

FINANCING AGREEMENT
AND
MORTGAGE

between

THE INDUSTRIAL DEVELOPMENT BOARD OF
THE TOWN OF PELHAM

and

O. D. CARLTON, II

BOOK 436 PAGE 01

Dated as of September 1, 1983

Relating to \$325,000 The Industrial Development Board
of the Town of Pelham
Industrial Development First Mortgage Revenue Bond
(Jernigan Project), Series 1983

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STATE OF ALABAMA)
SHELBY COUNTY)

FINANCING AGREEMENT AND MORTGAGE

THIS FINANCING AGREEMENT AND MORTGAGE, made and entered into as of the 1st day of September, 1983, by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE TOWN OF PELHAM, a public corporation duly organized and existing under the laws of the State of Alabama (the "Board"), and O. D. CARLTON, II (the "Mortgagee" and the "Bond Owner");

W I T N E S S E T H:

WHEREAS, the Board is a public corporation duly incorporated under the provisions of Act No. 648 enacted at the 1949 Regular Session of the Legislature of Alabama, as amended (the "Act"), by certificate of incorporation duly filed for record in the office of the Judge of Probate of Shelby County, Alabama; and

WHEREAS, under the provisions of the Act, the Board has the power to issue bonds for, and to acquire, construct, enlarge, improve, equip, maintain, lease and dispose of one or more "projects" within the meaning of the Act, including all real and personal property deemed necessary or desirable in connection therewith; and

WHEREAS, the Board is further authorized by the Act to issue its revenue bonds payable solely from the revenues and receipts derived from its ownership, leasing and sale of such projects and secured by a first mortgage on such projects; and

WHEREAS, in order to promote industry, develop trade, and further the use of the agricultural products and the natural and human resources of the State of Alabama, the Board has entered into a lease agreement (the "Lease"), dated as of even date herewith, with W. C. Jernigan (the "Lessee"), pursuant to which the Board has agreed to acquire, construct and equip certain facilities (the "Project") to be located within Pelham, Alabama; and

WHEREAS, in order to provide the financing of the cost of the Project, including necessary expenses incidental thereto, the Board has duly authorized the issuance and sale of its Industrial Development First Mortgage Revenue Bond (Jernigan Project), Series 1983, in the principal amount of \$325,000 (the "Bond"); and

WHEREAS, the execution and delivery of this Financing Agreement and Mortgage and the sale, issuance and delivery of the Bond have been in all respects duly and validly authorized by resolution duly adopted by the Board; and

WHEREAS, the Board has determined that the Bond to be issued hereunder shall be substantially in the following form, with such variations, omissions and insertions as are required or permitted by this Financing Agreement and Mortgage:

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(F O R M O F B O N D)

No. R-1

\$325,000

UNITED STATES OF AMERICA

STATE OF ALABAMA

THE INDUSTRIAL DEVELOPMENT BOARD OF
 THE TOWN OF PELHAM
 INDUSTRIAL DEVELOPMENT FIRST MORTGAGE REVENUE BOND
 SERIES 1983, (JERNIGAN PROJECT)

KNOW ALL MEN BY THESE PRESENTS that The Industrial Development Board of the Town of Pelham (the "Board"), a public corporation duly organized and existing under the laws of the State of Alabama, for value received, hereby promises to pay, solely from the special fund hereinafter described, to

O. D. CARLTON, II

(the "Mortgagee" and the "Bond Owner") or assigns or legal representative, the principal sum of

THREE HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$325,000)

with interest on the outstanding principal balance from the date hereof at the per annum rate of nine and one-fourth per cent (9-1/4%), in quarterly installments on March 1, June 1, September 1 and December 1 of each year, with interest only (\$7,515.63) being payable beginning December 1, 1983, thru September 1, 1986, and with both principal and interest being payable thereafter in 48 equal quarterly installments of \$11,280.50 each beginning December 1, 1986. Principal and interest hereon are payable in lawful money of the United States of America by check or draft mailed to the registered owner at his address as appears on the registration books of the Board. By acceptance hereof, the owner of this bond covenants and agrees to note all prepayments of principal and interest hereon prior to any transfer or attempted transfer hereof on the Table of Partial Redemptions appearing at the end hereof.

ANY ASSIGNEE OR TRANSFEREE OF THIS BOND TAKES IT SUBJECT TO ALL PAYMENTS OF PRINCIPAL, INTEREST AND PREMIUM IN FACT MADE WITH RESPECT HERETO WHETHER OR NOT SUCH PAYMENTS ARE REFLECTED BY ENDORSEMENT ON THIS BOND OR ANY PAYMENT RECORD PERTAINING HERETO.

The Board is a public corporation organized under the provisions of Act No. 648 enacted at the 1949 Regular Session of the Legislature of Alabama, as amended and supplemented, appearing as Code of Ala. 1975, § 11-54-80 thru § 11-54-101 (the "Act"), and this bond has been authorized to be issued for purposes for which bonds are authorized to be issued under the provisions of the Act. The principal, premium, if any, and interest on this bond are payable solely from the revenues and receipts derived by the Board from the ownership, leasing and sale of the Project (hereinafter mentioned), which revenues and receipts are specifically pledged to the payment thereof in the manner and to the extent specified in the Financing Agreement and Mortgage (hereinafter mentioned). This bond and the interest hereon shall not be deemed to constitute a debt, liability or obligation of or a pledge of the faith and credit of Pelham, Alabama, or the State of Alabama or any political subdivision thereof and neither the faith and

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credit nor the taxing power of the City of Pelham, Alabama, or the State of Alabama or any political subdivision thereof is pledged to the payment of the principal hereof or interest hereon.

This bond constitutes the entire duly authorized series of bonds of the Board issued under the Financing Agreement and Mortgage dated as of September 1, 1983 between the Board and the Bank (the "Financing Agreement") in the principal amount of \$325,000 and known as the "Industrial Development First Mortgage Revenue Bond (Jernigan Project), Series 1983" (the "Bond"). The Bond has been issued for the purpose of providing the financing of the cost of acquiring, constructing, installing and equipping certain facilities (the "Project") to be located within Pelham, Alabama.

The Bond is issued and the Financing Agreement was made and entered into under and pursuant to the Constitution and laws of the State of Alabama, and particularly the Act and under and pursuant to a resolution duly adopted by the Board.

In connection with the issuance of the Bond, the Board has entered into a Lease Agreement, dated as of September 1, 1983 (herein called the "Lease"), with W. C. Jernigan (herein called the "Lessee"), pursuant to which the Board has leased the Project to the Lessee and the Lessee has leased the Project from the Board. Under the terms of the Lease, the Lessee must pay to the Board rental payments fully sufficient to pay the principal of, premium, if any, and interest on the Bond as the same shall become due and payable. The Lease provides that the rental payments shall be paid directly to the Bond Owner for the account of the Board. In addition, all other rights of the Board (excluding certain rights to indemnification) under the Lease have been assigned to the Mortgagee and the Project has been mortgaged to the Mortgagee under the Financing Agreement as security for the payment of the principal of, premium, if any, and interest on the Bond.

The Bond is callable for redemption in the event (1) of damage to or destruction of the Project or any part thereof or condemnation of the Project or any part thereof to the extent provided in Sections 7.1 or 7.2 of the Lease, or (2) the Lessee shall exercise its option to purchase the Project as provided in Section 11.2 of the Lease, or (3) the Lessee is required to pay monies for the redemption of the Bond under the circumstances set forth in Section 8.8 of the Lease. If called for redemption as provided in (1) or (2) of the foregoing, the Bond shall be redeemed at any time, in whole or (in case of redemption pursuant to Sections 7.1 or 7.2 of the Lease) in part, at a redemption price equal to the principal amount of the Bond to be redeemed, plus accrued interest thereon to the date of redemption. If called for redemption as provided in (3) of the foregoing, the Bond must be redeemed within 60 days after notification to the Board and the Lessee of the occurrence of a Determination of Taxability (as defined in the Financing Agreement), in whole at a redemption price equal to the total unpaid principal amount of the Bond, plus accrued interest thereon to the date of redemption. Notwithstanding the foregoing, redemption of the Bond may be delayed by the Board (at the request of the Lessee) during the contest of any Determination of Taxability pursued as provided in Section 8.8 of the Lease.

The Bond also is subject to redemption by the Board prior to maturity in whole or in part on any interest payment date, at a redemption price equal to the principal portion of the Bond being redeemed, without penalty, plus accrued interest thereon to the redemption date. Any

partial redemptions of principal of the Bond must be made in integral multiples of \$1,000, and all such partial redemptions shall be credited against the monthly installments of principal in the inverse order of their due dates.

Upon the call of the Bond or any part thereof for redemption as aforesaid, notice thereof identifying the portion of the Bond to be redeemed, the date fixed for redemption, and the redemption price, will be mailed to the owner of the Bond at least 10 days before the date of redemption of the Bond.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of Alabama to happen, exist and be performed precedent to and in the issuance of this Bond, and the execution and delivery of the Financing Agreement, have happened, do exist and have been performed as so required.

IN WITNESS WHEREOF, The Industrial Development Board of the Town of Pelham has caused this Bond to be executed in its name by the manual signature of the Chairman of its Board of Directors and has caused its official corporate seal to be impressed hereon and attested by the manual signature of the Secretary of its Board of Directors, all as of the 1st day of September, 1983.

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE TOWN OF PELHAM

By _____
Chairman of the Board
of Directors

S E A L

Attest: _____
Its Secretary

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(FORM OF TABLE OF PARTIAL REDEMPTIONS)

TABLE OF PARTIAL REDEMPTIONS

All partial redemptions of the principal of the above Bond shall be noted on the table below by the holder of such Bond prior to any transfer thereof.

<u>Date</u>	<u>Amount Redeemed</u>	<u>Remaining Unpaid Principal Amount</u>	<u>Signature of Holder</u>
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WHEREAS, all things necessary to make the Bond, when issued as in this Financing Agreement and Mortgage provided, the valid, binding and legal obligation of the Board according to the import thereof, and to constitute this Financing Agreement and Mortgage a valid lien on the properties mortgaged hereby and a valid pledge of the payments herein pledged to the payment of the principal of, premium, if any, and interest on the Bond, have been done and performed, and the execution and delivery of this Financing Agreement and Mortgage and the execution, issuance and delivery of the Bond, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, THIS FINANCING AGREEMENT AND MORTGAGE WITNESSETH:

That the Board, in consideration of the premises and of the purchase and acceptance of the Bond, and for other good and valuable consideration the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Bond according to its terms and to insure the performance and observance by the Board of all the covenants expressed or implied herein and in the Bond, does hereby grant, bargain, sell, convey, mortgage, assign, pledge and transfer to the Mortgagee, all of the Board's estate, right, title and interest in, to and under any and all of the following described property, rights and interests (herein called the "Mortgaged Property" or "property herein conveyed"):

GRANTING CLAUSE I.

The real estate and premises described in Exhibit "A" attached hereto, with all additions, buildings, improvements and fixtures now or hereafter located thereon or therein and with the tenements, hereditaments, servitudes, appurtenances, rights, privileges and immunities thereunto belonging or appertaining, subject, however, to Permitted Encumbrances as hereinafter defined.

GRANTING CLAUSE II.

All machinery, equipment and other tangible personal property acquired by the Board with the proceeds of the Bond, and all substitutions and replacements therefor and any other machinery, equipment and other tangible personal property which, under the terms of the Lease, is to become the property of the Board or be subjected to the lien of this Financing Agreement and Mortgage, excluding 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) of the Lease, subject, however, to Permitted Encumbrances as hereinafter defined.

GRANTING CLAUSE III.

The right, title and interest of the Board in and to the Lease, including, without limitation, all payments to be received by the Board pursuant to the

Lease (excluding payments for indemnification pursuant to Section 6.4 of the Lease).

GRANTING CLAUSE IV.

Any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder, by the Board or by anyone in its behalf or with its written consent, to the Mortgagee, which is authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD all and singular the Mortgaged Property, whether now owned or hereafter acquired, unto the Mortgagee and his heirs and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms herein set forth, for the security and protection of the Mortgagee as holder of the Bond;

PROVIDED HOWEVER, that these presents are upon the condition that if the Board shall pay or cause to be paid the principal of and the interest (and premium, if any) on the Bond or shall provide for such payment as specified in Article IX hereof, and shall pay or cause to be paid all other sums payable hereunder by it, then this Financing Agreement and Mortgage and the rights granted hereby shall cease, determine and be void; otherwise this Financing Agreement and Mortgage shall be and remain in full force and effect.

ARTICLE I. DEFINITIONS

The following words and phrases and others evidently intended as the equivalent thereof shall, in the absence of clear implication herein otherwise, be given the following respective meanings herein:

"Act" means Act No. 648 enacted at the 1949 Regular Session of the Legislature of Alabama, as amended (appearing as Code of Ala. 1975, § 11-54-80 thru § 11-54-101).

"Authorized Board Representative" means any person at the time designated to act on behalf of the Board by written certificate furnished to the Lessee and the Mortgagee, as provided for in the Lease.

"Authorized Lessee Representative" means any person at the time designated to act on behalf of the Lessee by written certificate furnished to the Board and the Mortgagee as provided for in the Lease.

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

"Bond" means the Board's \$325,000 principal amount Industrial Development First Mortgage Revenue Bond, Series 1983, (Jernigan Project), authorized to be issued pursuant to Section 201 hereof.

"Bond Owner" means the registered owner of the Bond and Mortgagee under this Financing Agreement.

"Building" means all buildings now or hereafter located on the Leased Land.

"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 4.3 of the Lease.

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

"Counsel" means an attorney or firm thereof duly admitted to practice law before the highest court of any state in the United States of America or the District of Columbia.

"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 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.

The term "event of default" means the events specified in Section 1001 hereof, subject to the terms of Section 1010 hereof.

"Financing Agreement" means this Financing Agreement and Mortgage.

"Lease" means the hereinbefore mentioned lease agreement between the Board and the Lessee dated as of even date herewith, and any amendments and supplements thereto.

"Leased Equipment" means those items of machinery, equipment and other tangible personal property required or permitted in the Lease to be acquired and installed as part of the Project with proceeds from the sale of the Bond or the proceeds of any payment by the Lessee pursuant to Section 4.6 of the 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, 7.1 and 7.2 of the Lease, or taken by exercise of the power of eminent domain as provided in Section 7.2 of the Lease, 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) of the Lease.

"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 Financing Agreement, less such real estate and interests in real estate as may be released from the Lease and this Financing Agreement pursuant to Section 802 hereof or taken by exercise of the power of eminent domain as provided in Section 7.2 of the Lease.

"Lessee" means W. C. Jernigan, and his heirs and assigns.

"Mortgagee" means O. D. Carlton, II, and his heirs and assigns.

"Mortgaged Property" means the properties, rights and interests which are conveyed and assigned as security hereunder, as more particularly described in the Granting Clauses hereof, as well as all properties which, under the terms of this Financing Agreement, subsequently become subject to the lien of this Financing Agreement, but excluding all property owned by the Lessee and title to which remains in the Lessee under the terms of the Lease.

"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 incurred in the collection of such gross proceeds.

The term "payment in full of the Bond" specifically encompasses the situations described in the second paragraph of Article IX hereof.

"Permitted Encumbrances" means, as of any particular time, (i) liens for ad valorem taxes and special assessments not delinquent or permitted to exist as provided in Section 6.3 of the Lease, (ii) the Lease and this Financing Agreement, (iii) utility, access and other easements, licenses, rights-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) unfilled and inchoate mechanics', materialmen's or other similar liens for construction work in progress, (v) mechanics', materialmen's or other similar liens not then payable or permitted to exist as provided in Section 6.1 of the Lease, and (vi) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as do not, in the aggregate, 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.

"Person" means natural persons, firms, associations, corporations and public bodies.

Terms which refer generally to the payment or the obligation to pay "Principal of and interest on the Bond" shall also include the payment or the obligation to pay any applicable redemption premium on any portion of the Bond called for redemption prior to maturity. In this connection, the terms "principal of and interest on the Bond" shall be read to include after the word "and" and before the word "interest", the words "redemption premium, if any, and".

"Project" means the facilities, including the Building, the Leased Land and the Leased Equipment, to be acquired, constructed and installed pursuant to plans and specifications prepared by, and directions given by, the Lessee.

"Project Development Costs" shall include the following:

- (a) all obligations of the Board or the Lessee incurred for labor and materials in connection with the acquisition, construction, installation and equipping of the Project;
- (b) 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;
- (c) 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;
- (d) all expenses incurred in connection with the issuance of the Bond including without limitation legal expenses and recording and filing fees;
- (e) 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;
- (f) 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 Financing Agreement; and
- (g) interest on the Bond during construction of the Project.

ARTICLE II.

THE BOND

SECTION 201. Authorized Amount of the Bond. The total principal amount of the Bond to be issued hereunder is hereby expressly limited to \$325,000.

SECTION 202. Issuance of the Bond. The Bond shall be designated "Industrial Development First Mortgage Revenue Bond (Jernigan Project), Series 1983", shall be dated September 1, 1983, and shall consist of a single bond in the principal amount of \$325,000. The Bond shall bear interest on the outstanding principal balance from the date thereof at the per annum rate of nine and one-fourth percent (9-1/4%), with quarterly installments of interest only (\$7,515.63) payable on March 1, June 1, September 1, and December 1 of each year beginning December 1, 1983 and continuing through September 1, 1986, and with 48 equal quarterly installments of principal and interest in the amount of \$11,280.50 payable on March 1, June 1, September 1 and December 1 of each year beginning December 1, 1986, and continuing until the said principal sum plus accrued interest is paid in full.

SECTION 203. Form of Bond. The Bond is issuable only as a fully registered bond in the denomination of \$325,000. The Bond shall be substantially in the form hereinabove set forth, with such appropriate variations, omissions and insertions as are permitted or required by this Financing Agreement, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

SECTION 204. Details, Execution and Payment; Limited Obligation. The Bond shall be executed by the manual signature of the Chairman or Vice-Chairman of the Board of Directors of the Board, and the corporate seal of the Board shall be affixed thereto and attested by the Secretary or an Assistant Secretary of the Board.

In case any officer whose signature shall appear on the Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery.

The principal of and premium, if any, and the interest on the Bond shall be payable at the principal office of the Bank in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts.

By its acceptance of the Bond, the Bank, as owner thereof, covenants and agrees that prior to any transfer or attempted transfer of the Bond, it will make appropriate notations on the Table of Partial Redemptions appearing on the Bond to reflect prepayments of principal theretofore made.

The Bond, together with the interest thereon, shall be a limited obligation of the Board payable solely from the revenues and other amounts derived from the Board's ownership of the Project and neither the faith and credit nor the taxing power of the Board, Shelby County, Alabama, the State of Alabama or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bond.

SECTION 205. Delivery of the Bond. Upon the execution and delivery of this Financing Agreement, the Board shall execute the Bond and deliver it to the Bond Owner, as the purchaser thereof.

SECTION 206. Replacement of Mutilated, Lost, Stolen or Destroyed Bond. In the event that the Bond is mutilated, lost, stolen or destroyed, the Board may execute a new Bond of like tenor as that mutilated, lost, stolen or destroyed provided that (a) in the event that the Bond is mutilated, such Bond is first surrendered to the Board and (b) in the event that the Bond is lost, stolen or destroyed, there is first furnished to the Board evidence of such loss, theft or destruction satisfactory to the Board, together with indemnity satisfactory to the Board if it so requires.

* * * * *

ARTICLE III.

REDEMPTION OF THE BOND BEFORE MATURITY

SECTION 301. Redemption Dates and Prices. The Bond is callable for redemption in the event (1) of damage to or destruction of the Project or any part thereof or condemnation of the Project or any part thereof to the extent provided in Sections 7.1 and 7.2 of the Lease, or (2) the Lessee shall exercise its option to purchase the Project as provided in Section 11.2 of the Lease, or (3) the Lessee is required to pay moneys to the Bond Owner for the redemption of the Bond under the circumstances set forth in Section 8.8 of the Lease. If called for redemption as provided in (1) or (2) of the foregoing, the Bond shall be redeemed at any time, in whole or (in case of redemption pursuant to Sections 7.1 or 7.2 of the Lease) in part, at a redemption price equal to the principal portion of the Bond to be redeemed, plus accrued interest thereon to the date of redemption. If called for redemption as provided in (3) of the foregoing, the Bond must be redeemed in whole within 60 days after notification to the Board and the Lessee of the occurrence of a Determination of Taxability, at a redemption price equal to the total unpaid principal amount of such Bond. Notwithstanding the foregoing, redemption of the Bond may be delayed by the Board (at the request of the Lessee) during the contest of any Determination of Taxability pursued as provided in Section 8.8 of the Lease.

The Bond also is subject to redemption by the Board prior to maturity in whole or in part on any interest payment date at a redemption price equal to the principal portion of the Bond so redeemed, without penalty, plus accrued interest thereon to the redemption date.

Any partial redemptions of principal of the Bond shall be in integral multiples of \$1,000 and shall be credited against the monthly installments of principal provided for in Section 202 hereof in the inverse order of their due dates.

SECTION 302. Notice of Redemption. At least ten (10) days before the redemption date of the Bond the Board shall cause notice of such redemption, whether such redemption be in whole or in part, signed by an officer of the Board, to be mailed, postage prepaid, to the holder of the Bond. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bond shall be called for redemption, the portion of the principal amount of the Bond to be redeemed in part only.

* * * * *

ARTICLE IV.

GENERAL COVENANTS

SECTION 401. Payment of Principal and Interest.

The Board covenants that it will promptly pay the principal of, premium, if any and interest on the Bond at the place, on the dates and in the manner provided herein and in said Bond according to the true intent and meaning thereof. The principal, premium, if any, and interest are payable solely from the revenues and receipts derived by the Board from the Project, which revenues and receipts are hereby specifically pledged to the payment thereof in the manner and to the extent herein specified, and nothing in the Bond or in this Financing Agreement shall be considered to be a pledge of any funds or assets of the Board other than those mortgaged and pledged hereunder. The Bond and the interest thereon shall not be deemed to constitute a debt, liability or obligation of or a pledge of the faith and credit of the City of Pelham or the State of Alabama or any political subdivision thereof and neither the faith and credit nor the taxing power of the City of Pelham or the State of Alabama or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bond.

SECTION 402. Performance of Covenants.

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The Board covenants that it will faithfully perform at all times any and all covenants, agreements, undertakings, stipulations and provisions contained in this Financing Agreement, in the Bond, and in all proceedings of the Board pertaining thereto. The Board covenants that it is duly authorized under the Constitution and laws of the State of Alabama, including particularly and without limitation the Act, to issue the Bond and to execute, deliver and perform the Financing Agreement, to mortgage the property described herein and mortgaged hereby, to assign the Lease and to pledge the revenues and receipts described herein and pledged hereby in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bond and the execution, delivery and performance of this Financing Agreement has been duly and effectively taken; and that the Bond is and will be the valid and enforceable obligation of the Board according to the import thereof.

SECTION 403. Ownership; Instruments of Further Assurance.

The Board covenants that it lawfully owns and is lawfully possessed of the Leased Land and that it has good and marketable title therein and thereto (subject, however, to Permitted Encumbrances) and that it will defend said title therein and thereto and every part thereof to the Mortgagee, against the claims and demands of all persons whomsoever. The Board covenants that it will lawfully acquire and own the Leased Equipment and that any machinery, equipment and other tangible personal property becoming a part of the Leased Equipment shall be acquired and kept free of all liens and encumbrances except Permitted Encumbrances. The Board covenants that it will defend the title to the Project and each part thereof to the Mortgagee against the claims and demands of all persons whomsoever. The Board covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such mortgages supplemental hereto and such further acts, instruments and transfers as the Mortgagee may reasonably require for the better giving, granting, pledging, assigning, conveying, mortgaging, transferring, assuring and confirming unto the Mortgagee all and singular the property herein described and mortgaged hereby and the revenues and receipts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bond. The Board covenants that, except as herein and in the Lease provided, it

will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Project or the lease rentals, revenues and receipts therefrom or of any other of its rights under the Lease.

SECTION 404. Payment of Taxes, Charges, etc. Pursuant to the provisions of Section 6.3 of the Lease, the Lessee has agreed to pay all lawful taxes, assessments and charges at any time levied or assessed upon or against the Project, or any part thereof, which might impair or prejudice the lien and priority of this Financing Agreement; provided, however, that nothing contained in this Section 404 shall require the payment of any such taxes, assessments or charges if the same are not required to be paid under the provisions of Section 6.3 of the Lease.

SECTION 405. Maintenance and Repair. Pursuant to the provisions of Section 6.1 of the Lease, the Lessee has agreed at its own expense to cause the Project to be maintained in good repair and in good operating condition, and that it will from time to time make all necessary repairs thereto and renewals and replacements thereof, and that the Lessee may, at its own expense, make from time to time additions, modifications and improvements to the Project under the terms and conditions set forth in Section 6.1 of the Lease.

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SECTION 406. Recordation of the Lease, Financing Agreement and Other Instruments. The Board covenants that it will cause the Lease, this Financing Agreement and all supplements thereto and hereto, as well as any other instruments as may be required by law from time to time, to be kept, recorded and filed in such manner and in such places as may be required by law in order to fully preserve and protect the security of the holder of the Bond. The Lease shall be recorded prior to the recording of this Financing Agreement.

SECTION 407. Inspection of Project Books. The Board covenants that all books and documents in its possession relating to the Project and the revenues and receipts derived from the Project, shall at all times be open to inspection by such accountants or other agents as the Mortgagee may from time to time designate.

SECTION 408. Rights Under Lease. The Lease sets forth the obligations of the Board and the Lessee, including a provision that subsequent to the issuance of the Bond and prior to payment in full thereof, the Lease may not be effectively amended, changed, modified, altered or terminated without the written consent of the Mortgagee. Reference is hereby made to the Lease for a detailed statement of the obligations of the Lessee thereunder, and the Board agrees that the Mortgagee in its own name or in the name of the Board may enforce all rights of the Board and all obligations of the Lessee under and pursuant to the Lease, whether or not the Board is in default hereunder.

SECTION 409. Priority of Mortgage and Pledge. The mortgage hereby made of the Mortgaged Property and the pledge herein made of the revenues and receipts from any leasing or sale of the Project shall not be impaired by the Board, such Mortgaged Property and revenues and receipts shall not otherwise be mortgaged or pledged and no persons shall have any rights with respect thereto except as provided herein and in the Lease.

ARTICLE V.

CUSTODY AND APPLICATION OF PROCEEDS OF THE BOND
AND LIFE INSURANCE

SECTION 501. Construction Bank Account. There has been heretofore authorized by the Board an account for the construction funds for the Project at SouthTrust Bank of Alabama, N.A., which account has two authorized agents, to wit, W. C. Jernigan and Henry Gordon (the "Construction Account").

SECTION 502. Proceeds of the Bond. The proceeds derived from the sale of the Bond shall be paid into the Construction Account. The moneys in the Construction Account shall be used to pay the Project Development Costs. Any proceeds remaining in the Construction Account upon completion of the Project shall be used to prepay principal installments on the Bond.

SECTION 503. Proceeds of Life Insurance. The proceeds from any policy of life insurance, that is maintained pursuant to Section 8.8 of the Lease, which proceeds are paid directly to the Bond Owner, shall be credited first to the outstanding principal balance of the Bond in inverse order of the installments and then to any accrued interest outstanding on the Bond.

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ARTICLE VI.

INVESTMENTS

SECTION 601. Non-Arbitrage Covenant. The Mortgagee and the Board covenant that they shall take no action nor make any investment or use of the proceeds of the Bond which would cause the Bond to be an "arbitrage bond" within the meaning of Section 103(c) of the Code and the proposed, temporary or final regulations thereunder as such may be applicable to the Bond at the time of such action, investment or use.

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ARTICLE VII.

POSSESSION, USE AND PARTIAL RELEASE OF LEASED PROPERTY

SECTION 701. Subordination to Rights of the Lessee. This Financing Agreement and the rights, options and privileges hereunder of the Mortgagee are specifically made subject and subordinate to the rights, options and privileges of the Lessee set forth in the Lease. So long as not otherwise provided in this Financing Agreement, the Board shall be suffered and permitted to possess, use and enjoy the Project and its appurtenances so as to carry out its obligations under the Lease.

SECTION 702. Release of Certain Land. Reference is made to the provisions of the Lease, including, without limitation, Section 11.3 thereof, wherein the Board and the Lessee have reserved the right to withdraw certain portions of the Leased Land from the Lease and this Financing Agreement upon compliance with the terms and conditions of the Lease. The Mortgagee shall release from the Lease and this Financing Agreement any such land and all rights to and liens on the revenues and receipts derived from such released land upon compliance with the provisions of the Lease.

SECTION 703. Release of Leased Equipment. Reference is made to the provisions of the Lease, including, without limitation, Section 6.2 thereof, wherein the Lessee has reserved the right to withdraw certain items of Leased Equipment from the Lease and this Financing Agreement upon compliance with the terms and conditions of the Lease. The Mortgagee shall, at the request of the Board or the Lessee, confirm that any such withdrawn items are no longer subject to the lien of this Financing Agreement and that all rights to and liens on the revenues and receipts derived from such withdrawn items under this Financing Agreement have been relinquished upon compliance with the provisions of the Lease.

SECTION 704. Granting of Easements. Reference is made to the provisions of the Lease, including, without limitation, Section 8.3 thereof, wherein the Lessee has reserved the right to grant or release easements and take other action upon compliance with the terms and conditions of the Lease. The Mortgagee shall confirm in writing any action taken by the Lessee under said Section 8.3 upon compliance with the provisions of the Lease.

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ARTICLE VIII.

DISCHARGE OF FINANCING AGREEMENT

If (1) the Board shall pay or cause to be paid the principal of, premium, if any, and interest on the Bond at the times and in the manner stipulated therein and herein, and (2) the Board shall keep, perform and observe all and singular the covenants and agreements in the Bond and in this Financing Agreement expressed as to be kept, performed and observed by it on its part, then these presents shall cease, determine and be void, and thereupon the Mortgagee shall cancel and discharge this Financing Agreement, shall execute and deliver to the Board such instruments in writing as shall be required to cancel and discharge this Financing Agreement, shall reconvey to the Board the Mortgaged Property, and assign and deliver to the Board so much of the Mortgaged Property as may be in its possession or subject to its control.

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ARTICLE IX.

DEFAULT PROVISIONS AND REMEDIES OF THE BANK

SECTION 901. Defaults; Events of Default. Each of the following is hereby defined as and declared to be and to constitute an "event of default":

(a) Default in the due and punctual payment of the principal of and premium, if any, on the Bond, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration, and continuance of such default for a period of ten days;

(b) Default in the due and punctual payment of any interest on the Bond, and continuance of such default for a period of ten days;

(c) Default on the part of the Lessee under subsection (a) or (b) of Section 10.1 of the Lease;

(d) Subject to the provisions of Section 910 hereof, default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Board in this Financing Agreement or in the Bond contained, or default by the Lessee under Section 10.1(c) or (d) of the Lease, and the continuance thereof for a period of thirty days after written notice to the Board and the Lessee given by the Mortgagee.

The term "default" shall mean default by the Board in the performance or observance of any of the covenants, agreements or conditions on its part contained in this Financing Agreement or in the Bond or default on the part of the Lessee under the Lease, exclusive of any period of grace required to constitute a default an "event of default" as hereinabove provided.

SECTION 902. Acceleration. Upon the occurrence and continuation of an event of default the Mortgagee may, by notice in writing delivered to the Board, declare the principal of the Bond and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. Upon any declaration of acceleration hereunder the Board and the Bank shall immediately declare all installments of rent payable under Section 5.3 of the Lease to be immediately due and payable in accordance with Section 10.2 of the Lease.

SECTION 903. Surrender of Possession of Mortgaged Property; Rights and Duties of Trustee in Possession. Upon the occurrence of an event of default, the Board, upon demand of the Mortgagee, shall forthwith surrender the possession of, and it shall be lawful for the Mortgagee, by such agent as it may appoint, to take possession of all or any part of the Mortgaged Property together with the books, papers and accounts of the Board pertaining thereto, and including the rights and the position of the Board under the Lease, and to hold, operate and manage the same, and from time to time to make all needful repairs and improvements as by the Mortgagee shall be deemed wise; and the Mortgagee may lease subject to the Lease the Project or any part thereof in the name and for account of the Board and collect, receive and sequester the rents, revenues, issues, earnings, income, products and profits therefrom, and out of the same and any moneys received from any receiver of any part thereof pay, and/or set up proper reserves for the payment of, all proper costs and expenses of so taking, holding and managing the same, including reasonable compensation to the Mortgagee, its agents and counsel, and any charges of the

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Mortgagee hereunder, and any taxes and assessments and other charges prior to the lien of this Financing Agreement which the Mortgagee may deem it wise to pay, and all expenses of such repairs and improvements, and apply the remainder of the moneys so received in accordance with the provisions of Section 907 hereof. Whenever all that is due upon the Bond shall have been paid and all defaults made good, the Mortgagee shall surrender possession to the Board, its successors or assigns; the same right of entry, however, to exist upon any subsequent event of default.

While in possession of such property the Mortgagee shall render annually to the Board and the Lessee, a summarized statement of income and expenditures in connection therewith.

While the Bond is outstanding, the Board shall not, subject to Section 902, exercise any of the remedies on default specified in subsections 10.2(a), 10.2(b), 10.2(c) or 10.2(e) of the Lease without the prior written consent of the Bank.

Upon the occurrence of an event of default the lien on the Mortgaged Property created and vested by this Financing Agreement may be foreclosed either by sale at public outcry or by proceedings in equity and the Mortgagee may become the purchaser at any foreclosure sale if the highest bidder.

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SECTION 904. Other Remedies; Rights of Mortgagee. Upon the occurrence of an event of default the Mortgagee may as an alternative, either after entry or without entry, pursue any available remedy by suit at law or equity to enforce the payment of the principal of, premium, if any, and interest on the Bond including, without limitation, foreclosure and mandamus.

No remedy by the terms of this Financing Agreement conferred upon or reserved to the Mortgagee is intended to be exclusive of any other remedy, but each and every remedy shall be cumulative and shall be in addition to any other remedy given to the Mortgagee hereunder 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 or event of default shall impair any such right or power or shall be construed to be a waiver of any such default or event of default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or event of default hereunder, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereon.

SECTION 905. Appointment of Receivers. Upon the occurrence of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Mortgagee under this Financing Agreement, the Mortgagee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Project and of the rents, revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

SECTION 906. Waiver of Redemption Rights. Upon the occurrence of an event of default, to the extent that such rights may then lawfully be waived, neither the Board nor anyone claiming through or under it, shall set up, claim, or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of this Financing Agreement or the foreclosure of this mortgage, and the Board, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisement and redemption to which it may be entitled under the laws of Alabama.

SECTION 907. Application of Moneys. All moneys received by the Mortgagee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Mortgagee, be applied as follows:

(a) Unless the principal of the Bond shall have become or shall have been declared due and payable, all such moneys shall be applied:

First--To the payment to the Bond Owner of all installments of interest then due on the Bond, in the order of the maturity of the installments of such interest;

Second--To the payment to the Bond Owner of the unpaid installments of principal of and premium, if any, on the Bond.

(b) If the principal of the Bond shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bond, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, ratably, according to the amounts due respectively for principal and interest.

(c) If the principal of the Bond shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article then, subject to the provisions of subsection (b) of this Section in the event that the principal of the Bond shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of subsection (a) of this Section.

Whenever all principal of, premium, if any, and interest on the Bond have been paid under the provisions of this Section 907 and all expenses and charges of the Mortgagee have been paid, any balance remaining shall be paid to the Lessee.

SECTION 908. Termination of Proceedings. In case the Mortgagee shall have proceeded to enforce any right under this Financing Agreement by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been determined adversely, then and in every such case the Board, the Lessee and the Mortgagee shall be restored to their former positions and rights hereunder with respect to

the Mortgaged Property, and all rights, remedies and powers of the Mortgagee shall continue as if no such proceedings had been taken.

SECTION 909. Waivers of Events of Default. The Mortgagee may in its discretion waive any event of default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on the Bond.

SECTION 910. Notice of Defaults under Section 901(d); Opportunity of the Lessee to Cure Defaults. Anything herein to the contrary notwithstanding, no default under Section 901(d) shall constitute an event of default until actual notice of such default by registered or certified mail shall be given by the Mortgagee to the Board and the Lessee, and the Lessee shall have had thirty days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected or if said default be such that it cannot be corrected within the applicable period, it shall not constitute an event of default if corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected.

With regard to any alleged default concerning which notice is given to the Lessee under the provisions of this Section 910, the Board hereby grants the Lessee full authority for account of the Board to perform any covenant or obligation alleged in said notice to constitute a default, in the name and stead of the Board with full power to do any and all things and acts to the same extent that the Board could do and perform any such things and acts and with power of substitution.

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ARTICLE X.

AUTHORIZATION OF SUPPLEMENTAL FINANCING
AGREEMENTS AND MODIFICATION OF THE LEASE

SECTION 1001. Supplemental Financing Agreements. Any Supplemental Financing Agreement or other amendment hereof which affects any rights of the Lessee shall not become effective unless and until the Lessee shall have consented in writing to the execution and delivery thereof. Subject to such consent, the Mortgagee and the Board may enter into such Supplemental Financing Agreements as may be mutually agreeable and may make such further agreements and stipulations as shall be contained therein. Any Supplemental Financing Agreement executed in accordance with the provisions of this article shall thereafter form a part of this Financing Agreement, and all the terms and conditions contained therein, shall be deemed to be a part of the terms and conditions of this Financing Agreement for any and all purposes.

SECTION 1002. Amendments to Lease. With the prior written consent of the Mortgagee, the Board and the Lessee may at any time and from time to time, amend, change or modify the Lease to such extent as shall be deemed necessary or desirable by the Board and the Lessee.

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ARTICLE XI.

MISCELLANEOUS

SECTION 1101. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Financing Agreement or the Bond is intended or shall be construed to give to any person other than the parties hereto and their successors and assigns and the Lessee, any legal or equitable right, remedy or claim under or in respect to this Financing Agreement or any covenants, agreements, conditions and provisions herein contained; this Financing Agreement and all of the covenants, agreements, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Lessee.

SECTION 1102. Severability. If any provision of this Financing Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any Constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

SECTION 1103. 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, The Industrial Development Board of the Town of Pelham, Court House, Pelham, Alabama 35124; Attention: Chairman; if to the Lessee, to Mr. W. C. Jernigan, P. O. Box 848, Pelham, Alabama 35124; and if to the Mortgagee, to Mr. O. D. Carlton, II, Carlton Company, Box 1087, Albany, Georgia 31703. A duplicate copy of each notice, certificate or other communication given hereunder by either the Board or the Lessee to any one of the others shall also be given to all of the others. The Board, the Lessee and the Mortgagee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 1104. Payments Due on Sundays and Holidays. In any case where the date of maturity of principal or interest on the Bond or the date fixed for redemption of the Bond or any portion thereof shall be a Sunday or a legal holiday or a day on which banking institutions are authorized by law to close, then payment of principal or interest need not be made on such date but may be made on the next succeeding business day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

SECTION 1105. Counterparts. This Financing Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 1106. Laws Governing Financing Agreement.
This Financing Agreement and the rights of all parties here-
under shall be governed exclusively by, and construed ac-
cording to, the laws of the State of Alabama.

IN WITNESS WHEREOF, The Industrial Development
Board of the Town of Pelham has caused these presents to be
signed in its name and behalf by the Chairman of its Board
of Directors and its corporate seal to be hereunto affixed
and attested by the Secretary of its Board of Directors, and
O. D. Carlton, II, has caused these presents to be executed
all as of the date first above written.

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE TOWN OF PELHAM

By 
Chairman of the Board of Directors



Attest:


Its Secretary

WITNESS:




O. D. Carlton, II

STATE OF ALABAMA)

SHELBY COUNTY)

I, the undersigned, a Notary Public in and for the State of Alabama at large, do hereby certify that Daniel M. Spitler, whose name as Chairman of the Board of Directors of The Industrial Development Board of the Town of Pelham, 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 23rd day of August, 1983.



A. New Frater, Jr.
Notary Public

STATE OF GEORGIA)

Dougherty COUNTY)

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I, the undersigned, a Notary Public in and for said County in said State, do hereby certify that O. D. Carlton, II, whose name is signed to the foregoing instrument, and who is known to me, he executed the same voluntarily.

Given under my hand and seal of office, this 31st day of August, 1983.



Charles W. Dees
Notary Public

MY COMMISSION EXPIRES JUNE 9, 1987

EXHIBIT A--MORTGAGED LAND

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

PARCEL I:

Part of the SW 1/4 of the SE 1/4 of Section 19, Township 20 South, Range 2 West, Shelby County, Alabama, being more particularly described as follows:

From the Southeast corner of said Section, run in a westerly direction along the South line of said Section for a distance of 1,971.25 feet to a point of intersection with the Southeast right-of-way line of Shelby County Highway No. 11, being the point of beginning; thence turn an angle to the right of 127 deg. 12 min. and run in a Northeasterly direction along said southeast right-of-way line for a distance of 100.00 feet; thence turn an angle to the right of 89 deg. 39 min. 13 sec. and run in a southeasterly direction for a distance of 132.81 feet to a point on the south line of said SW 1/4 of SE 1/4; thence turn an angle to the right of 143 deg. 08 min. 47 sec. and run in a westerly direction for a distance of 166.73 feet to the point of beginning; being situated in Shelby County, Alabama.

PARCEL II:

Part of the NW 1/4 of NE 1/4 of Section 30, Township 20 South, Range 2 West, Shelby County, Alabama, being more particularly described as follows:

Beginning at the intersection of the North line of said Section and the Southeast right-of-way line of Shelby County Highway No. 11, run in an Easterly direction along said north line for a distance of 275.47 feet; thence turn an angle to the right of 105 deg. 33 min. 37 sec. and run in a southwesterly direction for a distance of 389.35 feet; thence turn an angle to the right of 111 deg. 38 min. 23 sec. and run in a northwesterly direction for a distance of 363.00 feet to a point on the Southeast right-of-way line of said Shelby County Highway No. 11; thence turn an angle to the right of 90 deg. and run in a Northeasterly direction along said Southeast right-of-way for a distance of 195.36 feet to the point of beginning.

THERE IS EXCEPTED HEREFROM the following parcel:

Part of the NW 1/4 of the NE 1/4 of Section 30, Township 20 South, Range 2 West, being more particularly described as follows: From the Northeast corner of said Section 30, run in a Westerly direction along the North line of said Section 30 for a distance of 1,971.25 feet to a point of intersection with the Southeast right-of-way line of Shelby County Highway No. 11; thence turn an angle to the right of 180 deg. and run in a easterly direction for a distance of 166.73 feet to the point of beginning; thence continue along last mentioned course for a distance of 108.74 feet; thence turn an angle to the right of 105 deg. 33 min. 37 sec. and run in a southwesterly direction for a distance of 70.00 feet; thence turn an angle to the right of 111 deg. 17 min. 36 sec. and run in a northwesterly direction for a distance of 112.43 feet to the point of beginning.

Subject to:

- (1) Taxes due October 1, 1983.
- (2) Transmission Line Permit to Alabama Power Company in Deed Book 242 Page 911 and Deed Book 30 Page 117 in Probate Office of Shelby County, Alabama.
- (3) Right of way to Shelby County recorded in Deed Book 180 Page 544 in Probate Office.
- (4) Mineral and mining rights and rights pertaining thereto to Parcel 1, as shown by instrument recorded in Deed Book 33 Page 300, and which is presently being assessed to Jerry F. Colwell.

RECEIVED
SHELBY COUNTY, ALA.
SEP - 1 PM 2:22
OFFICE OF THE CLERK

Rec 46.50
Jud 1.00
47.50