

1954

THE INDUSTRIAL DEVELOPMENT BOARD OF THE  
TOWN OF PELHAM

and

AMSOUTH BANK, N.A.

TRUSTEE

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MORTGAGE

AND

INDENTURE OF TRUST

---

DATED AS OF MAY 1, 1989

FIRST MORTGAGE INDUSTRIAL REVENUE BONDS

(M. D. HENRY COMPANY, INC. PROJECT)

SERIES 1989

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*Land Title*

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STATE OF ALABAMA )

MADISON COUNTY )

THIS MORTGAGE AND INDENTURE OF TRUST made and entered into as of the 1st day of May, 1989, 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 AMSOUTH BANK, N.A., a national banking association, authorized to accept and execute trusts of the character herein set out, with a principal office in the City of Birmingham, Alabama (the "Trustee");

W I T N E S S E T H:

WHEREAS, the Board heretofore has been organized under, and is authorized by Act No. 648, adopted at the 1949 Regular Session of the Legislature of the State of Alabama, approved September 19, 1949, as amended (said Act being codified as Code of Alabama, 1975, Sections 11-54-80, et seq., and hereinafter referred to as the "Act"), to acquire land and buildings and other improvements thereon and machinery and equipment in order to promote industry, develop trade and further the use of the agricultural products and natural resources of the State of Alabama (the "State") by inducing manufacturing, industrial, commercial and research enterprises to establish new projects in the State or to enlarge and expand existing projects located in the State; and,

WHEREAS, the Board is further authorized by the Act to issue industrial development revenue bonds payable solely from the revenues and receipts derived from the leasing or sale of the land and other improvements so constructed or acquired; and,

WHEREAS, the Board has made the necessary arrangements with M. D. Henry Company, Inc., an Alabama corporation (hereinafter called the "Lessee"), for construction of an industrial facility for use as an office building and warehouse situated adjacent to existing facilities (such real property and equipment and facility being collectively hereinafter called the "Project") which will be of the character and accomplish the purposes provided by the Act; and,

WHEREAS, the Board has further entered into a lease agreement dated as of the date hereof with the Lessee (the "Lease") specifying the terms and conditions of the acquisition, equipping and improvement of the Project and the leasing of the same to the Lessee, which Lease was authorized by resolution duly adopted and approved by the Board, and which Lease will be duly recorded in the office of the Judge of Probate of Shelby County, Alabama, immediately prior to this Mortgage and Indenture of Trust being placed on record with said Judge of Probate, and to which Lease reference may be made by any interested person for

the rental rates, terms, conditions and obligations of the parties thereto; and,

WHEREAS, the execution and delivery of this Mortgage and Indenture of Trust (hereinafter sometimes referred to as the "Indenture"), and the issuance of the Board's first mortgage industrial revenue bonds under the Act have been, in all respects, duly and validly authorized by resolution duly passed and approved by the Board; and,

WHEREAS, it has been determined that the estimated amount necessary to finance the cost of the Project, including necessary expenses incidental thereto, will require the issuance, sale and delivery of such first mortgage industrial revenue bonds in the aggregate principal amount of \$350,000 as hereinafter provided; and,

WHEREAS, the \$350,000 aggregate principal amount bonds are to be in substantially the following form with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture, to-wit:

[FORM OF BONDS]

NO. R \_\_\_\_\_

BOOK 240 PAGE 398  
This bond has been acquired for investment and has not been registered under the Securities Act of Alabama (the "Alabama Act") in reliance on the exemption contained in Section 8-6-11(a)(9) of the Alabama Act, or under the securities act of any other state where an exemption from registration is available, or under the Securities Act of 1933 (the "1933 Act") in reliance on the exemption contained in Section 4(2) of the 1933 Act. This bond may not be sold or transferred except in transactions (a) registered under the 1933 Act or exempt from registration thereunder, and (b) registered under or otherwise in compliance with the Alabama Act and any other applicable state act.

UNITED STATES OF AMERICA  
STATE OF ALABAMA  
THE INDUSTRIAL DEVELOPMENT BOARD OF THE TOWN OF PELHAM  
FIRST MORTGAGE INDUSTRIAL REVENUE BONDS  
(M. D. HENRY COMPANY, INC. PROJECT)  
SERIES 1989

KNOW ALL MEN BY THESE PRESENTS that THE INDUSTRIAL DEVELOPMENT BOARD OF THE TOWN OF PELHAM, a public corporation created and existing under the laws of the State of Alabama



(hereinafter called the "Board"), for value received, promises to pay from the source and as hereinafter provided to AMSOUTH BANK, N.A. or registered assigns, the principal sum of THREE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$350,000)

and in like manner to pay interest on the outstanding principal balance from the date of authentication hereof at a per annum rate equal to the sum of one percent (1%) plus the rate of interest which is announced by AmSouth Bank, N.A., as the prime rate (the "Base Rate") (such rate being an index for establishing interest rates on loans of AmSouth Bank, N.A.) (or, if no such rate is then announced, such other comparable rate which serves as the basis upon which effective rates of interest are calculated for those making reference thereto).

The applicable rate of interest on this Bond shall be adjusted on the first day of the month following a change in the Base Rate. Interest shall be paid on this Bond on October 1, 1989, and on the first day of each calendar quarter thereafter beginning on January 1, 1990, until the principal of, and premium, if any, on this Bond has been paid or provided for pursuant to the terms of the Indenture.

Interest on this Bond shall be computed on the basis of a 360-day year for the actual number of days elapsed.

Principal on this Bond shall be payable on the first day of each calendar quarter beginning January 1, 1990, in the amount of \$5,833.32 through September 1, 2004, with a final payment of principal to be paid on December 1, 2004, in the amount of \$5,834.12.

The principal of and interest on this Bond are payable in lawful money of the United States of America at the principal office of the Trustee, AmSouth Bank, N.A. in the City of Birmingham, Alabama, or of its successor in trust. Both the principal of and interest on this Bond shall bear interest after their respective maturities until paid or until moneys sufficient for payment thereof have been deposited for that purpose with the Trustee at a per annum rate equal to the Base Rate plus two percentage points per annum.

Notwithstanding anything to the contrary herein, in the event that the interest rate computed in the manner set forth herein would be at any time or from time to time in excess of the highest amount permitted by law, the interest rate shall be the highest rate permitted by law.

This Bond is one of an authorized issue of Bonds limited in aggregate principal amount to \$350,000 issued for the purpose of acquiring real property and improving and equipping thereon an industrial facility (such land, improvements and equipment being hereinafter referred to as the "Project") and leasing the same to M. D. Henry Company, Inc. (hereinafter referred to as the "Lessee"), and paying necessary expenses incidental thereto.



1

This Bond is registered as to both principal and interest in the name of the Registered Owner on the book of registration maintained for that purpose on behalf of the Board by the Trustee as Bond Registrar. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner hereof for all purposes and payment of the installments of principal of and interest on this Bond shall be made by check or draft of the Trustee only to or upon the order of the registered holder hereof or his legal representative, and neither the Board, the Trustee, nor any agent of the Board shall be affected by any notice to the contrary. All such payments of principal and interest shall be valid and effectual to satisfy and discharge the liability of the Board upon this Bond to the extent of the sum or sums so paid.

This Bond may be transferred only upon written request of the registered owner or his legal representative addressed to the Bond Registrar, such transfer to be recorded on said book of registration and endorsed hereon by the Bond Registrar. Upon presentation to the Bond Registrar for transfer, this Bond must be accompanied by a written instrument or instruments of transfer satisfactory to the Board and Trustee, duly executed by the registered owner or his attorney duly authorized in writing, and the Board, or the Trustee on its behalf, shall endorse on the schedule attached hereto for such purpose the principal amount of this Bond unpaid and the interest accrued hereon to the date of transfer.

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The registered owner of this Bond shall pay all fees, costs and expenses (including attorneys' fees) incurred by the Trustee or the Board in connection with any transfer of this Bond and shall pay any tax or other governmental charge required to be paid with respect thereto. The Board shall not be required to transfer this Bond during the fifteen (15) day period immediately preceding any interest or principal payment date nor to transfer this Bond after notice of prepayment of this Bond has been given.

The Bonds are issued under and are equally and ratably secured and entitled to the protection given by the Mortgage and Indenture of Trust (hereinafter called the "Indenture"), dated as of May 1, 1989, duly executed and delivered by the Board to AmSouth Bank, N.A. as Trustee (the term "Trustee" where used herein refers to said Trustee or its successor in trust), which Indenture is recorded in the Office of the Judge of Probate of Shelby County, Alabama. The Indenture provides that the Board may hereafter issue Additional Bonds (as defined in the Indenture) from time to time, under the terms and conditions therein stated, and, if issued, such Additional Bonds will rank equally and ratably on a parity with this Bond.

Reference is hereby made to the Indenture and to all indentures supplemental thereto for a description of the property

mortgaged, the provisions, among others, with respect to the nature and extent of the security, and the rights, duties and obligations of the Board, the Trustee and the registered owner of this Bond and the terms upon which the Bonds are issued and secured. Each registered owner by acceptance of this Bond, consents to all of the provisions of the Indenture.

The Board has entered into a Lease Agreement, dated as of May 1, 1989 (herein called the "Lease"), with the Lessee under the provisions of which the Board has leased the Project to the Lessee and the Lessee has leased the Project from the Board. The Lease provides for the payment by the Lessee of rents for the Project in installments sufficient to pay the principal of and interest on the Bonds, which rents shall be deposited to the credit of a special fund created under the Indenture designated "Industrial Development Bond Fund, M. D. Henry Company, Inc. Project, Series 1989", (herein called the "Bond Fund"), which special fund is pledged to and charged with the payment of the principal of and interest on the Bonds and principal of and interest on this Bond as the same shall become due and payable. The Lease further provides that the rental installments shall be paid directly to the Trustee for the account of the Board and such rental installments have been duly pledged and assigned for that purpose. In addition, all other rights of the Board under the Lease have been assigned to the Trustee to secure payment of such principal of and interest on all Bonds issued under the Indenture.

The Bonds are subject to redemption as follows:

(1) The Bonds are subject to redemption in the event of: (a) damage to the Project to the extent provided in Section 7.1 of the Lease, condemnation of the Project or any part thereof or failure of title, to the extent provided in Section 7.2 of the Lease; or (b) exercise by the Lessee of the Lessee's option to purchase the Project as provided in Section 11.2 of the Lease. If any such events occur, the Bonds shall be subject to redemption, without premium, on the next succeeding interest payment date, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon to the redemption date;

(2) This Bond is also subject to mandatory redemption, in whole or in part, without premium, on the next succeeding interest payment date in an amount equal to the amount of the moneys remaining in the Construction Fund after completion of the Project, pursuant to Section 604 of the Indenture; and

(3) Provided the Board or the Lessee gives the Trustee at least ten (10) days notice prior to the redemption date, the entire unpaid principal balance of the Bonds or any lesser portion thereof in a multiple of \$1000 is subject to redemption (without premium or penalty) at the option of the Board on any interest payment date.

Written notice of redemption, in whole or in part of this Bond shall be given by the Trustee to the Registered Owner hereof at the last address shown on the registration book kept by the Trustee at least five (5) days prior to the redemption date.

Any partial redemption of principal shall be applied ratably to the Bonds, shall be credited against the principal installments of the Bonds in inverse order of such installments and shall not postpone the due date nor change the amount of any subsequent installments coming due hereunder prior to the payment in full of the principal of and interest on this Bond.

Except as otherwise provided in the Indenture, if less than the entire principal amount of this Bond is to be redeemed, the Registered Owner hereof shall submit this Bond to the Trustee and upon the surrender hereof, appropriate endorsement shall be made hereon by the Trustee to reflect such partial redemption.

Additional Bonds issued pursuant to Section 206 of the Indenture shall be subject to redemption or prepayment on such dates and at such prices as may be provided in the supplement to the Indenture authorizing the issuance of such Additional Bonds.

This Bond and the issue of which it forms a part are issued pursuant to and in full compliance with the Constitution and laws of the State of Alabama, particularly Act No. 648 adopted at the 1949 Regular Session of the Legislature of the State of Alabama, approved September 19, 1949, as amended, (said Act being codified as Code of Alabama, 1975, Section 11-54-80, et seq.) pursuant to a resolution adopted and approved by the Board, which resolution authorizes the execution and delivery of the Indenture.

This Bond and the issue of which it forms a part are limited obligations of the Board, payable solely out of the revenues and receipts derived from the leasing or sale of the Project which has been leased to the Lessee. This Bond does not and shall never constitute an obligation of or a charge against the general credit or taxing powers of the City of Pelham. Rental payments under the Lease sufficient for the prompt payment when due of the principal of and interest on this Bond are to be paid to the Trustee for the account created by the Board under the Indenture, and, in addition, the Project has been mortgaged to secure payment of such principal and interest under the Indenture.

Certain persons (the "Guarantors") have guaranteed in a Bond Guaranty Agreement dated as of the date hereof: (a) the full and prompt payment of principal of this Bond when due and payable, whether at the stated maturity thereof, by acceleration, upon mandatory redemption prior to maturity, or otherwise, and (b) the full and prompt payment of the interest on this Bond when due and payable. The Guarantors have also agreed in the Guaranty to indemnify the Trustee from losses resulting from an adjudication that this Bond is invalid for whatever reason, by purchasing this Bond, within 15 days after being requested so to do, for a purchase price equal to the then outstanding principal balance of this Bond plus accrued interest thereon to the repurchase date.

The Guarantors liability under the Guaranty Agreement is limited to the following percentages of the unpaid balance under the terms of the Bonds:

GUARANTOR

Melvin D. Henry, Sr. and wife, Julia Henry,  
M. D. Henry Company, Inc.

100%

The registered owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, except as provided in the Indenture, provided that nothing herein or in the Indenture stated shall affect or impair the right of the registered owner of any Bond to enforce the payment of the principal of, premium, if any, and interest on this Bond at and after the maturity thereof.

In certain events, on the conditions, in the manner, and with the effect set forth in the Indenture, the entire unpaid principal balance of this Bond may become or may be declared, due and payable before the stated maturity thereof, together with interest accrued thereon.

Modifications or alterations of the Indenture or of any supplements thereto may be made only to the extent and in the circumstances permitted by the Indenture.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the Lease, and the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law; that the issuance of the Bonds, together with all other obligations of the Board, do not exceed or violate any constitutional or statutory limitation, and that the rental payments under the Lease pledged to the payment of the principal

of, premium, if any, and interest on the Bonds, as the same become due, will be sufficient in amount for that purpose.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been signed by the Trustee by one of its authorized officers.

The Bonds and the income therefrom also are exempt from all taxation in the State of Alabama.

IN WITNESS WHEREOF, The Industrial Development Board of the Town of Pelham has caused this Bond to be executed in its name with the signature of the Chairman of its Board of Directors and attested with the signature of its Secretary and its corporate seal to be hereunto impressed, this 23rd day of May, 1989.

THE INDUSTRIAL DEVELOPMENT BOARD  
OF THE TOWN OF PELHAM

By: \_\_\_\_\_  
Its Chairman

(SEAL)  
ATTEST:

\_\_\_\_\_  
Its Secretary

(Form of)  
TRUSTEE'S AUTHENTICATION CERTIFICATE

This bond is one of the Bonds referred to in the within-mentioned Mortgage and Indenture of Trust. Date of Authentication: \_\_\_\_\_

AMSOUTH BANK, N.A.,  
as Trustee

By: \_\_\_\_\_  
Its Authorized Officer

(Form of)

# CERTIFICATE OF REGISTRATION

This bond is registered on the registry books of The Industrial Development Board of the Town of Pelham at the office of the Bond Registrar (the Trustee) in the name of the last owner named below. The principal of and interest on this bond shall be payable only to or upon the order of such registered owner.

Date of Registration	In Whose Name Registered	Signature of Authorized Officer of Bond Registrar
_____	_____	_____
_____	_____	_____
_____	_____	_____

## (Form of) ENDORSEMENT BY TRUSTEE OF UNPAID PRINCIPAL AND ACCRUED INTEREST ON DATE OF TRANSFER

Date of Transfer	Principal Unpaid	Accrued Interest On Date of Transfer	Signature of Authorized Officer of Trustee
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

[END OF FORM OF BONDS]

WHEREAS, all things necessary to make the Bonds, issued as in this Indenture provided, the valid, binding and legal obligations of the Board according to the import thereof, and to constitute this Indenture a valid lien on the Project and a valid pledge of the rental payments and revenues herein made to the payment of the principal of, premium, if any, and interest on the Bonds, have been done and performed, and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS MORTGAGE AND INDENTURE OF TRUST WITNESSETH:



### GRANTING CLAUSES

That the Board, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the registered owners thereof, and of the sum of One Dollar, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of and interest on the Bonds according to their tenor and effect and the performance and observance by the Board of all the covenants expressed or implied herein and in the Bonds, does hereby grant, bargain, sell, convey, mortgage, grant a security interest in and pledge unto AmSouth Bank, N.A., as Trustee, and unto its successors in trust, and to its assigns forever for the securing of the performance of the obligations of the Board hereinafter set forth:

#### I.

The real estate and premises more particularly described on Exhibit "A" attached hereto and made a part hereof, situated in the County of Shelby and State of Alabama, together with all buildings, additions and improvements now or hereafter located thereon or therein, with the tenements, hereditaments, appurtenances, rights, privileges and immunities thereunto belonging or appertaining;

#### II.

All machinery, equipment and personal property acquired by the Board and installed in or about the Building or Mortgaged Property pursuant to the Lease Agreement, including without limitation any equipment and personal property acquired with the proceeds from the sale of the Bonds and the equipment and personal property described in Exhibit "B" attached hereto and made a part hereof and any equipment and personal property acquired in substitution therefor or as a renewal or replacement thereof pursuant to the terms of the Lease and this Indenture;

#### III.

All rights, title and interest of the Board in the Lease, and all rentals, revenues and receipts derived or to be derived thereunder (except for payments for indemnification under Section 5.5 of the Lease) as security for the payment of the Bonds and the interest thereon and as security for the satisfaction of any other obligation assumed by it in connection with such Bonds; and it is mutually agreed and covenanted by and between the parties hereto for the equal and proportionate benefit and security of all and singular the present and future holders of all Bonds

issued under this Indenture;

IV.

A pledge of and a security interest in the moneys on deposit in the Construction Fund and the Bond Fund established herein and held by the Trustee pursuant to the terms of this Indenture and all earnings derived from such moneys;

V.

Any and all other real or personal property of every kind and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, hypothecated, 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 Trustee which is hereby 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; and

VI.

All proceeds, cash or non-cash, received from any of the foregoing described properties or from insurance and tort claims of any of the foregoing described properties.

SUBJECT HOWEVER to Permitted Encumbrances as hereinafter defined.

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby and hereafter conveyed and assigned, or agreed or intended so to be, to the Trustee and its respective successors in said Trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms and conditions herein set forth;

PROVIDED, HOWEVER, that if the Board, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of and the interest due or to become due on the Bonds, at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments by the Board this Indenture and the rights hereby granted shall cease, determine and be void; otherwise this Indenture shall remain in full force and effect.

THIS MORTGAGE AND INDENTURE OF TRUST FURTHER WITNESSETH that, the terms and conditions upon which the Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who from time to time shall be or become the registered owners thereof, and the trusts and conditions upon which the revenues pledged are to be held and disposed of, which said trusts and conditions the Trustee hereby accepts, and the covenants and agreements which the respective parties hereto undertake, are as follows:

#### ARTICLE 1

#### DEFINITIONS

Section 101. Definitions. In addition to the words and terms elsewhere defined in this Indenture and in the Lease, the following words and terms as used in this Indenture and in the Lease shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Act" means Act No. 648 adopted during the 1949 Regular Session of the Legislature of the State of Alabama, as amended September 19, 1949 (said Act being codified as Code of Alabama, 1975, Sections 11-54-80, et seq.).

"Additional Bonds" mean the additional parity Bonds authorized to be issued by the Board pursuant to Section 206 hereof.

"Authorized Lessee Representative" means the person at the time designated to act on behalf of the Lessee by written certificate furnished to the Board and the Trustee including the specimen signature of such person and signed by the Lessee.

"Board" means The Industrial Development Board of the Town of Pelham, its successors and assigns and any corporation resulting from or surviving any consolidation or merger into which it or its successors may be a party.

"Base Rate" shall have the same meaning as described in the form of Bonds hereinabove set forth.

"Bond Fund" means the fund created in Section 502 hereof.

"Bond Registrar" means the Trustee.

"Bondholder" or "Holder" or "Registered Owner" means the Registered Owner of any Bond.

"Bonds" means the \$350,000 aggregate principal amount First Mortgage Industrial Revenue Bonds (M. D. Henry Company, Inc. Project) Series 1989, of the Board to be issued hereunder. The

Bonds are issued as registered Bonds in \$350,000 denominations and may be referred to in the singular or plural.

"Building" means the facility comprising a part of the Project to be acquired by the Board on the real property described in Exhibit "A", attached hereto, and leased to the Lessee pursuant to the Lease, and all other buildings, improvements, additions, structures, and fixtures now or hereafter located on such real property, as they may at any time exist.

"City" means the City of Pelham, a municipality organized and existing under the laws of the State.

"Code" means the Internal Revenue Code of 1986.

"Construction Fund" means the fund created by Section 601 hereof.

"Cost of Construction" shall have the same meaning described in the Lease.

"Default" means those defaults specified in and defined by Section 1001 hereof.

"Equipment" means the machinery, equipment and personal property described in Granting Clause II hereof.

"Extraordinary Services" and "Extraordinary Expenses" mean all services rendered and all expenses incurred by the Trustee under the Indenture other than Ordinary Services and Ordinary Expenses.

"Government Obligations" means 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 which are unconditionally guaranteed as full faith and credit obligations by the United States of America.

"Guaranty" means the Bond Guaranty Agreement dated as of the date hereof executed by Melvin D. Henry, Sr. and wife, Julia Henry, and M. D. Henry Company, Inc., for the benefit of the Trustee and the Registered Owners of the Bonds as such guaranty agreement may hereafter be supplemented or amended.

"Indenture" means this Mortgage and Trust Indenture, dated as of May 1, 1989, by and between the Board and AmSouth Bank, N.A., as Trustee, pursuant to which the Bonds are authorized to be issued, and including any indenture supplemental hereto.

"Lease" means the Lease Agreement pertaining to the Project executed by and between the Board and the Lessee of even date herewith, as such lease agreement may hereafter be amended or supplemented.

"Lessee" means M. D. Henry Company, Inc., an Alabama corporation, and its successors and assigns as herein permitted.

"Mortgaged Property" means all the property described in the foregoing Granting Clauses I through VI, including, without limitation, all properties comprising the Project, all properties leased to the Lessee under the Lease, as well as all properties which, under the terms hereof, subsequently become subject to the lien of this Indenture, but excluding all property owned by the Lessee the title to which remains in the Lessee under the terms of the Lease.

"Ordinary Services" and "Ordinary Expenses" mean those services normally rendered and those expenses normally incurred by a trustee under instruments similar to this Indenture.

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"Permitted Encumbrances" means, as of any particular time, (i) liens for ad valorem taxes permitted to exist as provided in the Lease and not then delinquent, (ii) this Indenture and the Lease, (iii) utility, access and other easements and rights of way, restrictions and exceptions that an Independent Engineer certifies will not interfere with or impair the operations of the Project for its authorized and intended use, (iv) any mechanics', laborers', materialmen's, suppliers' or vendors' lien or right or purchase money security interest in respect thereof if payment is not yet due and payable under the contract in question, (v) those exceptions contained in the the interim title insurance binder issued with respect to the real estate comprising a part of the Project, and (vi) such minor defects, irregularities, encumbrances, easements, rights of way, and clouds on title as normally exist with respect to properties similar in character to the Project and as do not, in the opinion of Independent Counsel, materially impair the Project for the purpose for which it was acquired or is held by the Board.

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

"Plant" means the Project.

"Project" means the real property described in Exhibit "A" attached hereto, the Building, the Equipment, and generally all real property, improvements and personal property comprising the dustrial facilities to be acquired and constructed with the proceeds of the Bonds.

"State" means the State of Alabama.



"Trust Estate" or "property herein conveyed" means the Mortgaged Property.

"Trustee" means AmSouth Bank, N.A. and its successors and any corporation or association resulting from or surviving any consolidation, merger or conversion to which it or its successors may be a party and any successor trustee at the time serving as successor trustee hereunder.

Section 102. Use of Words and Phrases. "Herein", "hereby", "hereunder", "hereof", "hereinbefore", "hereinafter" and other equivalent words refer to this Indenture as a whole and not solely to the particular portion thereof in which any such word is used. The definitions set forth in Section 101 hereof include both singular and plural. Whenever used herein, any pronoun shall be deemed to include both singular and plural and to cover all genders. Terms which refer generally to the payment or the obligation to pay "principal and interest on the Bonds" shall be deemed to include the payment or the obligation to pay any applicable redemption premium on any Bonds which are called for redemption prior to maturity.

## ARTICLE 2

### THE BONDS

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Section 201. Authorized Amount of Bonds. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article. The aggregate principal amount of the Bonds authorized to be issued hereunder is expressly limited to \$350,000 (exclusive of Bonds issued in substitution of Bonds which have been mutilated, destroyed, stolen or lost), provided that, Additional Bonds may be issued as provided in Section 206.

Section 202. Issuance of the Bonds. Only fully registered Bonds shall be issued hereunder in the aggregate principal amount of \$350,000. The Bonds shall be dated the date of their issuance, shall be in such form, shall bear interest at such rate or rates, shall be payable at such time or times and in such amounts, shall be subject to redemption at such time and under such conditions, shall be transferred, registered and exchanged and shall contain such other terms as in the form of the Bonds hereinabove set forth. The initial issue hereunder is in the form of a single Bond in the amount of \$350,000.

Section 203. Execution. The Bonds shall be executed and attested on behalf of the Board with the signatures of the Chairman or Vice Chairman and the Secretary or Assistant Secretary of its Board of Directors and shall have impressed thereon the corporate seal of the Board. In case any officer



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

Section 204. Form of the Bonds. The Bonds to be issued under this Indenture shall be substantially in the form hereinabove set forth with such appropriate variations, omissions and insertions as are permitted or required by this Indenture.

Section 205. Delivery of the Bonds. Upon the execution and delivery of this Indenture, the Board shall execute and deliver to the Trustee the Bonds to be issued in the aggregate principal amount of \$350,000 and the Trustee shall authenticate the Bonds in the amount of \$350,000 and the Trustee shall authenticate the Bonds and deliver them to the initial purchasers thereof as may be directed by the Board as hereinafter in this Section 205 provided.

Prior to the authentication and delivery by the Trustee of the Bonds, there shall be filed with the Trustee;

(1) A copy, duly certified by the Secretary or Assistant Secretary of the Board of Directors of the Board, of the resolution adopted and approved by said Board of Directors authorizing the execution and delivery of the Lease;

(2) An original executed counterpart of the Lease and of this Indenture;

(3) An original executed counterpart of the Guaranty;

(4) A copy, duly certified by the Secretary or Assistant Secretary of the Board of Directors of the Board, of the resolution authorizing the execution and delivery of this Indenture and the issuance of the Bonds;

(5) A commitment to issue an owners and mortgagee title insurance policy in the amount of \$350,000 issued by a company acceptable to the Trustee;

(6) A request and authorization to the Trustee on behalf of the Board and signed by the Chairman or Vice Chairman and Secretary or Assistant Secretary of its Board of Directors to deliver the Bonds to the purchasers therein identified upon payment to the Trustee, but for account of the Board, of the principal amount thereof. The proceeds of the Bonds shall be paid over to the Trustee, deposited in the Construction Fund and applied as provided in Section 602 hereof.

(7) An opinion of counsel acceptable to the Trustee concerning the validity of the Bonds, the Lease, this Indenture and other matters required by the Trustee.

Section 206. Issuance of Additional Bonds. So long as no event of default hereunder is occurring, the Board, at the request of the Lessee, with the written consent of the registered owners of at least 70% in aggregate principal amount of the Bonds outstanding and to the extent permitted by law in effect at the time thereof, shall use its best efforts to issue Additional Bonds on a parity with the Bond and any Additional Bonds theretofore or thereafter issued from time to time for the purpose of providing additional moneys to be used for any one or more of the following: (a) the costs of completing the Project; (b) the costs of making such renovations, additions, improvements, extensions, alterations, relocations, enlargements, expansions, modifications or changes in, on, or to the Project as the Board may deem necessary or desirable and will be located on land owned by the Board; (c) the costs of the issuance and sale of the Additional Bonds, capitalizable interest for such period and other costs reasonably related to the financing as shall be agreed upon by the Lessee and the Board; (d) to refund all or any part of the Bonds; and, (e) for any combination of such purposes. Before any Additional Bonds are executed and delivered, there shall be delivered to the Trustee the items required therefor by this Section.

Such Additional Bonds shall be issued in such series and principal amounts, shall be dated such date, shall bear interest at such rate or rates, shall be subject to redemption at such times and prices, and shall mature in such years as the indenture supplemental hereto authorizing the issuance thereof shall fix and determine, and shall be deposited with the Trustee for authentication and delivery.

Upon the execution and delivery in each instance of an appropriate indenture supplemental hereto, the Board shall execute and deliver to the Trustee, and the Trustee shall deliver such Additional Bonds to the purchaser or purchasers as may be directed by the Board, hereinafter in this Section 206 provided. Prior to the delivery by the Trustee of any such Additional Bonds, there shall be filed with the Trustee:

(1) A valid and effective amendment to the Lease and the Guaranty, providing for the inclusion within the Project of any real estate and interests therein and any buildings, and structures to be acquired by purchase from the proceeds of the Additional Bonds, and providing for an increase in the obligations of the Board and the Lessee in accordance with Section 4.2 of the Lease;

(2) A valid and effective supplemental indenture providing for the issuance of such Additional Bonds and subjecting to the lien of this Indenture any and all real estate and interests therein, and any buildings and structures acquired by purchase from the proceeds of such Additional Bonds, and pledging and assigning the additional payments to the payment of the Bonds, subject to the rights of the Lessee under the Lease;

(3) A copy, duly certified by the Secretary or Assistant Secretary of the Board of Directors of the Board, of the resolution theretofore adopted and approved by said Board of Directors authorizing the execution and delivery of such supplemental indenture and such amendments to the Lease and the issuance of such Additional Bonds;

(4) A request and authorization to the Trustee on behalf of the Board signed by the Chairman or Vice Chairman and the Secretary or an Assistant Secretary of the Board to deliver such Additional Bonds to the purchaser or purchasers therein identified upon such payment to the Trustee for the account of the Board of a specified sum, plus accrued interest, if any. The proceeds of such Additional Bonds shall be paid over to the Trustee and deposited to the credit of Construction Fund as hereinafter provided (or to such other funds as are provided and created by the supplemental indenture);

(5) A certificate signed by the Lessee to the effect that no event of default under this Indenture or the Lease is occurring or will result from the issuance of such Additional Bonds; and

(6) A valid and effective amendment to the Guaranty, pursuant to which such Additional Bonds are subjected to the terms of the Guaranty;

(7) An opinion of bond counsel acceptable to the Trustee to the effect that the amendment to the Lease and the supplemental indenture have been properly authorized and executed.

Section 207. Registration of Bonds; Persons Treated as Owners. The Bonds shall be registered as to both principal and interest. The Trustee shall serve as Bond Registrar for the Board and shall keep registers for registration and transfer of the Bonds. The registration books shall list the names and addresses of each Registered Owner of each Bond as specified by each such Registered Owner in writing (delivered to the Trustee) upon acquisition of each Bond and from time to time thereafter.

Transfer of the Bonds shall be made only upon surrender thereof at the principal office of the Trustee by the Registered Owner in person or by his attorney duly authorized in writing together with a written instrument of transfer in form reasonably

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satisfactory to the Trustee, duly executed by such Registered Owner or his duly authorized attorney.

The Board may deem and treat the Registered Owners of the Bonds as the absolute owners of the Bonds for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes whatsoever.

Upon surrender for transfer of a Bond at the principal office of the Trustee, the Board shall either reissue such Bond to the transferee or shall execute and deliver to the transferee in exchange for such Bond, a new registered Bond in the same principal amount as the principal amount then outstanding on such Bond.

The Registered Owner of the Bond so surrendered shall pay all fees, costs and expenses (including attorneys fees) incurred by the Trustee or the Board in connection with any transfer of the Bond and shall pay any tax or other governmental charge required to be paid with respect thereto. The Board shall not be required to transfer the Bond during the fifteen (15) day period immediately preceding any interest or principal payment date nor to transfer the Bond after notice of prepayment of the Bonds has been given.

Section 208. Bonds; Limited Obligations. The Bonds do not now and shall never constitute an obligation of or a charge against the general credit or taxing powers of the City. No covenant or agreement stated in this Indenture or in the Bonds, nor any obligation herein or therein imposed upon the Board, or its directors, or the breach thereof, shall constitute or give rise to or impose upon the Board or its members a pecuniary liability or a charge upon its or their general credit or property other than the Mortgaged Property and the pledged revenues. All obligations respecting money are limited to the proper application of the proceeds of the sale of the Bonds, the pledged revenues, and the proceeds of any sale at foreclosure. The City is not liable for payment of the principal of, premium, if any, and interest on the Bonds, or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which is undertaken by the Board. Neither the Bonds nor any agreement of the Board shall be construed to constitute an indebtedness of the City within the meaning of any constitutional or statutory provision whatever.

Section 209. Authentication. Only such Bonds as shall have endorsed thereon a certificate of authentication in substantially the form hereinabove set forth, duly executed by the Trustee, shall be entitled to any right or benefit under this Indenture. No Bond shall be obligatory for any purpose unless and until such certificate shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall

be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. It shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds.

Section 210. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond is mutilated, lost, stolen or destroyed, the Board may execute and the Trustee (upon the receipt of a written authorization from the Board) may authenticate and deliver a new Bond of like maturity and tenor in lieu of and in substitution for the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Board, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Board and the Trustee evidence satisfactory to them of the ownership of such Bond and of such loss, theft or destruction, together with indemnity satisfactory to them. If any such Bond shall have matured or a redemption date pertaining thereto shall have passed, instead of issuing a new Bond the Board may pay the same. The Board and the Trustee may charge the Registered Owner of such Bond with its reasonable fees and expenses in this connection. The Trustee shall forthwith cancel any mutilated Bonds so surrendered and deliver a certificate of cancellation to the Board.

### ARTICLE 3

#### REDEMPTION OF BONDS BEFORE MATURITY

Section 301. Redemption Under Certain Conditions. The Bonds are subject to redemption as follows:

(a) The Bonds are subject to redemption in the event of (i) damage to, condemnation of the Project or any part thereof, or in the event of failure of title, to the extent provided in Sections 7.1 and 7.2 of the Lease or (ii) exercise by the Lessee of its option to purchase the Project as provided in Section 11.2 of the Lease. If redeemed in any of such events, the Bonds shall be subject to redemption, without premium, by the Board on the next succeeding interest payment date, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon to the redemption date;

(b) The Bonds are also subject to mandatory redemption, in whole or in part, without premium, on the next succeeding interest payment date in an amount equal to the amount of moneys remaining in the Construction Fund after completion of the Project, pursuant to Section 604 hereof; and



(c) Provided the Board or the Lessee gives the Trustee at least ten (10) days notice prior to the redemption date, the entire unpaid principal balance of the Bonds or any lesser portion thereof in a multiple of \$1000 is subject to redemption (without premium or penalty) at the option of the Board on any interest payment date.

Section 302. Notice of Redemption. Written notice of each redemption shall be given by the Trustee to the Registered Owners of the Bonds, at the last address shown on the registration books kept by the Trustee, at least five (5) days prior to the redemption date.

At least one business day prior to the redemption date, sufficient moneys shall be deposited with the Trustee to pay the principal amount of Bonds called for redemption and accrued interest thereon to the redemption date. Bonds or the portions thereof thus called for redemption and provided for as hereinabove specified shall not bear interest after the redemption date and shall not be considered to be outstanding or to have any other rights under this Indenture other than rights to receive payment.

Section 303. Cancellation. All Bonds which have been surrendered for the purpose of payment in full, (including Bonds which have been redeemed prior to maturity) shall be cancelled and cremated or otherwise destroyed by the Trustee and shall not be reissued and a certificate of destruction evidencing such destruction shall be furnished by the Trustee to the Board and the Lessee.

Section 304. Partial Redemption. Any partial redemption of the Bonds shall be applied ratably to ~~the~~ Bonds and shall be credited against the principal installments thereof, to be mandatorily redeemed in the inverse order of such redemption requirements and shall not postpone the due date nor change the amount of any subsequent installments coming due under the Bonds prior to the payment in full of the principal of, premium, if any, and interest on the Bonds. In the case of any partial redemption of the Bonds, upon notice of intention to effect any such partial redemption, the Registered Owner of any Bond shall forthwith surrender such Bond to the Trustee (1) for payment of the portion of the principal called for redemption and accrued interest thereon to the redemption date and (2) for appropriate endorsement thereon to reflect such redemption.



## ARTICLE 4

### GENERAL COVENANTS

Section 401. Payment of Principal and Interest. The Board covenants that it will promptly pay the principal of and interest on the Bonds on the dates, and in the manner provided herein and in the Bonds according to the true intent and meaning thereof. The principal of and interest on the Bonds are payable solely from revenues and receipts derived from the leasing or sale of 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 Bonds or in this Indenture should be considered as pledging any other funds or assets of the Board. The City shall not in any event be liable for the payment of the principal of or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement undertaken by the Board.

Section 402. Covenant of Performance. The Board covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions set forth in this Indenture and in the Bonds issued hereunder and in all proceedings of its Board of Directors pertaining thereto. The Board covenants that it is duly authorized under the Constitution and laws of the State, including, particularly, and without limitation, the Act, to issue the Bonds authorized hereby and to execute this Indenture, to assign and pledge the Lease, and to pledge the revenues and receipts under the Lease in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken (and if Additional Bonds shall be issued pursuant to Section 206 hereof, will be duly and effectively taken as provided therein), and that the Bonds in the hands of the Registered Owners thereof are, and will be valid and enforceable obligations 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 seized and possessed of the lands herein described, that it has good and indefeasible title and estate therein (except as otherwise provided herein or in the Lease) and that it will defend the title thereto and every part thereof to the Trustee, for the benefit of the Registered Owners of the Bonds 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 Project shall be acquired and kept free of all liens and encumbrances except Permitted Encumbrances. The Board covenants that it will defend the title to said property and each part thereof to the Trustee, and its successors and

assigns, for the benefit of the holders and owners of the Bonds against the claims and demands of all persons whomsoever.

The Board further covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such mortgages or indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the assuring, transferring, mortgaging, pledging, assigning and confirming unto the Trustee all and singular the property herein described and the revenues and receipts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds.

Section 404. Payment of Taxes, Assessment and Charges. Pursuant to the provisions of Section 6.2 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 Indenture. In the event that the Lessee shall fail to pay any of the items required to be paid by Section 6.2 of the Lease, the Board or the Trustee may pay the same as set forth in Section 6.2 of the Lease; provided, however, that nothing set forth 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 6.2 of the Lease.

Section 405. Recordation of the Indenture and Lease Agreement. The Board covenants that it will cause this Indenture and all financing statements and other security instruments, and all supplements hereto and thereto, to be kept filed in such manner and in such places as may be required by law in order to fully preserve and protect the security for the Board of the rights of the Trustee hereunder. The Board will also cause the Lease and all supplements thereto to be filed and recorded in such places as may be required by any present or future law. The Lease shall be recorded prior to the recording of this Indenture.

Section 406. Inspection of Project Books. The Board covenants and agrees that all books and documents in its possession relating to the Project, and the revenues derived from the Project, shall at all times be open to inspection by such accountants or other agencies as the Trustee may from time to time designate.

Section 407. Rights Under the Lease. The Lease, a duly executed counterpart of which has been filed with the Trustee, sets forth the covenants and obligations of the Board and the Lessee, including a provision that subsequent to the issuance of the Bonds and prior to their payment in full, or provisions for payment thereof in accordance with the provisions hereof, the Lease may not be effectively amended, changed, modified, altered

or terminated, except in accordance with this Indenture, and reference is hereby made to the same for a detailed statement of said covenants and obligations of the Lessee under the Lease.

The Board will require the Lessee faithfully to perform at all times any and all covenants, undertakings, stipulations and provisions set forth in the Lease. The Board will promptly notify the Trustee in writing if, to the knowledge of the Board, the Lessee fails to perform or observe any of the agreements or covenants on its part set forth in the Lease. The Board will promptly comply with the instructions or directions of the Trustee with respect to the giving of notice of default to the Lessee and the exercise of rights and remedies in the event of default under the Lease. Unless so instructed or directed, the Board will not give the Lessee a notice of default or exercise any right or remedy under the Lease. Further, the Board agrees that the Trustee, in its 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 for, and on behalf of the Registered Owners of the Bonds, whether or not the Board is in default hereunder.

Section 408. Priority of Mortgage and Pledge. Except for Permitted Encumbrances, the mortgage hereby made of the Mortgaged Property and the pledge and assignment herein made of the revenues and receipts from leasing or sale of the Project shall at no time be impaired by the Board and shall not otherwise be pledged and no persons shall have any rights with respect thereto, except as provided herein and in the Lease. The Board will not further mortgage, pledge or otherwise encumber the Mortgaged Property. Except for Additional Bonds, the Board will not incur any obligations nor issue any bonds or other securities payable from the revenues and receipts herein pledged.

Section 409. Assurance of Board's Cooperation. In addition to all specific covenants and undertakings of the Board pursuant to this Indenture and the Lease, the Board covenants that it will cause the Project to be constructed and completed with due diligence, and agrees to cooperate fully with the Trustee and the Lessee so that the Project may become operational at the earliest possible time and may be operated by the Lessee in a successful and productive fashion thereafter.

## ARTICLE 5

### THE BOND FUND

Section 501. Source of Payment of Bonds. The Bonds herein authorized and all payments by the Board hereunder, are not general obligations of the Board, but are limited obligations payable solely from revenues and receipts derived from the

leasing or sale of the Project as authorized by the Act and provided herein and from payments made pursuant to the Guaranty.

The Bonds, together with interest thereon, shall be payable from the Bond Fund created in Section 502 hereof and shall be a valid claim of the Registered Owners thereof only against such fund and the revenues and receipts from the leasing or sale of the Project pledged to such fund, which revenues and receipts are hereby pledged and mortgaged for payment of the Bonds and shall be used for no other purpose than to pay the principal of and interest on the Bonds, except as may be otherwise expressly authorized in this Indenture.

The Project has been leased to the Lessee under the Lease and the basic rental payments provided for in Sections 5.3 of the Lease are to be remitted directly to the Trustee for the account of the Board and applied to the payment of principal of and interest on the Bonds. The said payments are sufficient in amounts to insure the prompt payment of the principal of and interest on the Bonds, and the entire amount of said payments is pledged to the payment of the principal of and interest on the Bonds.

Section 502. Creation of the Bond Fund. There is hereby created by the Board and ordered established with the Trustee a trust fund to be designated "Industrial Development Bond Fund, M. D. Henry Company, Inc. Project, Series 1989" sometimes referred to herein as the Bond Fund, which shall be used to pay the principal of and interest on the Bonds.

Section 503. Payments into the Bond Fund. There shall be deposited into the Bond Fund as and when received, (a) any amount remaining in the Construction Fund to the extent provided in Sections 4.3 and 4.5 of the Lease; (b) all rental payments to the extent specified in Section 5.3 of the Lease; and (c) all other moneys received by the Trustee under and pursuant to any of the provisions of the Lease when accompanied by directions that such moneys are to be paid into the Bond Fund. The Board hereby covenants and agrees that until the principal of and interest on the Bonds shall have been fully paid, or provisions for the payment thereof shall have been made in accordance herewith, the Board will deposit, or cause to be deposited, in the Bond Fund for its account sufficient sums of revenues and receipts derived from the leasing or sale of the Project, whether or not under and pursuant to the Lease, promptly to meet and pay the principal of and interest on the Bonds, as the same become due and payable and to this end the Board covenants and agrees that, until the principal of and interest on the Bonds shall have been paid or provision for the payment thereof shall have been made in accordance herewith, the Board will cause the Project to be continuously and efficiently leased as a revenue and income producing undertaking. Should there be a default under the Lease

with the result that the right of possession of the Project under the Lease is returned to the Board, the Board shall fully cooperate with the Trustee and with the Registered Owners of the Bonds to the end of fully protecting the rights and security of the Registered Owners of the Bonds and shall diligently proceed in good faith and use its best efforts to secure another tenant for the premises to the end that at all times sufficient revenues and receipts will be derived from the Project promptly to meet and pay the principal of and interest on the Bonds as the same become due and payable, as well as covering the cost of maintaining and insuring the Project. Nothing herein shall be construed as requiring the Board to operate the Project or to use any funds or revenues from any source other than funds and revenues derived from the Project.

Section 504. Use of Moneys in the Bond Fund. Except as provided in Sections 507, 701, 1009, and 1102 hereof, and applicable provisions of the Lease, moneys in the Bond Fund shall be used solely for the payment of the principal of and interest on the Bonds and for the redemption of the Bonds at or prior to maturity.

Section 505. Custody of the Bond Fund. The Bond Fund shall be in custody of the Trustee, but in the name of the Board and the Board hereby authorizes and directs the Trustee to withdraw sufficient moneys from the Bond Fund to pay the principal of and interest on the Bonds, as the same become due and payable, which authorization and direction the Trustee hereby accepts.

Section 506. Moneys to be held in Trust. All moneys required to be deposited with or paid to the Trustee for account of the Bond Fund under any provision of this Indenture shall be held by the Trustee in trust, and shall, while held by the Trustee, constitute part of the trust estate and be subject to the pledge and security interest created hereby. But any moneys which shall be deposited in the Bond Fund and which shall remain unclaimed by the Registered Owner of any Bond for the period of seven (7) years after the date on which such Bond shall have become fully due and payable shall, upon request in writing, be paid to the Board or to the Commissioner of Revenue, or other representatives of the State of Alabama pursuant to the Uniform Disposition of Unclaimed Property Act, if applicable, and thereafter the Registered Owner of any such Bond shall look only to the Board or to such Commissioner, as the case may be, for payment and then only to the extent of the amounts so due without any interest thereon, and the Trustee shall have no responsibility with respect to such moneys.

Section 507. Repayment to the Lessee from the Bond Fund. Any amounts remaining in the Bond Fund after payment in full of the Bonds, the fees, charges and expenses of the Trustee and all other amounts required to be paid hereunder, shall be paid to the



Lessee upon the expiration or sooner termination of the terms of the Lease.

## ARTICLE 6

### THE CONSTRUCTION FUND

Section 601. Creation of the Construction Fund. There is hereby created and established with the Trustee a trust fund in the name of the Board to be designated "Industrial Development Construction Fund, M. D. Henry Company, Inc. Project, Series 1989", which is sometimes herein referred to as the "Construction Fund." The proceeds derived from the sale of the Bonds shall be deposited in the Construction Fund. Any money received by the Trustee from any other source for the acquisition, construction, equipping and improvement of the Project shall be deposited in the Construction Fund.

Section 602. Disbursements from the Construction Fund. Moneys in the Construction Fund shall be expended in accordance with the provisions of the Lease, and, particularly, Section 4.3 thereof. The Trustee is hereby authorized and directed to issue its checks for each disbursement required by the aforesaid provisions of the Lease, and the Trustee shall have no liability or responsibility with respect to making payments in accordance with Section 4.3 of the Lease, except liability for its own negligence.

The Trustee shall keep and maintain adequate records pertaining to the Construction Fund and all disbursements therefrom and, after the Project has been completed and a certificate of payment of all costs filed as provided in Section 604 hereof, the Trustee shall, if requested in writing so to do, file an accounting thereof with the Board and with the Lessee.

Section 603. Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Trustee for account of the Construction Fund under any provision of this Indenture shall be held by the Trustee in trust, and, shall, while held by the Trustee, constitute part of the trust estate and be subject to the pledge and security interest created hereby.

Section 604. Completion of the Project. The completion of the Project and payment of the Cost of Construction shall be evidenced by the filing with the Trustee of the certificate of the Authorized Lessee Representative required by the provisions of Section 4.5 of the Lease, which certificate shall state that the Cost of Construction payable out of the Construction Fund has been paid and discharged except for amounts retained by the Trustee with the approval of the Lessee for the payment of Cost of Construction not then due and payable, as provided in the



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Lease. As soon as practicable, and in any event within sixty (60) days from the date of the certificate referred to in the preceding sentence, any balance remaining in the Construction Fund, other than the amounts retained by the Trustee referred to in the preceding sentence, shall, without further authorization, be transferred to the Bond Fund to be applied by the Trustee as a mandatory partial redemption of the Bonds with advice to the Board and to the Lessee of such action. Such redemption shall be in multiples of \$1,000, in inverse order of maturity. Any sums remaining in the Bond Fund after such redemption shall be applied to the principal portion of the Basic Rent due under Section 5.3 of the Lease, on the next succeeding rental payment date.

Section 605. Presentment of the Bonds. Except as herein otherwise provided with respect to partial redemption, no Bond need be presented for payments of principal or interest; provided that the last interest and principal payment shall be made only upon surrender of the applicable Bond.

Section 606. Trustee's, Bond Registrar's and Paying Agent's Fees, Charges and Expenses. Pursuant to the terms of the Lease, the Lessee has agreed to pay directly to the Trustee commencing with the date the Bonds are delivered to the purchasers thereof and continuing until the principal of and interest on the Bonds shall have been paid in full: (i) an amount equal to the annual fee of the Trustee for its Ordinary Services rendered and its Ordinary Expenses incurred under this Indenture; (ii) the reasonable fees and charges of the Trustee for acting as Paying Agent and as Bond Registrar, and the reasonable fees of Trustee's Counsel, as and when the same become due, and (iii) the reasonable fees and charges of the Trustee for Extraordinary Services rendered by it and Extraordinary Expenses incurred by it under this Indenture, as and when the same become due.

Section 607. Insurance and Condemnation Proceeds. Reference is hereby made to the Lease whereunder it is provided that under certain circumstances the respective Net Proceeds of insurance and condemnation awards are to be paid to the Trustee for deposit in the Construction Fund to be paid out as provided in the Lease and the Indenture. The Trustee hereby accepts and agrees to perform the duties and obligations as therein specified.

## ARTICLE 7

### INVESTMENTS

Section 701. Investment of Construction Fund and Bond Fund Moneys. Any moneys held as part of the Construction Fund and Bond Fund shall be invested and reinvested by the Trustee in accordance with the provisions of Section 4.7 of the Lease. Any such investments shall be held by or under the control of the

Trustee and shall be deemed at all times a part of the Construction Fund or the Bond Fund whichever is appropriate and the interest accruing thereon and any profit realized from such investments shall be credited to such Fund, and any loss resulting from such investments shall be charged to such Fund. The Trustee is directed to sell and reduce to cash funds a sufficient amount of such investments allocable to the Construction Fund whenever the cash balance in the Construction Fund is insufficient to pay a requisition when presented pursuant to the provisions of the Lease. The Trustee is directed to sell and reduce to cash funds a sufficient portion of investments allocable to the Bond Fund whenever the cash balance in the Bond Fund is insufficient to pay the current principal and interest requirements. Pursuant to the provisions of Section 5.3 of the Lease, the Lessee has agreed that if upon any payment date the balance in the Bond Fund is insufficient to make required payments of principal and interest due on the Bonds on such date, then the Lessee will forthwith pay such deficiency to the Trustee.

Section 702. Trustee Responsibility; Investments Through Bond Department. The Trustee shall have no liability or responsibility for any loss resulting from investments made pursuant to Sections 701 hereof, except liability for its own gross negligence. The Trustee shall not be required to pay interest on any money received hereunder unless specifically otherwise agreed with the Board or the Lessee. The Trustee may make any and all investments permitted by the provisions of Section 701 through its own bond department, pursuant to Section 4.7 of the Lease.

## ARTICLE 8

### POSSESSION, USE AND PARTIAL RELEASE OF MORTGAGED PROPERTY

Section 801. Subordination to Rights of the Lessee. In the absence of a default, this Indenture and the rights and privileges hereunder of the Trustee and the Registered Owners of the Bonds are specifically made subject and subordinate to the rights and privileges of the Lessee set forth in the Lease. So long as the Lessee is not in default under the provisions of the Lease, it shall be entitled to possess, use and enjoy the Project and all its rights under said Lease and, so long as not otherwise provided in this Indenture, the Board shall be permitted access to the Mortgaged Property and appurtenances so as to carry out its obligations under the Lease.

Section 802. Release of Mortgaged Land. Reference is made to the provisions of the Lease, including, without limitation,

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Section 8.3, 8.6, and 11.4 thereof, whereby the Board and the Lessee have reserved the right to withdraw certain portions of the land herein described and forming a part of the Mortgaged Property upon compliance with the terms and conditions of the Lease. The Trustee shall release from the lien of this Indenture any such land upon compliance with the provisions of the Lease.

Section 803. Granting of Easements. The Trustee shall, if requested, execute or confirm the grants or releases of easements, licenses, rights of way and other rights and privileges permitted by Sections 8.3, 8.6 and 11.4 of the Lease upon compliance with the provisions thereof.

Section 804. Condemnation or Destruction of or Damage to the Project. In the event of condemnation, failure of title, or destruction of or damage to the Project, provision is made in the Lease for the application of the Net Proceeds (as therein defined) of insurance or condemnation awards. All such proceeds shall be held and applied as provided in Sections 6.4 and 7.2 of the Lease.

Section 805. Prohibition of Mortgages and Pledges. The Board agrees and covenants that it will not mortgage, pledge or otherwise encumber the Project or any part thereof or the revenues and receipts pledged hereunder, except as provided in this Indenture.

## ARTICLE 9

### DISCHARGE OF LIEN

Section 901. Discharge of Lien. If the Board shall pay or cause to be paid to the Registered Owners of the Bonds the principal of, premium, if any, and interest to become due thereon at the times and in the manner stipulated therein, and if the Board shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed as to be kept, performed and observed by it or on its behalf, and shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof, and irrevocable instructions to make such payments have been given by the Board to the Trustee, then these presents and the estate and rights hereby granted shall cease, determine and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the Board such instruments in writing as shall be requisite to satisfy the lien hereof and reconvey to the Board the estate hereby conveyed, and assign and deliver to the Board any property at the time subject to the lien of this Indenture which may then be in its possession, except amounts in the Bond Fund required to be paid

to the Lessee under Section 507 hereof and cash held by the Trustee for the payment of the principal of and interest on the Bonds.

Section 902. Provisions for Payment of Bonds. The Bonds shall be deemed to have been paid within the meaning of Section 901 hereof if there shall be escrowed with the Trustee sufficient moneys or Government Obligations of such maturities and interest payment dates and bearing such interest as, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon (said earnings to be held in trust also), will be sufficient for the payment at maturity or redemption dates prior to maturity, of the principal thereof, together with accrued interest and interest to accrue thereon to such maturity or redemption dates, as the case may be; provided, that if the Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or arrangements satisfactory to the Trustee shall have been duly made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee.

#### ARTICLE 10

##### DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND REGISTERED OWNERS OF THE BONDS

Section 1001. Defaults, Events of Default. If any of the following events occur, subject to the provisions of Section 1011 hereof, it is hereby defined as, and declared to be and to constitute, an "event of default":

(a) Default in the due and punctual payment of any interest on the Bonds;

(b) Default in the due and punctual payment of the principal and the premium, if any, of the Bonds, whether at the stated maturity thereof, upon proceedings for redemption thereof, or upon maturity thereof by declaration or otherwise;

(c) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Board in this Indenture or in the Bonds stated, and the continuance thereof for a period of thirty (30) days after written notice given to the Board and to the Lessee by the Trustee as provided in Section 1012 hereof;

(d) The occurrence of an "event of default" under Section 10.1 of the Lease; or

(e) The occurrence of an "event of default" under the Guaranty.

Section 1002. Acceleration. Upon the occurrence of an event of default, the Trustee may, and upon the written request of the Registered Owners of not less than 70% of the aggregate principal amount of the Bonds then outstanding shall, by notice in writing delivered to the Board, declare the principal of the Bonds 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 Trustee shall, if the Lessee is in default under Section 10.1 of the Lease, immediately declare all basic rental payments payable under Section 5.3 of the Lease to be immediately due and payable.

Section 1003. 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 Trustee, shall forthwith surrender the possession of, and it shall be lawful for the Trustee, by such officer or 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, obligations 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 the Trustee shall deem wise; and the Trustee may lease with or without an option to purchase the Project or any part thereof granted in such lease, 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, or set up the proper reserves for the payment of all proper costs and expenses of so taking, holding and managing the same, including reasonable compensation to the Trustee, its agents and counsel, and any charges of the Trustee hereunder, and any taxes and assessments and other charges prior to the lien of this Indenture which the Trustee 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 1009 hereof. Whenever all that is due upon the Bonds shall have been paid and all defaults made good except amounts due by reason of an acceleration which has been rescinded, the Trustee 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 Trustee shall render annually to the Board, and the Lessee, a summarized statement of income and expenditures in connection therewith.

Upon the occurrence of an event of default, the lien on the Project created and vested by this Indenture may be foreclosed



either by sale at public outcry or by proceedings in equity, and the Trustee, whether or not then in default of payment of principal or interest, may become the purchaser at any foreclosure sale if the highest bidder, and, in the event of sale at public outcry, the Trustee may sell, or cause to be sold, all and singular, the Project and the Mortgaged Property and all the estate, right, title and interest, claim and demand therein, such sale or sales to be made at public outcry at the North door of the county courthouse of the county in which the Project is situated, at such time or times and upon such terms as may be required by law or as the Trustee may determine, after having first given notice of the time, place, and terms of sale, together with the description of the property to be sold, by publication once a week for three consecutive weeks prior to said sale in any newspaper of general circulation then published in said county. In the event of a sale hereunder, the Trustee, or auctioneer, shall execute to the purchaser for and in the name of the Board, a good and sufficient deed to the property sold.

While the Bonds are outstanding, the Board shall not exercise any of the remedies on default specified in Section 10.2 of the Lease without the prior written consent of the Trustee.

Section 1004. Other Remedies. If any event of default has occurred and is continuing, the Trustee, in its discretion, may, in its own name:

(a) By mandamus, or other suit, action, or proceeding at law or in equity, enforce all rights of the Board and the Trustee, including the right to require the Board to enforce any rights under the Lease and to require the Board to carry out any other provisions of this Indenture for the benefit of the Bondholders and to perform its duties under the Act;

(b) Bring suit upon the Bonds or upon the Guaranty;

(c) By action or suit in equity require the Board to account as if it were the trustee of an express trust for the Trustee; and

(d) By action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Trustee.

No remedy conferred upon or reserved to the Trustee by the terms of this Indenture 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 Trustee 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 as often as may be deemed expedient.

No waiver of any default or event of default hereunder, whether by the Trustee or by the Registered Owners of the Bonds, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereon.

Section 1005. Rights of Registered Owners. Upon the occurrence of an event of default and if requested so to do by the Registered Owners of not less than 70% of the aggregate principal amount of the outstanding Bonds and indemnified as provided in Section 1101 hereof, the Trustee shall be obligated to exercise such one or more of the rights and remedies conferred by this Article as the Trustee, being advised by its Counsel, shall deem most expedient in the interests of the Registered Owners of the Bonds.

No right or remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Registered Owners of the Bonds) is intended to be exclusive of any other right or remedy, but each and every such right and remedy shall be cumulative and shall be in addition to any other right or remedy given to the Trustee or to the Registered Owners of the Bonds or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or remedy accruing upon any event of default shall impair any such right or remedy or shall be construed to be a waiver of any such event of default or acquiescence therein; and every such right and remedy may be exercised from time to time and as often as may be deemed expedient.

Section 1006. Right of Registered Owners to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, the Registered Owners of not less than 70% of the aggregate principal of the Bonds outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 1007. 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

Trustee under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Mortgaged Property 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 1008. Waiver of Appraisal Rights. Upon the occurrence of an event of default, to the extent that such rights then lawfully may be waived, neither the Board, nor the City, nor anyone claiming through or under either of them, 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 Indenture or the foreclosure of this Indenture, but 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 rights to appraisement and redemption to which it may be entitled under the laws of the State.

Section 1009. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys, including attorneys' fees, and of the fees, expenses, liabilities and advances earned, incurred or made by the Trustee, shall be applied by the Trustee as follows:

(a) Unless the principal of the Bonds shall have become, or shall have been declared due and payable, all such moneys shall be applied to the payment to the person entitled thereto of: (i) all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest and (ii) the unpaid principal of the Bonds which shall have been due, with interest on the Bonds, at the rate payable on the Bonds, from the respective dates upon which they became due.

(b) If the principal of the Bonds 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 Bonds, without preference or priority of principal or interest over any other installment of interest, ratably, according to the amounts due, respectively, for principal and interest; and

(c) If the principal of the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded under the provisions of this Article, then, subject to the provisions of paragraph (b) of this Section 1009, in the event that the principal of the Bonds shall later become due or be declared due and payable, the moneys shall be applied

in accordance with the provisions of paragraph (a) of this Section.

Whenever moneys are to be applied pursuant to the provisions of this Section 1009, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having regard to the amount of such moneys available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date, which shall be an interest payment date, unless it shall deem another date more suitable, upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Registered Owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 1010. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then, and in every such case, the Board and the Trustee shall be restored to their former positions and rights hereunder with respect to the property herein conveyed, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

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Section 1011. Waivers of Events of Defaults. The Trustee may, in its discretion, waive any event of default hereunder and its consequences, and rescind any declaration of maturity of principal provided, however, that there shall not be waived:  
(a) any event of default in the payment of the principal of any outstanding Bond at the date of maturity specified therein, or,  
(b) any default in the payment when due of the interest on any such Bond, unless, prior to such waiver or rescission, all arrears of interest, with interest, to the extent permitted by law, at the rate borne by the Bond in respect of which such default shall have occurred, on overdue installments of interest, or all arrears of payments of principal when due, as the case may be, and all expenses of the Trustee in connection with such default, shall have been paid or provided for, and, in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then, and in every case, the Board and the Trustee shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Section 1012. Notice of Defaults Under Section 1001(c)-  
Opportunity for the Board and the Lessee to Cure Such Defaults.  
Anything in this Indenture to the contrary notwithstanding, no default under Section 1001(c) hereof shall constitute an event of default until actual notice of such default by registered or certified mail shall be given by the Trustee or the Registered Owners of at least 70% in aggregate principal amount of the Bonds then outstanding to the Board and the Lessee, and the Board and the Lessee shall have had thirty (30) 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 have caused said default to be corrected within the applicable period; provided, however, 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 Board or 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 Board and the Lessee under the provisions of this Section 1012, 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.

Section 1013. Notice of Defaults in Payment. Under Section 5.3 of the Lease, rental payments for the Project are to be paid by the Lessee directly to the Trustee but for the account of the Board. If the Trustee does not receive such payments on the day it becomes due, the Trustee may, but is not required to, notify the Lessee in writing that such payment is due and payable and that it has not been paid.

## ARTICLE 11

### THE TRUSTEE

Section 1101. Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of an event of default, and after the curing of all events of default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an event of default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care

and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Trustee may execute any of the trusts or powers hereof, and perform any of its duties by or through attorneys, agents, receivers or employees, but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney, who may be the attorney or attorneys for the Board or the Lessee, approved by the Trustee, in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any act or failure to act done in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the certificate of the Trustee endorsed on the Bonds), or for the recording or rerecording, filing, or refiling of this Indenture, or for insuring the Project or collecting any insurance moneys, or for the validity of the execution by the Board of this Indenture, or of any supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the Project or otherwise as to the maintenance of the security hereof; except that in the event the Trustee enters into possession of a part or all of the Project pursuant to any provision of this Indenture, it shall use due diligence in preserving all or any part of the Project so entered, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Board or on the part of the Lessee under the Lease in connection with the matters referred to in Sections 402 and 403 hereof, except as hereinafter set forth; but the Trustee may require of the Board or the Lessee full information and advice as to the performance of the covenants, conditions and agreements aforesaid and as to the condition of the property herein conveyed. Except as otherwise provided in Section 1003 hereof, the Trustee shall have no obligation to perform any of the duties of the Board as lessor under the Lease.

(d) The Trustee shall not be accountable for the use of any Bonds delivered hereunder except those which it owns.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or



persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who, at the time of making such request or giving such authority or consent, is the Registered Owner of any Bond shall be conclusive and binding upon all future owners of such Bond.

(f) As to the existence or nonexistence of any fact, or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Board by its Chairman or Vice Chairman and attested by its Secretary or Assistant-Secretary as sufficient evidence of the facts therein set forth and, prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (h) of this Section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the Secretary of the Board under its seal to the effect that a resolution in the form therein set forth has been adopted by the Board as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and it shall not be answerable for other than its gross negligence or willful default.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder, except failure by the Board to cause to be made any of the payments to the Trustee required to be made by Section 501 hereof, or failure by the Board or the Lessee to file with the Trustee any document required to be filed under this Indenture, or the Lease, unless the Trustee shall be specifically notified in writing of such default by the Board, and all notices or other instruments required by this Indenture to be delivered to the Trustee, in order to be effective, must be delivered at the principal office of the Trustee in Birmingham, Alabama, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid.

(i) The Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries, or nonfulfillment of contracts during any period in which it may be in the possession of or managing the Project as in this Indenture provided.

(j) At any and all reasonable times, the Trustee, and its duly authorized agents, attorneys, experts, engineers,



accountants and representatives, shall have the right fully to inspect all books, papers and records of the Board pertaining to the Project and the Bond, and to take such memoranda from and in regard thereto as may be desired.

(k) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(l) Notwithstanding statements elsewhere made in this Indenture, the Trustee shall have the right, but shall not be required to demand, in respect of the authentication of the Bonds, the withdrawal of any moneys, the release of any property, or any action whatsoever within the purview of this Indenture, any showing, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action, by the Trustee deemed desirable for the purpose of establishing the right of the Board to the withdrawal of any moneys, the release of any property, or the taking of any other action within the purview of this Indenture.

(m) Before taking any action hereunder, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except which is adjudicated from its gross negligence or willful default in taking such action.

(n) All moneys received by the Trustee, until used, applied or invested as herein provided, shall be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent provided for herein or required by law. The Trustee shall not be under any liability for interest on any moneys received hereunder except such as may be agreed on.

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Section 1102. Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and reimbursement for reasonable fees for its Ordinary Services rendered hereunder and for all advances, counsel fees, and other Ordinary Expenses reasonably and necessarily made or incurred by the Trustee in connection with such services and, in the event that it should become necessary that the Trustee perform Extraordinary Services, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable and necessary Extraordinary Expenses in connection therewith; provided that, if such Extraordinary Services or Extraordinary Expenses are occasioned by the neglect or misconduct of the Trustee, it shall not be entitled to compensation or reimbursement therefor. The Trustee shall have a right of payment prior to payment on account of principal of, premium, if any, or interest on the Bonds for the

foregoing advances, fees, costs and expenses incurred. Pursuant to the provisions, and during the term of the Lease, the Lessee has agreed to pay the fees and charges of the Trustee, such fees and charges to be paid directly to the Trustee as and when such fees and charges become due and payable.

Section 1103. Intervention by Trustee. In any judicial proceeding to which the Board is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of the Trustee, acting on behalf of the Registered Owners of the Bonds, the Trustee may intervene in such proceeding. The rights and obligations of the Trustee under this section are subject to the approval of a court of competent jurisdiction.

Section 1104. Successor Trustees. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole, or substantially as a whole, or any corporation or association resulting from such conversion, sale, merger, consolidation or transfer to which it is a party shall be and become, ipso facto, successor trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 1105. Right of Trustee to Pay Taxes and Other Charges. In case any tax, assessment, or governmental or other charge upon any part of the Project or the premiums on insurance on the Project or the expenses of maintaining or preserving the Project is not paid as required herein, the Trustee may pay such tax, assessment or governmental charge, premiums or expenses, without prejudice, however, to any rights of the Trustee hereunder arising in consequence of such failure; and any amount at any time so paid under this section, with interest thereon from the date of payment at the per annum rate of two percentage points in excess of the Base Rate, shall become so much additional indebtedness secured by this Indenture, and the same shall be given a preference in payment over the Bonds, and shall be paid out of the proceeds of revenues collected from the property herein conveyed, if not otherwise paid, but the Trustee shall be under no obligation to make any such payment unless it shall have been requested to do so by the Registered Owners of 70% in aggregate principal amount of the Bonds outstanding and shall have been provided with adequate funds for the purpose of such payment.

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Section 1106. Trustee Protected in Relying Upon Resolutions, etc. The resolutions, opinions, certificates and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection, and authority to the Trustee for the release of property and the withdrawal of cash hereunder.

Section 1107. Trustee May Hold Bonds. The Trustee, in its individual or any other capacity, may become the Registered Owner or pledgee of any Bond issued under this Indenture and may otherwise deal with the Board or a purchaser of the Project with the same rights it would have if it were not Trustee.

Section 1108. Duties of Trustee. Notwithstanding any statement to the contrary herein, the Trustee shall, prior to the occurrence of an event of default, as defined in Section 1001, and after the curing of all such events of default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture. The Trustee shall, during the existence of any such event of default which has not been cured, exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in such exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. No provision of this Indenture shall be construed to relieve the Trustee from liability for its own grossly negligent action, its own gross negligent failure to act, or its own willful misconduct, except that:

(a) Prior to an event of default hereunder, and after the curing of all events of default which may have occurred:

(1) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Trustee, conforming to the requirements of this Indenture; but, notwithstanding any provision of this Indenture to the contrary, in the case of any such certificate or opinion, or any evidence which by any provision hereof is specifically required to be furnished to the Trustee, the Trustee

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shall be under a duty to examine the same to determine whether or not it conforms to the requirements of this Indenture.

(b) at all times, regardless of whether or not any event of default shall exist:

(1) the Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, or officers, of the Trustee unless it shall be proved that the Trustee was grossly negligent in ascertaining the pertinent facts;

(2) the Trustee shall not be liable with respect to any action taken, or omitted to be taken by it in good faith in accordance with the direction of the Registered Owners of the Bonds relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(3) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The term "responsible officers" of the Trustee, as used in this Indenture, shall mean and include the Chairman of the Board of Directors, the President, any Vice President, any Trust Officer or their assistants, and every other officer and assistant officer of the Trustee customarily performing functions similar to those, respectively, or to whom any corporate trust matter is referred because of his knowledge of and familiarity with a particular subject.

## ARTICLE 12

### SUPPLEMENTAL INDENTURES

Section 1201. Supplemental Indentures. The Board and the Trustee may, with the prior written consent of the Lessee and the Registered Owners of 70% in aggregate principal amount of the Bonds outstanding enter into an indenture, or indentures supplemental to this Indenture, as shall not be inconsistent with the terms and provisions hereof.

## ARTICLE 13

### AMENDMENT OF LEASE AND GUARANTY

Section 1301. Amendments to Lease and Guaranty. The Board shall not consent to any amendment, changes or modifications of the Lease or the Guaranty without the prior written consent of the Trustee and the Registered Owners of 70% in aggregate principal amount of the Bonds outstanding except as may be required: (a) by the provisions of the Lease, the Guaranty and this Indenture; or (b) for the purpose of curing any ambiguity or formal defect in omission; or (c) for the purpose of identifying more precisely the real estate or equipment, furniture, fixtures or other personal property comprising the Project or any substitutions thereof or additions thereto; or (d) in connection with the issuance, sale and delivery of Additional Bonds, as provided and in compliance with Section 206 hereof, to provide for payments of additional amounts sufficient to pay the principal of and interest on such Additional Bonds and such other charges necessary in connection with the issuance of such Additional Bonds as shall not, in the opinion of the Trustee, prejudice in any material respect the rights of the Registered Owners of the Bonds; or (e) in connection with any other change therein which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Registered Owners of the Bonds.

## ARTICLE 14

### MISCELLANEOUS

Section 1401. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture, or the Bonds, is intended or shall be construed to give any person or lessee other than the parties hereto, any legal or equitable right, remedy, or claim under, or in respect to this Indenture, and all of the covenants, conditions, and provisions hereof being intended to be, and being for the sole and exclusive benefit of the parties hereto, and the Lessee as herein provided.

Section 1402. Severability. If any provision to this Indenture shall be held, or deemed to be, or, in fact, shall 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 with 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 circumstances, or of rendering any other provision or



provisions herein stated invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses, or sections in this Indenture stated, shall not affect the remaining portions of this Indenture, or any part thereof.

Section 1403. Notices. Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, or sent by telegram, addressed as follows:

If to the Lessor: The Industrial Development Board  
of the Town of Pelham  
108 Chandalar Drive  
Pelham, Alabama 35124

If to the Lessee: M. D. Henry Company, Inc.  
120 Clark Drive  
Pelham, Alabama 35124

If to the Trustee: AmSouth Bank, N.A.  
P. O. Box 11426  
Birmingham, Alabama 35202

A duplicate copy of each notice required to be given thereunder by either the Board or the Trustee shall also be given to the Lessee, and a duplicate copy of each notice required to be given hereunder by the Trustee to either the Board or the Lessee also shall be given to the other. The Board, the Lessee, and the Trustee, by notice given hereunder, may designate any additional or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 1404. Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity or payment of principal of and interest on the Bonds, shall be a Saturday, a Sunday, or, in the place of payment, a legal holiday, or a day on which banking institutions are authorized by law to close, then payment of principal of, premium or interest on the Bonds, need not be made on such date in such place, but may be made on the next succeeding business day not a Saturday, a Sunday, or a legal holiday, or a day upon which banking institutions are authorized by law to close, with the same force and effect as if made on the date of maturity or payment, and no interest will accrue for the period after such prior date.

Section 1405. Counterparts. This Indenture 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 1406. Applicable Provisions of Law. This Indenture shall be governed by and construed in accordance with the laws of the State of Alabama.

Section 1407. Captions. The captions or headings in this Indenture are for convenience only and in no way define, limit or describe the scope and intent of any provision of this Indenture.

Section 1408. Date of Indenture. The date of this Indenture is intended as and for a date for the convenient identification of this Indenture and is not intended to indicate that the Bonds or that this instrument were executed and delivered on said date.

Section 1409. Successors and Assigns of Parties Hereto. All the covenants, stipulations, promises and agreements in this Indenture set forth by or on behalf of the Board or the Trustee, or either of them, shall inure to the benefit of and bind their respective successors and assigns.

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 its Secretary, this 23rd day of May, 1989, and to evidence its acceptance of the trusts hereby created, AmSouth Bank, N.A. has caused these presents to be signed in its name and behalf by its duly authorized Trust Officer and its official seal to be hereunto affixed and the same to be attested by one of its authorized officers this 23rd day of May, all effective as of May 1, 1989.

THE INDUSTRIAL DEVELOPMENT  
BOARD OF THE TOWN OF PELHAM

ATTEST:

*James Willis*  
Its \_\_\_\_\_

By: *[Signature]*  
Its Chairman

AMSOUTH BANK, N.A.

ATTEST:

*[Signature]*  
Its \_\_\_\_\_  
CORPORATE TRUST OFFICER

By: *[Signature]*  
Its \_\_\_\_\_  
VICE PRESIDENT AND  
CORPORATE TRUST OFFICER

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ACKNOWLEDGMENT OF BOARD

STATE OF ALABAMA )

SHELBY COUNTY )

I, the undersigned, a Notary Public in and for said County in said State, do hereby certify that Dan Spitler, whose name as Chairman of the Board of Directors of The Industrial Development Board of the Town of Pelham is signed to the foregoing Mortgage and Indenture of Trust, 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 Mortgage and Indenture of Trust, he, in his capacity as such officer and with full authority, executed the same voluntarily for and as the act of said Board.

Given under my hand and official seal this the 24th day of May, 1989.



Notary Public

My Commission expires: 2/25/91

ACKNOWLEDGMENT OF TRUSTEE

STATE OF ALABAMA )

Jefferson  
MADISON COUNTY )

I, the undersigned, a Notary Public in and for said County in said State, do hereby certify that J. Franklin Coley, whose name as CORPORATE TRUST OFFICER of AmSouth Bank, N.A. is signed to the foregoing Mortgage and Indenture of Trust, and who is known to me, and known to me to be such person, acknowledged before me on this day that, being informed of the contents of the said Mortgage and Indenture of Trust, he as such officer, and with full authority, executed the same voluntarily for and as the act of the said Bank.

Given under my hand and official seal this the 26th day of May, 1989.



Notary Public

My Commission expires: 11-4-92

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EXHIBIT "A"

TO THAT CERTAIN MORTGAGE AND INDENTURE OF TRUST  
DATED AS OF MAY 1, 1989, BY AND BETWEEN  
THE INDUSTRIAL DEVELOPMENT BOARD OF THE TOWN OF PELHAM  
AND AMSOUTH BANK, N.A., AS TRUSTEE

---

Commence at the SE corner of the NE1/4 of the NE1/4 of Section 23, Township 20 South, Range 3 West, Shelby County, Alabama; thence run in a Westerly direction along the South line of said quarter-quarter a distance of 812.44 feet to a point on the Westerly right of way line of a public road; thence turn an angle to the left of 109 deg. 37 min. 18 sec. and run in a Southeasterly direction along said Westerly right of way of said public road a distance of 402.86 feet; thence turn an angle to the right of 93 deg. 31 min. 30 sec. and run in a Southwesterly direction 430.14 feet to the point of beginning; thence turn an angle to the right of 86 deg. 12 min. and run in a Northwesterly direction 417.0 feet; thence 86 deg. 12 min. to the left and run in a Southwesterly direction 325.0 feet to a point on the Easterly right of way line of a public road; thence 93 deg. 48 min. to the left and run in a Southeasterly direction along said Easterly right of way line of said public road a distance of 417.0 feet; thence 86 deg. 12 min. to the left and run in a Northeasterly direction 325.0 feet to the point of beginning, subject to easements and rights of way of record.

Lot 7-B and 8-B according to a resurvey of Ralph Tully Industrial Park as recorded in Map Book 6, Page 89, in the Office of the Judge of Probate of Shelby County, Alabama.

Subject to existing easements, rights of way and restrictions of record.

Mineral and mining rights excepted.

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EXHIBIT "B"

THAT CERTAIN MORTGAGE AND INDENTURE OF TRUST  
DATED AS OF MAY 1, 1989, BY AND BETWEEN  
THE INDUSTRIAL DEVELOPMENT BOARD OF THE TOWN OF PELHAM  
AND AMSOUTH BANK, N.A., AS TRUSTEE

All building materials, machinery, equipment, fixtures, fencing, fittings, and personal property of every kind and character acquired and owned by the Lessor for use in or in connection with the industrial facility leased to the Lessee and to be located upon the real property located in Shelby County, Alabama, as more particularly described on Exhibit "A", pursuant to the Lease Agreement dated as of May 1, 1989, between the Industrial Development Board of the Town of Pelham and M. D. Henry Company, Inc.

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RECEIVED  
SHELBY COUNTY, ALA.  
89 MAY 30 AM 8:34  
JUDGE OF PROBATE

1. Bond Tax	NO TAX COLLECTED
2. Mtg. Tax	
3. Recording Fee	135.00
4. Indexing Fee	3.00
TOTAL	138.00