be directed in writing by the Lessee:

(a) The restoration of the property damaged or destroyed to substantially the same condition as it existed prior to the event causing such damage or destruction, with such changes, alterations, and modifications (including the substitution and addition of other property) as may be desired by the Lessee and will not impair the utility of the Project; or

(b) Payment into the Bond Fund to be applied by the Trustee toward the redemption of the principal of any of the Bonds together with accrued interest thereon to the date of redemption; provided, that no part of any such Net Proceeds may be applied for such

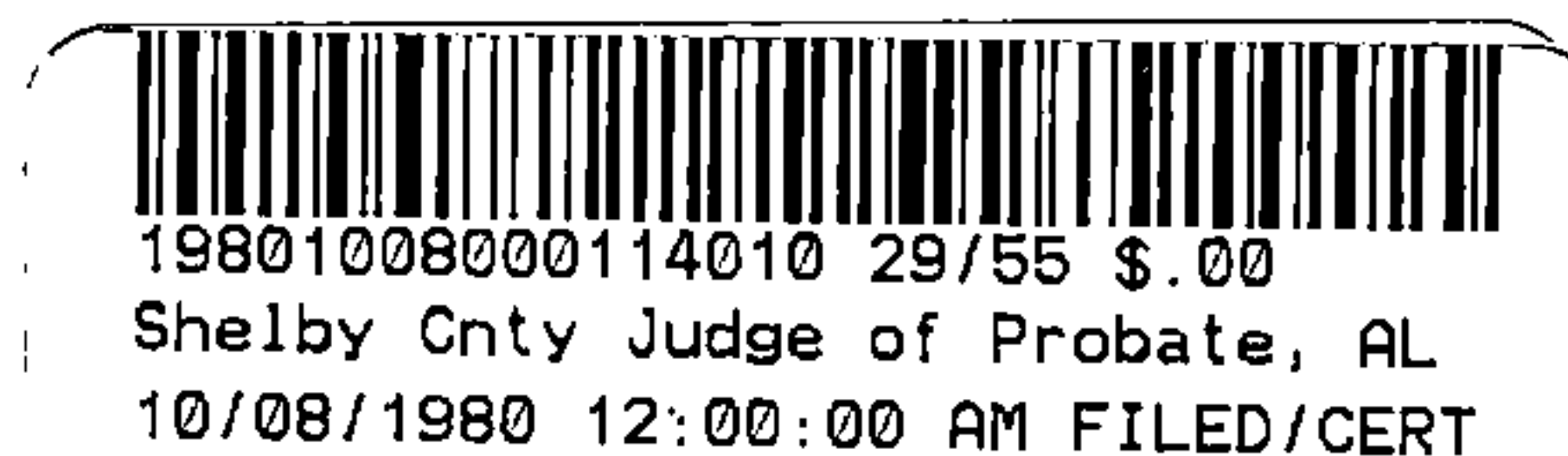
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redemption unless (1) all of the Bonds are to be redeemed in accordance with the Indenture upon exercise of the option to purchase provided for by Section 11.2(a) hereof or (2) in the event that less than all of the Bonds are to be redeemed, the Lessee shall furnish to the Board and the Trustee a certificate of the Authorized Lessee Representative stating (i) that the property forming a part of the Project that was damaged or destroyed is not essential to the Lessee's use or occupancy of the Project, or (ii) that the Project has been restored to a condition substantially equivalent to its condition prior to the event causing such damage or destruction; or

(c) Payment into the Bond Fund or, if the Bonds have been fully paid (or provisions for payment thereof have been made in accordance with the provisions of the Indenture), to the Lessee.

Unless the Lessee shall elect to exercise its option to purchase the Project pursuant to the provisions of Section 11.2(a) hereof within ninety days from the date of the event causing such damage or destruction to the Project, the Lessee shall direct the Board and the Trustee in writing as to which of the ways specified in this Section the Lessee elects to have the Net Proceeds applied. In the case of a restoration under Section 7.1(a), each direction by the Lessee to the Trustee for the disbursement of the Net Proceeds to the payment of the costs of such restoration shall be accompanied by a certificate of an architect or engineer (who shall be selected by the Lessee and may be an employee of the Lessee) in charge of the restoration, dated not more than 30 days prior to such direction, setting forth in substance that (a) the sum then directed to be applied either has been paid by the Lessee, or is justly due, to contractors, subcontractors, materialmen, engineers, architects or other persons who shall have rendered services or furnished materials or improvements in connection with the restoration therein specified; the names of such persons; a brief description of such services or materials or improvements and the several amounts so paid or due to each of such persons; and a statement that none of the costs of the services or materials or improvements described in such certificate has been or is being made the basis, in any previous or then pending direction for payment under this Section and that the sum then directed to be applied does not exceed the value of the services or materials or improvements described in the certificate, and (b) that, except for the amount, if any, stated (pursuant to (a) preceding) in such certificate to be due for services or materials or improvements, there is not outstanding any indebtedness known to the persons signing such certificate which is then due for labor, wages, materials, supplies or services in connection with the restoration which, if unpaid, might become the basis of a vendor's, mechanic's, laborer's or materialman's lien upon the Project or any part thereof. The Trustee may conclusively rely upon such direction and certificate and shall have no liability or responsibility for payments made pursuant to this Section 7.1 in reliance thereon.

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SECTION 7.2. Condemnation. Unless the Lessee shall elect to exercise its option to purchase the Project pursuant to the provisions of Section 11.2(b) hereof, in the event that title to, or the temporary use of, the Project or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the Lessee shall be obligated to continue to make the rental payments specified in Section 5.3 hereof. The Board, the Lessee and the Trustee will cause the Net Proceeds received by them or any of them, from any award made in such eminent domain proceedings, to be applied in one or more of the following ways as shall be directed in writing by the Lessee:

(a) The restoration of the improvements of the Project to substantially the same condition as they existed prior to the exercise of the said power of eminent domain, with such changes, alterations, and modifications (including the substitution and addition of other property) as may be desired by the Lessee and will not impair the utility of the Project;

(b) The acquisition, by construction or otherwise, by the Board of other improvements suitable for the Lessee's operation of the Project (which improvements shall be deemed a part of the Project, and available for use and occupancy by the Lessee without the payment of any rent other than herein provided to the same extent as if such other improvements were specifically described herein and demised hereby); provided, that such improvements shall be acquired by the Board subject to no liens or encumbrances prior to the lien of the Indenture, other than Permitted Encumbrances;

(c) Payment into the Bond Fund to be applied by the Trustee toward the redemption of the principal of any of the Bonds together with accrued interest thereon to the date of redemption without premium; provided, that no part of any such condemnation award may be applied for such redemption unless (1) all of the Bonds are to be redeemed in accordance with the Indenture upon exercise of the option to purchase provided for by Section 11.2(b) hereof or (2) in the event that less than all of the Bonds are to be redeemed, the Lessee shall furnish to the Board and the Trustee a certificate of the Authorized Lessee Representative stating (i) that the property forming a part of the Project that was taken by such condemnation proceeding is not essential to the Lessee's use or occupancy of the Project, or (ii) that the Project has been restored to a condition substantially equivalent to its condition prior to the taking by such condemnation proceedings, or (iii) that improvements have been acquired which are suitable for the Lessee's operations at the Project as contemplated by the foregoing subsection (b) of this Section; or

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(d) Payment into the Bond Fund or, if the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the provisions of the Indenture), to the Lessee.

Unless the Lessee shall elect to exercise its option to purchase the Project pursuant to the provisions of Section 11.2(b) hereof, within ninety days from the date of entry of a final order in any eminent domain proceedings granting condemnation, the Lessee shall direct the Board and the Trustee in writing as to which of the ways specified in this Section the Lessee elects to have the condemnation award applied. The direction of the Lessee shall, in the case of a restoration under Section 7.2(a) or the acquisition or construction of improvements under Section 7.2(b), be accompanied by a certificate similar to that required in the last paragraph of Section 7.1. The Trustee may conclusively rely upon such direction and shall have no liability for payments made pursuant to this Section 7.2 in reliance thereon.

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

SECTION 7.3. Condemnation of Lessee-Owned Property. The Lessee shall also be entitled to the Net Proceeds of any condemnation award or portion thereof made for damages to or takings of its own property or for damages on account of the taking of or interference with the Lessee's rights to possession, use or occupancy of the Project.

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ARTICLE VIII.

SPECIAL COVENANTS

SECTION 8.1. 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 8.2. Inspection of the Project. The Lessee agrees that the Board, the Trustee and their duly authorized agents shall have the right at all reasonable times during business hours, subject to the Lessee's usual safety and security requirements of persons on the Leased Land, to enter upon the Leased Land and to examine and inspect the Project without interference or prejudice to the Lessee's operations. The Lessee further agrees that the Board and its duly authorized agents who are acceptable to the Lessee shall have such rights of access to the Project as may be reasonably necessary to cause to be completed the construction and installation provided for in Section 4.1 hereof. The Board and the Trustee shall be permitted, at all reasonable times, to examine the books and records of the Lessee with respect to the Project.

SECTION 8.3. Lessee to Maintain its Corporate Existence; Conditions Under Which Exceptions Permitted. The Lessee agrees that it will maintain its corporate existence and will not dispose of all or substantially all of its assets, and neither consolidate with nor merge into another corporation, or permit one or more other corporations to consolidate with or merge into it; provided that the Lessee may, without violating the agreement contained in this Section 8.3, consolidate with or merge into another domestic corporation (that is, a corporation organized and existing under the laws of the United States of America or one of the states of the United States of America), or permit one or more other domestic corporations to consolidate with or merge into it, or sell or otherwise transfer to another domestic corporation all or substantially all of its assets as an entirety and thereafter dissolve, provided that the surviving, resulting or transferee corporation, as the case may be, (i) assumes in writing all of the obligations of the Lessee herein, and (ii) has a consolidated tangible net worth following such consolidation, merger, sale or transfer which is not less than the consolidated tangible net worth of the Lessee at the time of such consolidation, merger, sale or transfer; and further provided that no event of default has occurred and is continuing hereunder. The term "consolidated tangible net worth," as used in this Section 8.3 shall mean the amount obtained by subtracting total consolidated liabilities (not including as a liability any capital or surplus item) from total consolidated tangible assets of the Lessee.

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SECTION 8.4. Qualification in Alabama. The Lessee cove-
nants that it is and throughout the Lease Term it will continue to be
a corporation either organized under the laws of the State of Alabama
or duly qualified to do business in the State of Alabama as a foreign
corporation, as the case may be.

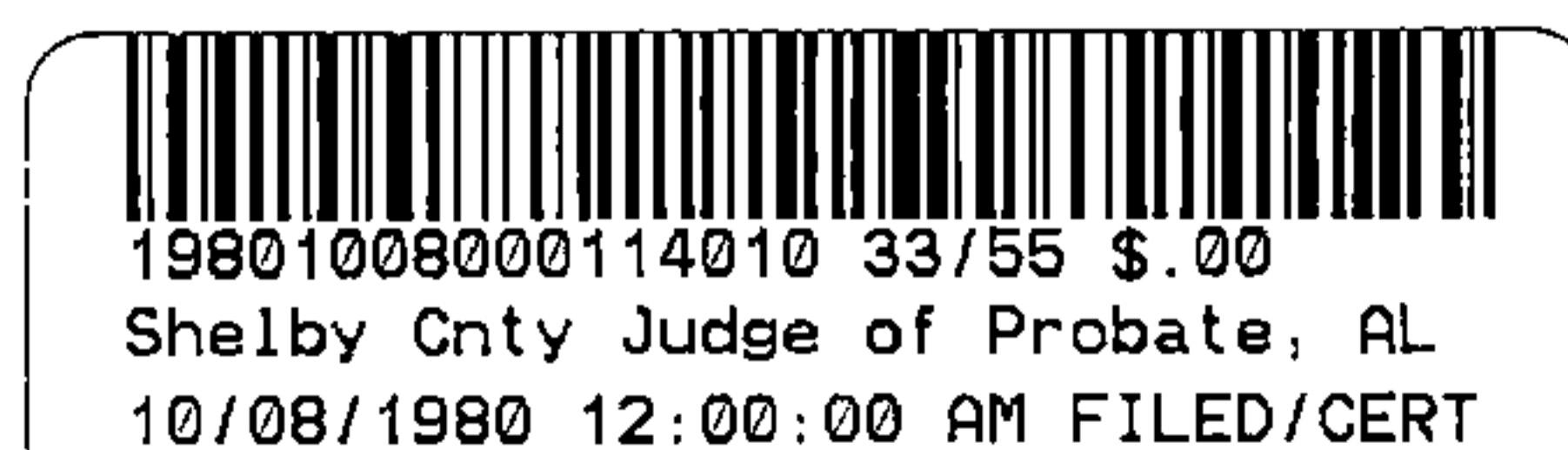
SECTION 8.5. Granting of Easements. If no event of default
shall have happened and be continuing, the Lessee may at any time or
times cause to be granted easements, licenses, rights-of-way (tempo-
rary or perpetual and including the dedication of public highways)
and other rights or privileges in the nature of easements with re-
spect to any property included in the Project and such grant will be
free from the lien of the Indenture, or the Lessee may cause to be
released existing easements, licenses, rights-of-way and other rights
or privileges in the nature of easements, held with respect to any
property included in the Project with or without consideration and the
Board agrees that it shall execute and deliver and will cause and
direct the Trustee to execute and deliver any instrument necessary
or appropriate to confirm and grant or release any such easement,
license, right-of-way or other right or privilege upon receipt
of: (i) a copy of the instrument of grant or release; (ii) a written
application signed by an officer of the Lessee and a licensed engineer
(who may be an employee of the Lessee) requesting such instrument and
stating (1) that such grant or release is not detrimental to the proper
conduct of the business of the Lessee, and (2) that such grant or release
will not impair the effective use or interfere with the operation of the
Project and will not weaken, diminish or impair the security intended to
be given by or under the Indenture.

SECTION 8.6. Financial Statements. The Lessee will furnish
to the Trustee:

(a) within forty-five (45) days after the end of each of
the first three quarter-annual periods of the Lessee's
fiscal year, unaudited, comparative balance sheets of the
Lessee as at the end of the period and its unaudited, compara-
tive income statements, prepared on a consolidated basis in
accordance with generally accepted principles of accounting
consistently applied except as disclosed therein and otherwise
in detail reasonably satisfactory to the Trustee and certified
by an appropriate officer of the Lessee.

(b) within one hundred and twenty (120) days after the end of
the Lessee's fiscal year, an annual audit report of the Lessee
for that year prepared on a consolidating and consolidated
basis and in accordance with generally accepted principles of
accounting, consistently applied except as disclosed therein
and otherwise in detail reasonably satisfactory to the Trustee
and certified by a reputable nationally recognized firm of
independent public accountants acceptable to the Trustee.

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SECTION 8.7. Authorized Board Representative. Unless otherwise specified herein, whenever under the provisions hereof the approval of the Board is required or the Board is required to take some action at the request of the Lessee, such approval shall be made or such action shall be taken by the Authorized Board Representative; and the Lessee or the Trustee shall be authorized to act on any such approval or action and the Board shall have no complaint against the Lessee or the Trustee as a result of any such action taken.

SECTION 8.8. Authorized Lessee Representative. Unless otherwise specified herein, whenever under the provisions hereof the approval of the Lessee is required or the Lessee is required to take some action at the request of the Board, such approval shall be made or such action shall be taken by the Authorized Lessee Representative; and the Board or the Trustee shall be authorized to act on any such approval or action and the Lessee shall have no complaint against the Board or the Trustee as a result of any such action taken in accordance with the direction so given.

SECTION 8.9. Tax Exemption. It is the intention of the parties hereto that the Series 1980 Bond shall be and remain at all times an obligation the interest on which is excluded from gross income for Federal income tax purposes by reason of the provisions of Section 103(a)(1) of the Code, or any substantially similar successor provision hereafter enacted, and that substantially all the proceeds of the Bonds shall be used for the acquisition, construction and installation of either land or property of a character subject to the allowance for depreciation within the meaning of Section 103(b)(6)(A) of the Code. To that end, the Lessee and the Board each covenant that all proceeds received from the sale of the Bonds shall be applied for such purposes. Without limiting the foregoing, the Lessee and the Board covenant that they shall take no action, nor shall the Lessee permit the Trustee to take any action, whereby the proceeds of the Series 1980 Bond shall be invested or used in such manner that the Series 1980 Bond would be an "arbitrage bond" within the meaning of Section 103(c) of the Code and the applicable regulations promulgated thereunder as they may be in force and applicable, at the time of such investment or use, to such Bond.

SECTION 8.10. Obligations of Lessee in the Event of Taxability. Upon receiving notification in writing from the holder of the Series 1980 Bond of the occurrence of a Determination of Taxability, the Lessee shall be obligated to deposit sufficient monies into the Bond Fund to provide for the redemption of the Series 1980 Bond at the time and redemption price specified in Section 301 of the Indenture. The Lessee shall also reimburse the Trustee for all reasonable fees and expenses incurred by the Trustee in effecting any such redemption.

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In its sole discretion and at its own expense, the Lessee may contest any Determination of Taxability by appropriate administrative proceedings within the Internal Revenue Service in its own name or in the name of any Bondholder affected by such Determination of Taxability, and may continue such contest in any court having jurisdiction over the subject matter of such contest; provided, however, that the appropriate court for the pursuit of such contest shall be chosen by the holder of the Series 1980 Bond. The Lessee may delay making the payments required in the first paragraph of this Section 8.10 during the pendency of any administrative proceeding within the Internal Revenue Service or any judicial proceeding before the lowest level court having jurisdiction over such matters and specified by the holder of the Series 1980 Bond, and if such judicial proceeding is determined favorably to the Lessee, the Lessee may continue to delay such payments during any subsequent appeal so long as the Lessee shall take out and file with the Trustee an appropriate bond for payment of the amounts required by this Section in the event that the judicial proceedings (including appeals) are ultimately determined adversely to the Lessee.

At its option, to be exercised by written notice to the Trustee within 30 days of the receipt by the Lessee of notification of the occurrence of a Determination of Taxability, the Lessee may elect not to deposit monies for the redemption of the Series 1980 Bond as provided above and in Section 301 of the Indenture, but instead, to increase the rental payments due under Section 5.3 hereof for the remainder of the Lease Term by an amount equal to the increased interest payable on the Series 1980 Bond as provided in Section 202 of the Indenture. If the Lessee shall elect to leave the Series 1980 Bond outstanding at said increased interest rate, it shall, nonetheless, pay to the Trustee, as additional rent under Section 5.3 hereof, an amount equal to the premium payable on the Series 1980 Bond in the event of redemption calculated as provided in Section 301 of the Indenture, such payment to be made at the time of the exercise by the Lessee of the option granted in this paragraph.

SECTION 8.11. Additional Covenants of the Lessee. So long as the Series 1980 Bond or any portion thereof remains outstanding, the Lessee will not, without the prior written consent of the holder of the Series 1980 Bond:

(a) permit any material change in the persons comprising the management of the Lessee from those in such position as of the date hereof;

(b) permit the common stock of the Lessee to be sold, transferred or otherwise conveyed by the owners thereof on the date hereof to anyone other than another such current owner;

(c) consolidate with or merge into any other person, corporation, partnership, company or joint venture and will not permit any other person, corporation, partnership, company or joint venture to consolidate with or merge into it;



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(d) sell, lease or otherwise dispose of any significant portion of its properties or assets, and will not create or suffer to exist any mortgage, pledge, lien or security interest upon any of its properties or assets other than those mortgages and security interests existing on the date hereof and/or created pursuant to the Indenture;

(e) declare or pay any dividends on its common stock;

(f) become liable directly or indirectly, contingently or otherwise, for any obligations of any person, firm or corporation, by guarantee, endorsement or otherwise (except for the endorsement of negotiable instruments for deposit or collection in the usual course of business);

(g) expend for fixed assets in any one fiscal year an amount in excess of the amount of depreciation claimed during the previous fiscal year on the Lessee's federal income tax return;

(h) permit the ratio of its current assets to current liabilities to fall below 1:1, as determined in accordance with generally accepted accounting principles; and

(i) the Lessee will not permit its tangible net worth to fall below \$550,000, as determined in accordance with generally accepted accounting principles.

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ARTICLE IX.

ASSIGNMENT, SUBLEASING, PLEDGING AND SELLING;
REDEMPTION; RENT PREPAYMENT AND ABATEMENT

SECTION 9.1. Assignment and Subleasing. This Lease may be assigned in whole or in part, and the Project may be subleased as a whole or in part, by the Lessee without the necessity of obtaining 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 8.3 hereof) or sublease shall relieve the Lessee from primary liability for any of its obligations hereunder, and in the event of any such assignment or sublease the Lessee shall remain primarily liable for payment of the rents specified in Section 5.3 hereof and for performance and observance of the other agreements on its part herein provided to be performed and observed by it.

(b) The assignee or sublessee shall assume the obligations of the Lessee hereunder to the extent of the interest assigned or subleased.

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

SECTION 9.2. Mortgaging of Project by Board. The Board shall mortgage the Project to the Trustee under the Indenture and shall assign its interest in and pledge any moneys receivable under this Lease to the Trustee pursuant to the Indenture as security for the payment of the principal of, premium, if any, and interest on the Bonds, but each such mortgage, assignment or pledge shall be subject and subordinate to this Lease. The Board will not further mortgage or otherwise encumber title to the Project except at the request of the Lessee.

SECTION 9.3. Restrictions on Sale of Project by Board. The Board agrees that, except as otherwise permitted under the terms of this Lease or the Indenture, it will not sell, assign, transfer or convey the Project during the Lease Term and that it will not take any other action which may reasonably be construed as tending to cause or induce the levy or assessment of ad valorem taxes on the Project or on the Lessee's leasehold interest in the Project. If the laws of Alabama at the time shall permit such action to be taken, nothing contained in this Section shall prevent the consolidation of the Board with, or merger of the Board into, or transfer of the Project as an entirety to, any



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public corporation whose property and income are not subject to taxation and which has corporate authority to carry on the business of owning and leasing the Project; provided, that upon any such consolidation, merger or transfer, the due and punctual payment of the principal of, premium, if any, and interest on the Bonds according to their tenor, and the due and punctual performance and observance of all the agreements and conditions of this Lease to be kept and performed by the Board, shall be expressly assumed in writing by the corporation resulting from such consolidation or surviving such merger or to which the Project shall be transferred as an entirety.

SECTION 9.4. Redemption of Bonds. The Board, at the request at any time of the Lessee and if the same are then redeemable, and upon receipt by the Trustee of necessary funds, shall forthwith take all steps that may be necessary under the applicable redemption provisions of the Indenture to effect redemption of all or part of the then outstanding Bonds, as may be specified by the Lessee, on the earliest redemption date on which such redemption may be made under such provisions or upon the date set for the redemption by the Lessee pursuant to Sections 7.1, 7.2, 8.10, 11.1 or 11.2 hereof.

SECTION 9.5. Prepayment of Rents. There is expressly reserved to the Lessee the right, and the Lessee is authorized and permitted at any time it may choose, to prepay all or any part of the rents payable under Section 5.3 hereof, and the Board agrees that the Trustee may accept such prepayment of rents when the same are tendered by the Lessee. All rents so prepaid shall be credited against the rental payments specified in Section 5.3 hereof, in the order of their due dates and, at the election and direction of the Lessee, shall be used for the redemption of outstanding Bonds in the manner and to the extent provided in the Indenture.

SECTION 9.6. Presentment of Bonds for Cancellation. The Lessee expressly reserves the right and is authorized to present any principal amount of Bonds to the Trustee for cancellation. The resulting reduction in the amount of Bonds outstanding shall entitle the Lessee to an appropriate reduction in the rental payment required by Section 5.3 hereof on all succeeding rental payment dates. All Bonds so presented and cancelled shall thereafter no longer be considered outstanding for any purpose of the Indenture or this Lease, including the payment of rents under Section 5.3 hereof.

SECTION 9.7. Lessee Entitled to Certain Rent Abatements if Bonds Paid Prior to Maturity. If at any time the aggregate moneys in the Bond Fund shall be sufficient to retire in accordance with the provisions of the Indenture all of the Bonds at the time outstanding, and to pay all fees and charges of the Trustee due or to become due through the date on which the last of the Bonds is retired under circumstances not resulting in termination of the Lease Term, the Lessee shall be entitled to use and occupy the Project from the date on which such aggregate moneys are in the hands of the Trustee to and including midnight on September 30, 1985, without the payment of rent during that interval (but otherwise on the terms and conditions hereof).

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SECTION 9.8. Reference to Bonds Ineffective After Bonds Paid.
Upon payment in full of the Bonds (or provision for payment thereof
having been made in accordance with the provisions of the Indenture) and
all fees and charges of the Trustee, all references in this Lease to
the Bonds and the Trustee shall be ineffective and neither the Trustee
nor the holders of any of the Bonds shall thereafter have any rights
hereunder, saving and excepting those that shall have theretofore
vested. For purposes of this Lease, the Bonds shall be deemed fully
paid when so paid according to the provisions of Article IX of the
Indenture.

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ARTICLE X.

EVENTS OF DEFAULT AND REMEDIES

SECTION 10.1. Events of Default Defined. The following shall be "events of default" under this Lease and the terms "event of default" or "default" shall mean, whenever they are used in this Lease, any one or more of the following events:

(a) Failure by the Lessee to pay when due the portion of the rents required to be paid under Section 5.3 hereof representing payment of the principal of, and premium, if any, on the Series 1980 Bond;

(b) Failure by the Lessee to pay when due the portion of the rents required to be paid under Section 5.3 hereof representing payments of interest on the Series 1980 Bond;

(c) Failure by the Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsections (a), (b) and (d) of this Section, 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 shall agree in writing to an extension of such time prior to its expiration. If a failure under this Section 10.1(c) (other than one arising out of a violation of the covenants contained in Section 8.11 hereof) be such that it can be corrected but not within the applicable period, it shall not be an event of default if the Lessee is taking appropriate corrective measures as permitted in Section 1013 of the Indenture;

(d) Default by the Lessee under, or acceleration of, any other indebtedness of the Lessee for borrowed money or any other funded indebtedness of the Lessee, pursuant to any indenture, agreement or other instrument which evidences or secures such indebtedness or pursuant to which such other indebtedness is issued or assumed, or failure to pay or refinance any such indebtedness within thirty (30) calendar days subsequent to the scheduled maturity thereof; or

(e) The dissolution or liquidation of the Lessee or the filing by the Lessee of a voluntary petition in bankruptcy, or failure by the Lessee promptly to lift or bond (if legally permissible) any execution, garnishment or attachment of such consequence as will materially impair its ability to carry on its operations at the Project, or the commission by

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the Lessee of any act of bankruptcy, or adjudication of the Lessee as a bankrupt and in the case of an adjudication resulting from the filing of an involuntary petition such adjudication shall have remained undischarged or unstayed for a period of 120 days, or assignment by the Lessee for the benefit of its creditors, or the entry by the Lessee into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Lessee in any proceeding for its reorganization instituted under the provisions of the general bankruptcy act, as amended, or under any similar act which may hereafter be enacted. The term "dissolution or liquidation of the Lessee", as used in this subsection, shall not be construed to include the cessation of the corporate existence of the Lessee resulting from a merger or consolidation of the Lessee into or with another corporation or a dissolution or liquidation of the Lessee following a transfer of all or substantially all of its assets as an entirety, under the conditions permitting such actions contained in Section 8.3 hereof.

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 the agreements on its part herein contained, other than the obligations on the part of the Lessee contained in Article V and Sections 6.3, 6.4, 8.6, 8.9, 8.10 and 8.11 hereof, the Lessee shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States or of the State of Alabama or any of their departments, agencies, 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 disturbance; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; inability of the Lessee to obtain materials necessary to the operation and maintenance of the Project; 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, and the Lessee shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Lessee unfavorable to the Lessee.



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SECTION 10.2. Remedies on Default. Whenever any event of default referred to in Section 10.1 hereof shall have happened and be subsisting, the Board, subject to the limitations of Section 1003 of the Indenture, or the Trustee where so provided, may take any one or more of the following remedial steps:

(a) The Board, with the prior written consent of the Trustee, or the Trustee, may declare all installments of rent payable under Section 5.3 hereof for the remainder of the Lease Term to be immediately due and payable, whereupon the same shall become immediately due and payable. If the Board or the Trustee elects to exercise the remedy afforded in this Section 10.2(a) and accelerates all rents payable under Section 5.3 hereof for the remainder of the Lease Term, the amount then due and payable by the Lessee as accelerated rents shall be the sum of (1) the aggregate principal amount of the outstanding Bonds, and (2) all interest and redemption premium, if any, on the Bonds accruing to the date of such acceleration. Such sums as may then become payable shall be paid into the Bond Fund and after the Bonds and accrued interest thereon have been fully paid and any costs occasioned by such default have been satisfied, any excess moneys in the Bond Fund shall be returned to the Lessee as an overpayment of rents.


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

(c) The Board, with the prior written consent of the Trustee, or 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 for the account of the Board, holding the Lessee liable for all rent and other payments due up to the effective date of such leasing.

(d) In the event any of the Bonds shall at the time be outstanding and unpaid, the Board or the Trustee may have access to and inspect, examine and make copies of all books and records of the Lessee pertaining to the Project.

(e) The Board or the Trustee may take whatever 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.

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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 or, if the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the provisions of the Indenture), to the Lessee.

SECTION 10.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Board or 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 Lease 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. In order to entitle the Board or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. Such rights and remedies as are given to the Board hereunder shall also extend to the Trustee and the holders of the Bonds shall be deemed third party beneficiaries of all covenants and agreements herein contained.

SECTION 10.4. Agreement to Pay Attorneys' Fees and Expenses. In the event the Lessee should default under any of the provisions of this Lease and the Board or the Trustee should employ attorneys or incur other expenses for the collection of rent or the enforcement of performance or observance of any obligation or agreement on the part of the Lessee herein contained, the Lessee agrees that it will on demand therefor pay to the Board or the Trustee the reasonable fee of such attorneys and such other reasonable expenses so incurred by the Board or the Trustee.

SECTION 10.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

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ARTICLE XI.

OPTIONS IN FAVOR OF LESSEE

SECTION 11.1. General Option to Purchase Project. The Lessee shall have, and is hereby granted, the option to purchase the Project at any time prior to the expiration of the Lease Term. To exercise such option, the Lessee shall give written notice to the Board (and to the Trustee if any of the Bonds shall then be unpaid or provision for their payment shall not have been made in accordance with the provisions of the Indenture) and shall specify in said notice the date of closing such purchase which date shall be not less than forty-five nor more than ninety days from the date such notice is mailed and, in case of redemption of the Bonds in accordance with the provisions of the Indenture, the Lessee shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption. The purchase price payable by the Lessee in the event of its exercise of the option granted in this Section shall be the sum of such moneys or Government Obligations as are sufficient to constitute payment in full of any Bonds then outstanding as provided in Article IX of the Indenture, plus the sum of \$100.

SECTION 11.2. Option to Purchase Project in Certain Events. The Lessee shall have, and is hereby granted, the option to purchase the Project prior to the full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture), if any of the following events shall have occurred:

(a) The Project shall have been damaged or destroyed as set forth in Section 7.1 hereof to such an extent that in the judgment of the Lessee (i) the Project cannot be reasonably restored within a period of six months to a condition suitable for the operation thereof, or (ii) the Lessee is thereby prevented or will likely be prevented from carrying on its normal operations at the Project for a period of six months, or (iii) the restoration and repair of the Project would not be economically practicable or desirable to the Lessee.

(b) Title to, or the temporary use of, all or any substantial part of the Project shall have been taken under the exercise of the power of eminent domain by any governmental authority, or person, firm or corporation acting under governmental authority resulting in the Lessee being thereby prevented from carrying on its normal operations at the Project for a period of six months or the Project being economically impracticable or undesirable to operate (and operation of the Project is in fact discontinued).

(c) As a result of any changes in the Constitution of Alabama or the Constitution of the United States of America or by legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body

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(whether state or federal), this Lease shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in this Lease, or unreasonable burdens or excessive liabilities with respect to the Project shall have been imposed on the Board or the Lessee including without limitation federal, state or other ad valorem, property, income or other taxes not being imposed on the date of this Lease.

(d) Changes in the economic availability of raw materials, operating supplies (including, without limitation, fuel), or facilities necessary for the efficient operation of the Project shall have occurred, or technological, legal or other changes shall have occurred, any of which, in the judgment of the Lessee, render the Project or the operation thereof impracticable or uneconomic.

To exercise such option, the Lessee shall, within 180 days following the event authorizing the exercise of such option, give written notice to the Board and to the Trustee, if any of the Bonds shall then be unpaid, and shall specify therein the date of closing such purchase, which date shall be not less than forty-five nor more than ninety days from the date such notice is mailed. The purchase price which shall be paid to the Trustee by the Lessee in the event of its exercise of the option granted in this Section shall be the sum of the following:

(1) An amount of money which will be sufficient (or Government Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee will be sufficient), when added to any amount already on deposit in the Construction Fund and the Bond Fund, to pay the interest on the then outstanding Bonds until the earliest permissible redemption date following the closing of such purchase and to pay the principal of and interest on all of the Bonds on such redemption date, plus

(2) an amount of money equal to the Trustee's and paying agents' fees and expenses under the Indenture accrued and to accrue until such final payment and redemption of the Bonds, plus

(3) the sum of \$100 which shall be paid by the Trustee to the Board.

In the event of the exercise of the option granted in this Section, any Net Proceeds of insurance or condemnation shall be paid to the Lessee.

SECTION 11.3. Option to Purchase Unimproved Land. The Lessee shall have and is hereby granted an option to purchase any unimproved part of the Leased Land (on which neither the Building nor any Leased Equipment is located but on which parking, transportation or utility facilities may be located) at any time and from time to time at a purchase price equal to the cost thereof to the Board, provided that it furnishes the Board with the following:



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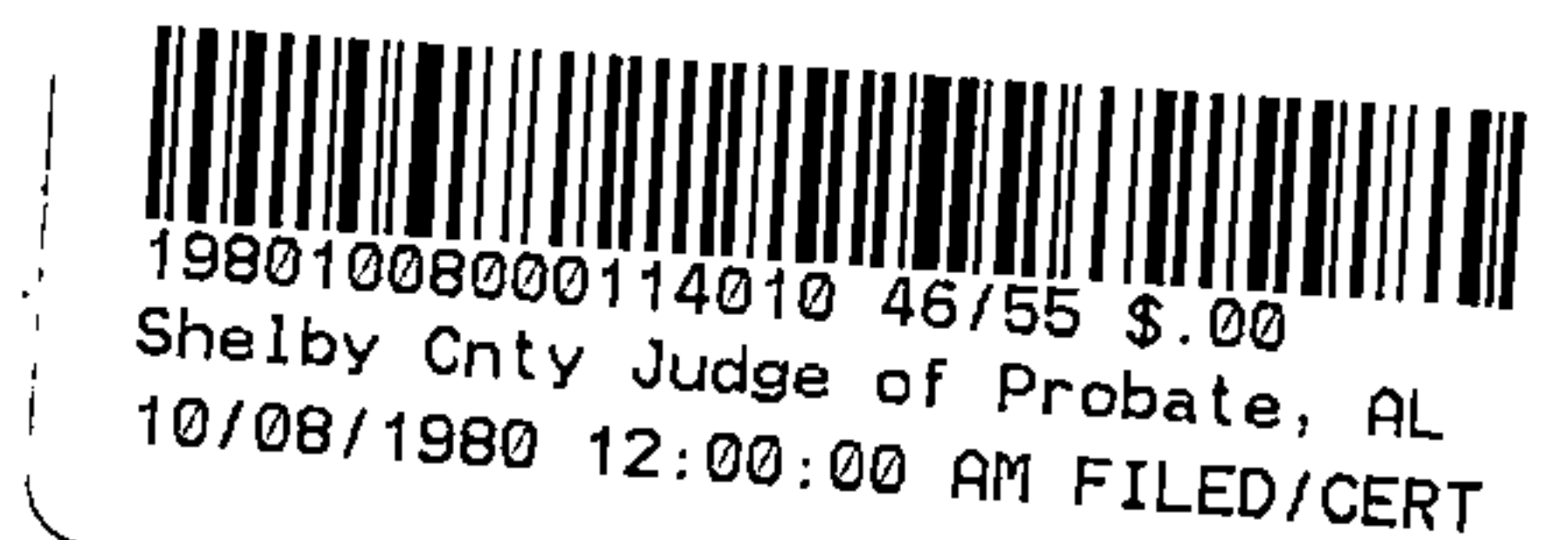
(a) A notice in writing containing (i) an adequate legal description of that portion of the Leased Land with respect to which such option is to be exercised, (ii) a statement that the Lessee intends to exercise its option to purchase such portion of the Leased Land on a date stated, which shall not be less than forty-five nor more than ninety days from the date of such notice and (iii) a statement that the use to which it is intended that such portion of the Leased Land is to be devoted will promote the continued industrial development of the State of Alabama.

(b) A certificate of the Authorized Lessee Representative, dated not more than ninety days prior to the date of the purchase and stating that, in the opinion of the person signing such certificate, (i) the portion of the Leased Land with respect to which the option is exercised is not needed for the operation of the Project or that sufficient right and title is reserved to the Board to fulfill said needs, and (ii) the purchase will not impair the usefulness of the Project and will not destroy the means of ingress thereto and egress therefrom.

(c) An amount of money equal to the purchase price specified in this Section.

The Board agrees that upon receipt of the notice, certificate and money required in this Section to be furnished to it by the Lessee, the Board will promptly deliver the said purchase price to the Trustee for deposit in the Bond Fund and will secure from the Trustee a release from the lien of the Indenture of such portion of the Leased Land with respect to which the Lessee shall have exercised the option granted in this Section. In the event the Lessee shall exercise the option granted to it under this Section the Lessee shall not be entitled to any abatement or diminution of the rents payable under Section 5.3 hereof.

If the Lessee purchases any unimproved part of the Leased Land pursuant to the provisions of the preceding paragraph, the Lessee and the Board agree that all walls presently standing or hereafter erected on or contiguous to the boundary line of the land so purchased by the Lessee shall be party walls and each party grants the other a 10-foot easement adjacent to any such party wall for the purpose of inspection, maintenance, repair and replacement thereof and the tying-in of new construction. If the Lessee utilizes any party wall for the purpose of tying-in new construction that will be utilized under common control with the Project, the Lessee may also tie in to the utility facilities on the Leased Land for the purpose of serving the new construction and may remove any non-loadbearing wall panels in the party wall; provided, however, that if the property so purchased ceases to be operated under common control with the Project, the Lessee covenants that it will install non-loadbearing wall panels



similar in quality to those that have been removed and will provide separate utility services for the new construction. No wall may be so utilized by the Lessee unless prior thereto the Board has been furnished with a certificate of the Authorized Lessee Representative stating that the proposed utilization will not impair the usefulness of the Project for the purposes for which it was designed to be used.

SECTION 11.4. Conveyance on Purchase. At the closing of the purchase pursuant to the exercise of any option to purchase granted in this Article, the Board will, upon receipt of the purchase price, deliver to the Lessee the following:

(a) If the Indenture shall not at the time have been satisfied in full, a release by the Trustee from the lien of the Indenture of the property with respect to which such option was exercised.

(b) A statutory warranty deed conveying to the Lessee good and marketable title to the property with respect to which such option was exercised, as such property then exists, subject to the following: (i) those liens and encumbrances (if any) to which title to said property was subject when conveyed to the Board; (ii) those liens and encumbrances created by the Lessee or to the creation or suffering of which the Lessee consented in writing; (iii) those liens and encumbrances resulting from the failure of the Lessee to perform or observe any of the agreements on its part contained in this Lease; (iv) such other Permitted Encumbrances, other than the Indenture and this Lease, created or consented to by the Lessee or resulting from the failure of the Lessee to perform or observe any of the agreements on its part contained in this Lease; and (v) if the option is exercised pursuant to the provisions of Section 11.2(b) hereof, the rights and title of the condemning authority.

SECTION 11.5. Relative Position of Options and Indenture. The options respectively granted to the Lessee in Sections 11.1 and 11.2 hereof shall be and remain prior and superior to the Indenture and may be exercised whether or not the Lessee is in default hereunder, provided that any such default which will result in the nonfulfillment of any condition to the exercise of any such option must be cured prior to the exercise of such option.

SECTION 11.6. Lessee's Option to Terminate. So long as it is not in default hereunder, the Lessee shall have the following options to terminate this Lease:

(a) At any time prior to payment in full of the Bonds within the meaning of the Indenture, and particularly Article IX thereof, the Lessee may terminate the Lease Term by irrevocably depositing in the Bond Fund moneys which will be sufficient, or Government Obligations the principal of

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and interest on which when due will provide moneys which, together with any moneys on deposit in the Bond Fund, will be sufficient, according to the provisions of Article IX of the Indenture, to pay in full all of the Bonds then outstanding, and by making adequate provision for the publication of any redemption notice that may be required by the Indenture.

(b) At any time after payment in full of the Bonds within the meaning of the Indenture, and particularly Article IX thereof, the Lessee may terminate the Lease Term by giving the Board notice in writing, and such termination shall become effective forthwith.

SECTION 11.7. Option to Extend. If the Lessee pays the rental herein reserved to the Board and is not otherwise in default hereunder, this Lease shall be automatically extended for an additional term ending on September 30, 1990. Such extension shall be automatic without the necessity of any new lease or other instruments or agreements or any notice being executed or given. The rent required to be paid by the Lessee to the Board during such additional term shall be the sum of \$500 per year, payable in advance on the 1st day of October in each year, but otherwise all the terms and conditions herein contained shall apply during such additional term; except that the provisions of Sections 7.1 and 7.2 and the first paragraph of Section 6.4 shall not apply.

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ARTICLE XII.

MISCELLANEOUS

SECTION 12.1. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, return receipt requested, postage prepaid, addressed as follows: if to the Board, at Town Hall, Helena, Alabama 35080, Attention: Chairman; if to the Lessee, at P. O. Box 327, Helena, Alabama 35080, Attention: President, and if to the Trustee, at 701 South 20th Street, Birmingham, Alabama, Attention: Corporate Trust Department. A duplicate copy of each notice, certificate or other communication given hereunder by either the Board or the Lessee to the other shall also be given to the Trustee. The board, the Lessee and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 12.2. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Board, the Lessee and their respective successors and assigns, subject, however, to the limitations contained in Section 8.3, 9.1, 9.2 and 9.3 hereof.

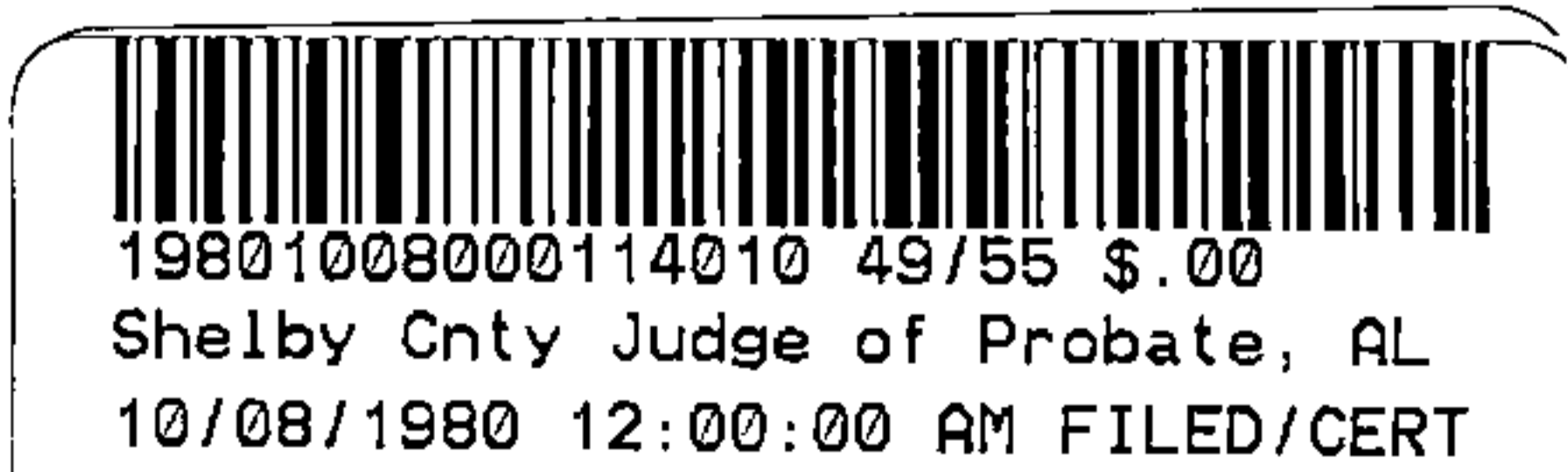
SECTION 12.3. Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 12.4. Amounts Remaining in Bond Fund. It is agreed by the parties hereto that any amounts remaining in the Bond Fund upon expiration or sooner termination of the Lease Term, as provided in this Lease, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and the fees, charges and expenses of the Trustee and paying agents in accordance with the Indenture, shall belong to and be paid to the Lessee by the Trustee as overpayment of rents.

SECTION 12.5. Amendments, Changes and Modifications. Except as otherwise provided in this Lease or in the Indenture, subsequent to the initial issuance of Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), this Lease may not be effectively amended, changed, modified, altered or terminated without the concurring written consent of the Trustee.

SECTION 12.6. Execution Counterparts. This Lease 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.

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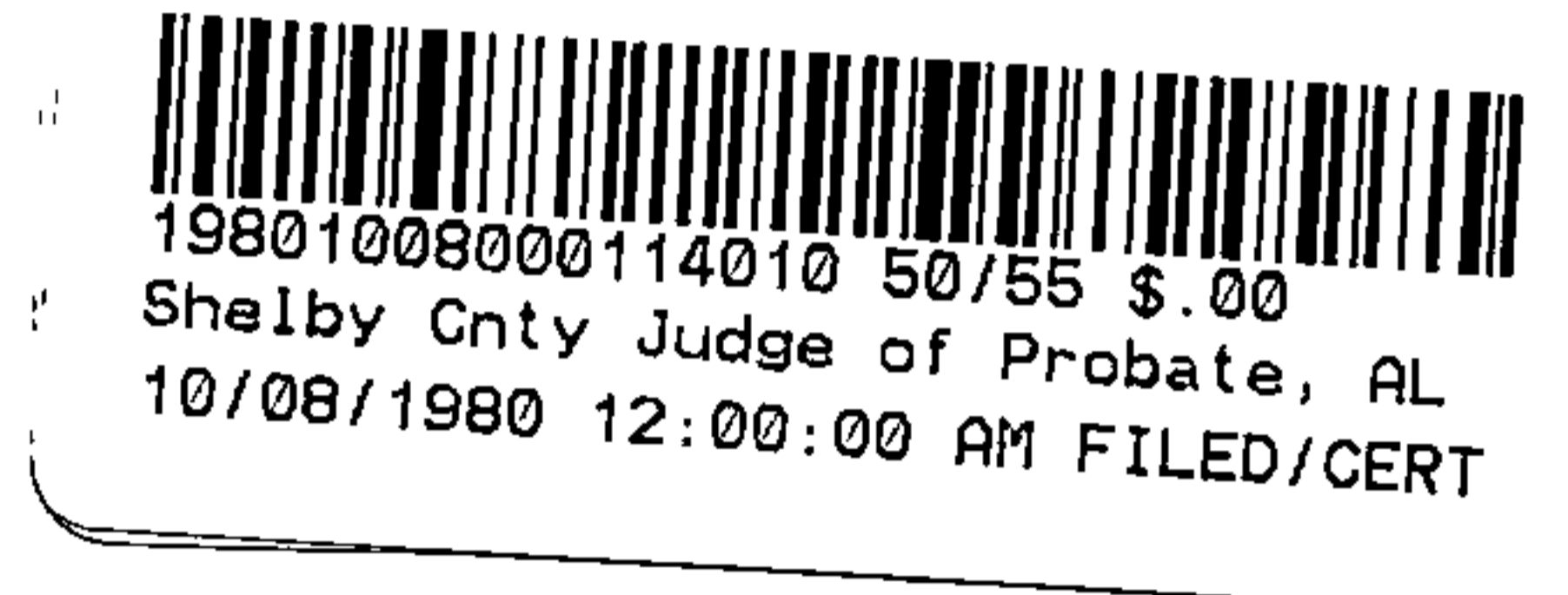
SECTION 12.7. Captions. The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions of this Lease.

SECTION 12.8. Recording of Lease. This Lease and every assignment and modification hereof shall be recorded in the office of the Judge of Probate of Shelby County, Alabama, or in such other office as may be at the time provided by law as the proper place for such recordation and shall be recorded prior to the Indenture.

SECTION 12.9. Law Governing Construction of Lease. This Lease shall be governed by, and construed in accordance with, the laws of the State of Alabama.

SECTION 12.10. Net Lease. This Lease shall be deemed a "net lease", and the Lessee shall pay absolutely net during the Lease Term the rent and all other payments required hereunder, without abatement, deduction or setoff other than those herein expressly provided.

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IN WITNESS WHEREOF, the Board and the Lessee have caused this Lease to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE TOWN OF HELENA, ALABAMA

By Paul E. Bearden
Chairman of the Board of
Directors

(Seal)

Attest:

Keith Campbell
Secretary


METROCK STEEL AND WIRE COMPANY, INC.

By Michael Metrock
President

(Seal)

Attest:

John M. Metrock
Vice President


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BOOK

STATE OF ALABAMA)
COUNTY OF SHELBY)

I, the undersigned, a Notary Public in and for said County in said State, do hereby certify that Joel E. Bearden, Jr., whose name as Chairman of the Board of Directors of The Industrial Development Board of the Town of Helena, Alabama, a public corporation, is signed to the foregoing instrument, 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 instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said Board.

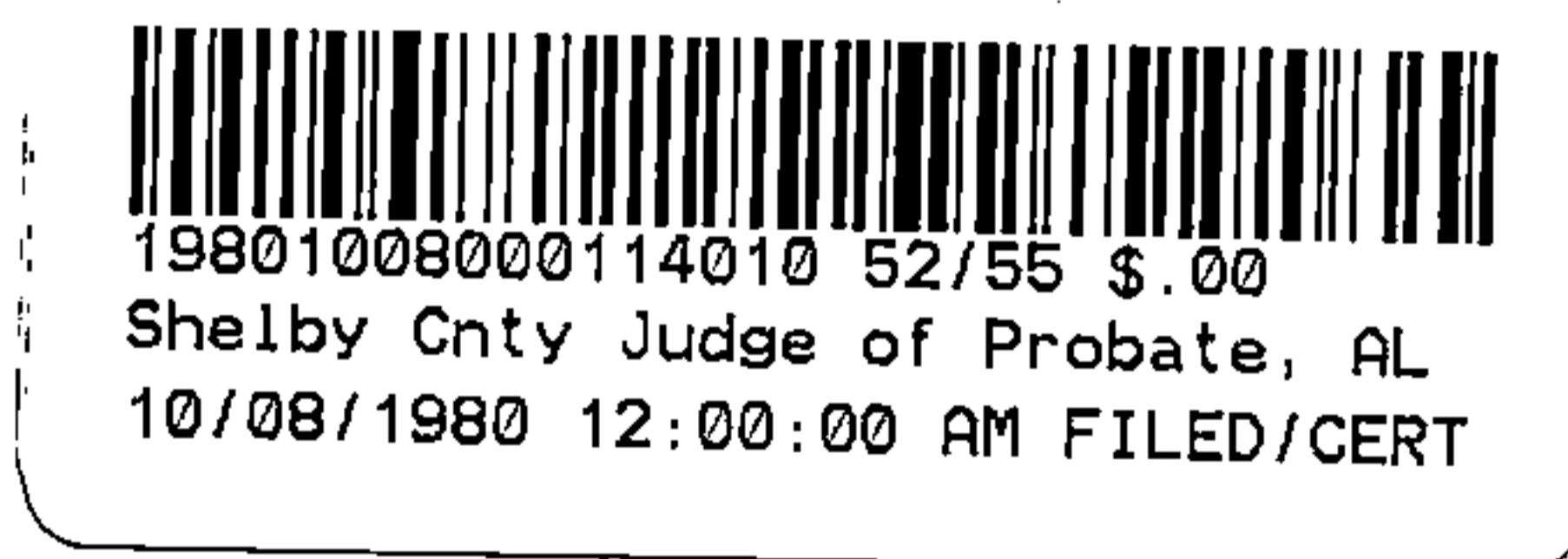
Given under my hand and seal of office, this 3rd day of October, 1980.

J. Foster Clark

Notary Public

My commission expires: 12/14/80

(Seal)



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STATE OF ALABAMA)
COUNTY OF SHELBY)

I, the undersigned, a Notary Public in and for said County in said State, do hereby certify that Michael Metrock, whose name as President of Metrock Steel and Wire Company, Inc., an Alabama corporation, is signed to the foregoing instrument, 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 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 seal of office, this 3rd day of October, 1980.

J. Foster Clark

Notary Public


My commission expires: 12/14/80

(Seal)

EXHIBIT A--LEASED LAND

The Leased Land initially consists of the following described real estate and interests in real estate located in Shelby County, Alabama:

Lot 10, Block 2, Mullins Eastside addition to Helena, Alabama, recorded in Map Book 4, Page 25 in the Office of the Judge of Probate of Shelby County.


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EXHIBIT B--LEASED EQUIPMENT

The equipment, machinery and other items of tangible personal property constituting the Leased Equipment to be acquired with the proceeds of the Series 1980 Bond includes the following:

1. Bergandi 10 Strand Take-Up Unit
2. Bergandi 10 Strand Pay-Off Unit
3. Bergandi Corrosive Holding Tanks
4. Bergandi Air Pollution Control Equipment
5. Zinc Equipment
6. Lead Tank Equipment
7. Galvanizing Pot Setting
8. Blower
9. Overhead Crane
10. Lift Truck
11. Butt Welder J-4 and J-5
12. Zinc Kettle
13. Lead Pan
14. Gas, Oil, Air & Water Lines
15. Zinc Pump
16. Acid Holding Tank

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EXHIBIT C--THE PROJECT

The Project consists of industrial facilities which are either land or property subject to the allowance for depreciation under Section 167 of the Code. Generally, the Project includes:

1. The Leased Land described on Exhibit A;
2. The Leased Equipment described on Exhibit B; and
3. The Building and all other structures or other civil works necessary or useful in connection with the installation or operation of the Leased Equipment or useful to the carrying out of the purpose of the Project.



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STATE OF ALA. SHELBY CO.
I CERTIFY THIS
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Thomas P. Shoverline, Jr.
JUDGE OF PROBATE