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LEASE AGREEMENT

between

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF PELHAM**

and

RAINBOW TECHNOLOGY CORPORATION

Dated as of January 10, 1995

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to
LEASE AGREEMENT
between
**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF PELHAM**
and
RAINBOW TECHNOLOGY CORPORATION

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LEASE AGREEMENT

LEASE AGREEMENT between **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF PELHAM**, a public corporation organized and existing under the laws of the State of Alabama (herein called the "Board"), and **RAINBOW TECHNOLOGY CORPORATION**, a corporation organized and existing under the laws of the State of Alabama (herein called the "Company"),

RECITALS

Pursuant to this Lease Agreement the Board is undertaking to acquire, construct and equip the "Project" hereinafter defined and the Company is undertaking to lease said Project from the Board for use as a facility, for the sale, warehousing, and distribution of plastic parts and other inventory.

NOW, THEREFORE, THIS LEASE AGREEMENT

W I T N E S E T H:

That in consideration of the respective representations and agreements herein contained, the parties hereto agree as follows:

ARTICLE I DEFINITIONS AND USE OF PHRASES

Section 1.1 Definitions. The following words and phrases and others evidently intended as the equivalent thereof shall, in the absence of clear implication herein otherwise, be given the following respective interpretations herein:

"Act" means the statutes codified as Code of Alabama 1975, Title 11, Chapter 64, Article 5, as amended and supplemented and at the time in force and effect.

"Affiliate" of any designated Person means any Person which, directly or indirectly, controls, or is controlled by, or is under common control with, such designated Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person whether through the ownership of voting securities or by contract or otherwise.

"Authorized Board Representative" means the person or persons at the time

designated as such by written certificate furnished to the Company, containing the specimen signature or signatures of such person or persons and signed on behalf of the Board by the Chairman or the Vice Chairman of its Board of Directors; provided however, that no partner or employee of the Company or any Affiliate thereof may also be designated as an Authorized Board Representative.

"Authorized Company Representative" means the person or persons at the time designated as such by written certificate furnished to the Board's, containing the specimen signature or signatures of such person or persons and signed on behalf of the Company by the President or any Vice President thereof.

"Basic Rent" means (i) the moneys payable by the Company pursuant to the provisions of Section 6.2 hereof, and (ii) any other moneys payable by the Company hereunder that are herein referred to as Basic Rent.

"Board" means (i) the party of the first part hereto and its successors and assigns, or (ii) any public corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party.

"Company" means the party of the second part hereto and, subject to the provisions of Section 8.4 hereof, includes its successors and assigns.

"Completion Date" means the date on which the completion of the Project Development Work and the satisfaction of the other conditions referred to in Section 4.6 hereof are certified to the Board in accordance with the provisions of said Section 4.6.

"Counsel" means any attorney duly admitted to practice before the highest court of any state of the United States of America or of the District of Columbia (including any director, officer or full-time employee of, or an attorney regularly employed or retained by, the Board, or the Company or an Affiliate of either thereof who is so admitted to practice), it being understood that "Counsel" may also mean a firm of attorneys any of whose members is so admitted to practice.

"Eminent Domain", when used herein with reference to any taking of property, means the power (actual or claimed) of any governmental authority or any person, firm or corporation acting under governmental authority (actual or claimed) to take such property, and for purposes of the Lease, a taking of property under the exercise of the power of Eminent Domain shall include a conveyance made, or a use granted or taken, under either the threat or the fact of the exercise of governmental authority.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended and at the time in force and effect.

"Event of Default" means an "Event of Default" as specified in Section 10.1 hereof.

"Independent Counsel" means an attorney who is duly admitted to practice before the highest court of any state of the United States of America or the District of Columbia and who is not a partner, director, officer or full-time employee of, or an attorney regularly employed or retained by, the Board, the Company or an Affiliate of either thereof, it being understood that "Independent Counsel" may also mean a firm of attorneys any of whose members is so admitted to practice and none of whose members is a partner, director, officer or full-time employee of, or an attorney regularly employed or retained by, the Board, the Company or an Affiliate of either thereof.

"Lease" or "this Lease Agreement" means this Lease Agreement as it now exists and as it may from time to time be modified, supplemented or amended.

"Lease Term" means the period beginning on the date of the delivery of this Lease Agreement and continuing until 11:59 o'clock, P.M., on January 10, 2005.

"Loan" means the mortgage loan in the maximum principal amount of \$200,000 from National Bank of Commerce to Triple S Farm, L.L.C., which is evidenced by a note dated December 1, 1994 and secured by a mortgage on the Project Site.

"Municipality" means the City of Pelham, Alabama, or any municipal corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party.

"Net Condemnation Award" means the total amount received as compensation for any part of the Project taken under the exercise of the power of Eminent Domain plus damages to any part of the Project not taken (including any compensation referable to the interest of the Company in the part of the Project taken and as damages to the interest of the Company in any part thereof not taken, but not including any compensation belonging to the Company pursuant to the provisions of Section 7.4 hereof), which compensation shall consist of (i) all awards received pursuant to administrative or judicial proceedings conducted in connection with the exercise of the power of Eminent Domain, plus (ii) all amounts received as the result of any settlement of compensation claims (whether in whole or in part) negotiated with the condemning authority, less (iii) all attorneys' fees and other expenses incurred in connection with the receipt of such compensation, including attorneys' fees and expenses relating to such administrative or judicial proceedings and to such settlement negotiations (other than any that may be paid directly by the Company).

"Net Insurance Proceeds" means the total insurance proceeds recovered by the Board or the Company on account of any damage to or destruction of the Project or any part thereof, less all expenses (including attorneys' fees and any extraordinary expenses) incurred in the collection of such proceeds.

"Permitted Encumbrances" means, as of any particular time, any of the following: (i) the Lease; (ii) liens imposed by law, such as mechanics', workmen's, materialmen's, carriers' and other like liens arising in the ordinary course of business, securing obligations which are not overdue or which are being contested in good faith and by appropriate proceedings (so long as there have been set aside on the books of the Company with respect to any such obligation so contested reserves which are adequate in the opinion of the Company); (iii) liens for property taxes not delinquent or for taxes which are being contested in good faith and by appropriate proceedings (so long as there shall have been set aside on the books of the Company with respect to any such taxes so contested reserves which are adequate in the opinion of the Company); (iv) attachments remaining undischarged for no longer than thirty (30) days after written or actual notice thereof has been received by the Company or in connection with litigation which is being defended in good faith and by appropriate proceedings; (v) liens in respect of judgments or awards relative to claims which (A) are fully covered by insurance, or (B) have been in force for less than the applicable appeal period, provided execution is not levied thereunder, and/or (C) with respect to which an appeal or proceeding for review is being prosecuted in good faith and a stay of execution has been obtained pending such appeal or review; and (vi) utility, access, drainage and other easements and rights-of-way, mineral rights, covenants running with the land, zoning restrictions, environmental regulations and other restrictions and encumbrances affecting the use of real property, or minor irregularities in the title to real property, none of the foregoing of which, individually or in the aggregate, materially impair the title of the Board to any part of the Project or the use of the Project for the purpose for which it was acquired or is held by the Board.

"Person" means any natural person, corporation, partnership, trust, government or governmental body, political subdivision, or other legal entity as in the context may be possible or appropriate.

"Project" means the Project Site, the Project Building and the Project Equipment, as they may at any time any time exist, and all other property and rights of every kind that are or become subject to the demise of the Lease.

"Project Building" means that certain building and related improvements that are required by the Lease to be constructed on the Project Site, as such building and related improvements may at any time exist.

"Project Development Costs" means (i) all costs and expenses incurred in connection with the planning, development and design of the Project, including the costs of preliminary investigations, surveys, estimates and plans and specifications, (ii) the purchase price of the Project site, together with all costs of preparing and landscaping the Project Site, (iii) all costs and expenses of constructing the Project Building, including the cost to the Company of supervising construction, payments to contractors and materialmen and fees for professional or other specialized services, (iv) the costs of contract bonds and of insurance of all kinds which may be necessary or desirable in connection with the Project Development

Work and which are not paid by any contractor or otherwise provided for, (v) the purchase price of the Project Equipment (vi) all other costs which the Board shall be required to pay, under the terms of any contract or contracts, in connection with the Project Development Work, and (vii) the reimbursement to the Company of all amounts paid directly by the Company (or certain of its affiliates) in respect of any of the aforesaid costs and expenses and of all amounts advanced by the Company to the Board for the payment of such costs and expenses.

"Project Development Work" means all work and undertakings of whatever nature necessary or useful in connection with the acquisition, construction and equipping of the Project and the preparation thereof for operation as facility for the sale, assembly, overhaul and distribution of earth moving equipment, including (i) the acquisition of the Project Site and the preparation and improvement thereof to the extent that the Company deems necessary or desirable in connection with the construction of the Project Building, (ii) the planning, design and construction of the Project Building in accordance with the provisions hereof, and the acquisition and installation of the Project Equipment.

"Project Equipment" means all machinery, equipment, computers, furniture, furnishings, office equipment, tractors, loaders and other vehicles, tools and other personal property located at the Project Site and use by the Company in its business at the Project Site.

"Project Site" means (i) the parcels of land specifically described under the heading "I" in Section 3.1 hereof and (ii) any other land that under the terms hereof constitutes a part of the Project Site.

"Public Securities" means bonds, notes or other obligations of a state, territory or a possession or any political subdivision of the United States of America or any political subdivision of any of the foregoing or of the District of Columbia.

"United States Corporation" means a corporation organized under the laws of the United States of America, one of the States thereof or the District of Columbia.

Section 1.2 Use of Phrases. "Herein," "hereby," "hereunder," "hereof," "hereinbefore", "hereinafter" and other equivalent words refer to the Lease as an entirety and not solely to the particular portion in which any such word is used. The definitions set forth in Section 1.1 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.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties by the Board. The Board makes the following representations and warranties as the basis for the undertakings on its part herein:

(a) Organization. The Board is a public corporation duly organized and validly existing under the provisions of the Act, as now existing, by reason of its certificate of incorporation duly filed for record in the office of the Judge of Probate of Shelby County, Alabama; the said certificate of incorporation of the Board has not been amended, except as noted above, or revoked, and is in full force and effect. The Board is not in default under any of the provisions contained in said certificate of incorporation or in the laws of the State of Alabama. The Board has not initiated any proceedings or taken any action for its dissolution.

(b) Litigation; Observance of Orders. There are no actions, suits or proceedings pending (nor, to the knowledge of the Board, are any actions, suits or proceedings threatened) against or affecting the Board or any property of the Board in any court, or before an arbitrator of any kind, or before or by any governmental body, which might materially and adversely affect the transactions contemplated by this Lease Agreement or which might adversely affect the validity or enforceability of this Lease Agreement or any other agreement or instrument to which the Board is or is to be a party relating to the transactions contemplated by this Lease Agreement. The Board is not in default with respect to any order of any court, arbitrator or governmental body.

(c) Sale and Other Transactions are Legal and Authorized. The execution and delivery of this Lease Agreement, and the compliance with all the provisions thereof (i) are within the power and authority of the Board, (ii) will not conflict with or result in a breach of any of the provisions of, or constitute a default under, or result in or require the creation of any lien or encumbrance (other than Permitted Encumbrances) upon any property of the Board under, the Act or the certificate of incorporation of the Board, any agreement or other instrument to which the Board is a party or by which it may be bound, or any license, judgment, decree, order, law, statute, ordinance or governmental regulation applicable to the Board, and (iii) have been duly authorized by all necessary corporate action on the part of the Board.

(d) Governmental Consents. Neither the nature of the Board, nor any of its activities or properties, nor any relationship between the Board and any other Person, nor any circumstance in connection with the Lease is such as to require a consent, approval or authorization of, or filing, registration or qualification with, any governmental body on the part of the Board in connection with the execution, delivery and performance of either this Lease Agreement other than the due filing and/or recording of the deed by which the Board

acquired title to the Project Site, and the Lease.

(e) No Default. No event has occurred and no condition exists which would constitute an "Event of Default" under the Lease or which would become such an Event of Default with the passage of time or with the giving of notice or both. The Board is not in default under the Act, its certificate of incorporation, its bylaws, or any agreement or instrument to which it is a party or by which it is bound, to the extent in any such case that the default in question would adversely affect the existence of the Board, its corporate power to carry out the transactions contemplated by this Lease Agreement.

(f) No Employee Benefit Plans. There are no employee benefit plans [other than plans of a character described in Section 4021(b)(2) of ERISA] which have been established, which are maintained, or to which contributions have been made, by the Board or any of its "affiliates" as defined in ERISA or with respect to which the Board or any of such "affiliates" is (i) a "party in interest" within the meaning of Section 3(14) of ERISA or the regulations thereunder or (ii) a "disqualified person" within the meaning of Section 4975(e)(2) of the Code.

(g) Title to Project. The Board has good and marketable title to the Project Site, subject only to Permitted Encumbrances.

(h) Nature and Location of Project. The Project will consist of a "project" within the meaning of the Act, as now existing. As of the delivery of this Lease Agreement, the Project Site is located wholly within Shelby County, Alabama, is within 25 miles of the corporate limits of the Municipality and is not within the corporate limits or police jurisdiction of any other municipality.

(i) Fulfillment of Purposes of Act. The Board has determined that the issuance of the Series 1994 Bond, the performance of the Project Development Work and the leasing of the Project to the Company will promote industry, develop trade, further the use of the natural and human resources of the State of Alabama and otherwise fulfill the purposes of the Act, as now existing.

Section 2.2 Representations and Warranties by the Company. The Company makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) Organization and Qualification of Company. The Company is a corporation duly organized and validly existing under the laws of the State of Alabama. The Company has the corporate power and authority to own its properties and assets, and to carry on its business as now being conducted, and it has all requisite corporate power, to enter into this Lease Agreement and to consummate the transactions contemplated hereby.

(b) Authorization and Validity of this Lease Agreement. The Company has, by all necessary corporate action, duly authorized the execution, delivery and performance of this Lease Agreement, and when duly executed and delivered by the Board, this Lease Agreement will constitute a legal, valid and binding obligation of the Company.

(c) Burdensome and Conflicting Agreements. The Company is not a party to any instrument or agreement or subject to any judgment, order, rule or regulation of any court or governmental body which materially and adversely affects, or in the future may (so far as the Company can now foresee) materially and adversely affect, the business, prospects, operations, properties, assets or condition (financial or otherwise) of the Company. Neither the execution and delivery of this Lease Agreement, nor the fulfillment of or compliance with the terms and provisions hereof conflicts with, or results in a breach of, or constitutes a default under, or results in or requires the creation of any lien in respect of any properties or assets of the Company pursuant to, or requires any authorization, consent, approval, exemption or other action by, or any notice to, any Person (other than those already obtained, taken or made and which continue in full force and effect) pursuant to the terms, conditions or provisions of any applicable law, rule, regulation, agreement, instrument, judgment or order by which the Company is bound or to which Company or any of its properties is subject.

(d) Governmental Consents. Neither the business or property of the Company, nor any relationship between the Company and any other Person is such as to require on the part of the any consent, approval, permit, exemption, action, order or authorization of, or filing, registration or qualification with, or with respect to, any court, regulatory agency or other governmental body in connection with the execution and delivery of this Lease Agreement (other than those already obtained, taken or made and which continue in full force and effect).

(e) Litigation. There is no action, suit, inquiry, investigation or proceeding pending or overtly threatened against or affecting the Company at law or in equity or before or by any court or governmental body (nor, to the best knowledge and belief of the Company, is there any basis therefor) which might result in any material adverse change in the business, prospects, operations, properties or assets or in the condition (financial or otherwise) of the Company, or which might materially and adversely affect the transactions contemplated by this Lease Agreement, or which might impair the ability of the Company to comply with its obligations hereunder.

(f) No Defaults. No event has occurred and no condition exists which would constitute an Event of Default hereunder or which would become such an Event of Default with the passage of time or with the giving of notice or both. The Company is not in default in any respect under any agreement or other instrument to which it is a party or by which it is bound, or any judgment, order, rule or regulation of any court or other governmental body applicable to it, to the extent in any such case that the default in question would materially and adversely affect the transactions contemplated by this Lease Agreement or would

materially impair the ability of the Company to comply with its obligations hereunder.

(g) Licenses, Permits. Etc. All licenses, permits or other approvals required in connection with the acquisition, restoration, improvement and installation of the Project have been duly obtained and are in full force and effect except for any such licenses, permits or other approvals (i) which are not yet required and which will be duly obtained not later than the time required or (ii) the failure to obtain which will not materially and adversely affect the acquisition, restoration, improvement and installation of the Project.

(h) Project's Compliance with Statutes and Regulations. The operation of the Project for the purpose for which it was designed and acquired will not conflict with any zoning, planning or similar regulations applicable thereto and will comply in all material respects with all applicable statutes, regulations, orders and restrictions.

(i) Nature and Location of Project. The Project will consist of a "project" within the meaning of the Act, as now existing. As of the delivery of this Lease Agreement, the Project Site is located wholly within Shelby County, Alabama, is within 25 miles of the corporate limits of the Municipality and is not within the corporate limits or police jurisdiction of any other municipality.

(j) Inducement to Locate Project in Alabama. The undertakings by the Board to acquire, construct and equip the Project and to lease the same to the Company pursuant to this Lease Agreement have induced the Company to expand an industrial facility in the State of Alabama.

ARTICLE III

DEMISING CLAUSES

Section 3.1 **Demising Clauses.** For and during the Lease Term, the Board hereby demises and leases to the Company, subject to Permitted Encumbrances, and the Company hereby rents from the Board, subject to Permitted Encumbrances, the following described properties and related rights:

I

The parcel of land described in Exhibit A attached hereto and made a part hereof.

II

Also, the Project Building and all other buildings, structures and other improvements constituting real property now or hereafter situated on the Project Site, all permits, easements, licenses, rights-of-way, contracts, leases, privileges, immunities and hereditament pertaining or applicable to the Project Site and all fixtures now or hereafter owned by the

Board and installed on the Project Site or in the Project Building or in any of such other buildings, structures and improvement now or hereafter located on the Project Site, it being the intention hereof that all property, rights and privileges hereafter acquired for use as a part of or in connection with or as an improvement to the Project Site shall be as fully covered hereby as if such property, rights and privileges were now owned by the Board and were specifically described herein.

III

The Project Equipment.

ARTICLE IV

CONCERNING THE PROJECT DEVELOPMENT WORK

Section 4.1 Performance of the Project Development Work. Simultaneously herewith, the Board will acquire the Project Site. The Board and the Company will commence and use their best efforts to complete the Project Development Work, or to cause the same to be completed, as promptly as practicable, delays incident to strikes, riots, acts of God or the public enemy or other acts beyond the reasonable control of the Board or the Company only excepted; provided, however, that no liability on the part of the Board nor any reduction in or postponement of any rentals payable by the Company hereunder shall result from any delay in the completion of any of the Project Development Work or from the failure of such work to be completed in accordance with the plans and specifications and the directions furnished by the Company.

The Board acknowledges that the Project is to be acquired, constructed and equipped in accordance with the requirements of the Company, and it is therefore agreed and understood that the Company, at any time and from time to time after the delivery of this Lease Agreement, may cause such changes to be made in the design of the Project Building or in the design of any of other improvements to be constructed on the Project Site as it, in the exercise of its sole judgment, may deem necessary or desirable; provided, however, that the nature and character of the Project Building and such other improvements shall be such as is necessary for the Project to qualify as a "project" within the meaning of the Act. Except as provided in the foregoing provisions of this paragraph, neither the Company nor the Board will cause or permit any changes to be made in the design of the Project Building, or in the design of any other improvements to be constructed on the Project Site.

The Board will execute and deliver, or cause to be executed and delivered, all contracts, orders, requisitions, instructions and other written instruments and do, or cause to be done, all other acts or things that may be necessary or proper to carry out the Project Development Work and to perform fully its obligations under this Lease Agreement. In no event, however, will the Board hereafter enter into any contract with respect to the Project

Development Work or any part thereof unless there is endorsed thereon a legend indicating that the Company has approved both the form and substance of such contract and such legend is signed on behalf of the Company by an Authorized Company Representative.

The Board hereby appoints the Company as its true and lawful agent to act on its behalf in connection with the Project Development Work, and the Company hereby accepts such agency to act and do all things on behalf of the Board required to carry out such work to completion. The appointment of the Company to act as agent for the Board and the authority thereby conferred on the Company shall irrevocably continue in effect until the Project Development Work has been completed in every respect; provided, however, that the Board may, upon the occurrence of an Event of Default and notwithstanding the preceding provisions of this paragraph, terminate the agency relationship created hereby.

The Board and the Company shall each appoint by written instrument an agent or agents authorized to act for each respectively in any or all matters arising under the Lease which, by the specific terms of the Lease, require action by such agents. Each agent so appointed to act for the Board shall be designated an Authorized Board Representative, and each agent so appointed to act for the Company shall be designated an Authorized Company Representative. Either the Board or the Company may from time to time, by written notice to the other party hereto, revoke, amend or otherwise limit the authorization of any agent appointed by it to act on its behalf or designate another agent or agents to act on its behalf, provided that with reference to all the foregoing matters there shall be at all times at least one Authorized Board Representative authorized to act on behalf of the Board and at least one Authorized Company Representative authorized to act on behalf of the Company.

Section 4.2 [This section intentionally omitted].

Section 4.3 [This section intentionally omitted].

Section 4.4 No Warranty of Suitability by the Board. Company Required to Make Arrangements for Payment of Project Development Costs. The Company recognizes that the Project Development Work has been or is to be planned and carried out under its control and in accordance with its requirements, and the Board can, therefore, make no warranty, either express or implied, or offer any assurances that the Project resulting from the completion of such work will be suitable for the Company's purposes or needs or that the company's fund will be sufficient to pay in full all the Project Development Costs. In the event such fund are insufficient to pay all the Project Development Costs, The Company

(a) will, subject to the provisions of the second paragraph of Section 4.1 hereof, cause such changes to be made in the scope of the Project Development Work as will result in the aggregate Project Development Costs not exceeding such funds, or

(b) will itself obtain additional funds to complete the Project Development Work as originally planned,

all to the end that all obligations incurred by the Board in connection with the Project Development Work shall be paid in full and that the acquisition, restoration, improvement and installation of the Project shall be completed to the extent necessary for the Project to constitute a "project" within the meaning of the Act. The Company shall not, by reason of its direct payment of any Project Development Costs, be entitled to any reimbursement from the Board or to any diminution or postponement of any rentals payable by the Company hereunder. Further, the fact that the Company directly pays, or directly or indirectly furnishes money to the Board for the payment of, any part of the Project Development Costs shall not result in the Company's acquisition of title to any part of the Project or in the imposition of a lien in favor of the Company upon any portion of the Project, it being understood and agreed (A) that title to all the Project shall, as between the Board and the Company, be fully and solely vested in the Board and (B) that any such lien in favor of the Company that might so result is hereby expressly waived and released by the Company.

Section 4.5 Board to Pursue Rights against Suppliers and Contractors, etc. In the event of default by any supplier, contractor or subcontractor under any contract with the Board for the performance of the Project Development Work or any part thereof, the Board will, upon written request made to it by the Company, proceed, either separately or in conjunction with others, to exhaust all remedies the Board may have against such supplier, contractor or subcontractor so in default and against each surety (if any) for the performance of such contract, but all actions taken by the Board to exhaust such remedies shall be at the expense of the Company. Further, in the event the Board proceeds in an arbitration proceeding or by an action at law or in equity against any such supplier, contractor, subcontractor or surety pursuant to the provisions of this section or in the event any such supplier, contractor, subcontractor or surety brings any such proceeding or action against the Board in connection with or relating to the Project Development Work, the Board will follow all reasonable directions given to it by the Company in connection with such proceeding or action, and the Company shall have full and complete control thereof, including (without limitation) the right to select Counsel for the Board, but any Counsel so selected shall be satisfactory to the Board. The net amount recovered by the Board in any such proceeding or action shall be paid into the Construction Fund or, if such amount is recovered after the Completion Date, to the Company.

The Board hereby transfers and assigns to the Company all the Board's rights and interests in, to and under any maintenance or surety bonds or warranties respecting quality, durability or workmanship obtained by or vested in the Board in connection with the Project Development Work, and grants to the Company the right to take action, in the name of either the Board or the Company, but at the Company's sole cost and expense, for the enforcement of such bonds and warranties. The net amount recovered in any such action shall be paid into the Construction Fund or, if such amount is recovered after the Completion Date, to the Company.

Section 4.6 Certification of Completion Date. The Completion Date shall be evidenced to the Board by a certificate signed by an Authorized Company Representative stating that

(a) the acquisition, restoration, improvement and installation of the Project and all other Project Development Work have been completed in accordance with the applicable plans, specifications and directions furnished by the Company,

(b) all the Project Development Costs have been paid in full, except for amounts retained by the Bank at the Company's direction for any such costs not then due and payable or the liability for payment of which is being contested or disputed by the Company or by the Board at the Company's direction, and

(c) the Project is operational for the purpose for which it was designed.

ARTICLE V

DURATION OF LEASE TERM AND RENTAL PROVISIONS

Section 5.1 Duration of Lease Term. The Lease Term of this Lease Agreement shall begin on the date of the delivery of this Lease Agreement and, subject to the provisions of this Lease Agreement, shall continue until 11:59 o'clock, P.M., on January 10, 2005. The Board will deliver to the Company sole and exclusive possession of the Project (or such portion or portions thereof as are then in existence) on the commencement date of the Lease Term, subject to the inspection and other rights reserved in Section 8.3 hereof, and the Company will accept possession thereof at such time; provided, however, that the Board will be permitted such access to the Project as shall be necessary and convenient for it to accomplish the undertakings on its part contained in Section 4.1 hereof; and provided further, that the Board will be permitted such possession of the Project as shall be necessary and convenient for it to make any repairs, restorations, additions or improvements required or permitted to be made by the Board pursuant to the provisions of the Lease.

Section 5.2 Basic Rent. For the use and occupancy of the Project during the Lease Term, the Company will pay as Basic Rent all Project Development Costs, plus debt service on the Loan, plus \$1.00 per year.

Section 5.3 [This section intentionally omitted].

Section 5.4 Additional Rent - Board's Expenses. In addition to the Basic Rent and all other rental payments due from the Company hereunder, the Company will also pay, as additional rent, the reasonable and necessary expenses, not otherwise provided for, which

may be incurred by the Board, or for which the Board may in any way become liable, as a result of acquiring the Project and leasing the same to the Company, or being a party to the Lease; provided, however, that, as to expenses incurred after the execution hereof, so long as no Event of Default shall have occurred and be continuing, the Company's liability under this Section 5.4 shall not include expenses voluntarily incurred by the Board without prior request or approval by the Company, unless such expenses are necessary to enable the Board to perform its obligations under the Lease and the Mortgage.

Section 5.5 General Provisions Concerning Prepayment of Basic Rent. The Company shall be entitled to the use and possession of the Project without the payment of any further Basic Rent but otherwise on all the same terms and conditions of the Lease.

Section 5.6 Non-educational Ad Valorem Taxes. The Board and the Company acknowledge that, under the Act and the Tax Incentive Reform Act of 1992, Alabama Code §40-9B-1, et seq., so long as the Project is owned by the Board, the Project is exempt from non-educational ad valorem taxes for a period up to 10 years. Pursuant to the Inducement Agreement dated as of January 10, 1995, the Company has agreed to pay all educational taxes assessed against the property for a period up to 10 years.

ARTICLE VI

PROVISIONS CONCERNING MAINTENANCE, ADDITIONS, PARTY WALLS, INSURANCE AND TAXES

Section 6.1 Maintenance, Additions, Alterations, Improvements and Modifications. The Company will, at its own expense, (i) keep the Project in reasonably safe condition and (ii) keep all structures, equipment and other facilities at any time forming part of the Project in good repair and operating condition (reasonable wear and tear excepted), making from time to time all necessary and proper repairs thereto (including, without limitation, exterior and structural repairs); provided however, that the Company shall have no obligation hereunder to repair or maintain the Project after full payment of the Mortgage Indebtedness.

The Company may, at its own cost and expense, make, or cause to be made, any additions, alterations, improvements or modifications to the Project that it may deem desirable for its business purposes, provided that such additions, alterations, improvements or modifications do not change the character of the Project to such extent that it no longer constitutes a "project" within the meaning of the Act, or significantly impair the value or utility of the Project. All additions, alterations, improvements or modifications to the Project made, or caused to be made, by the Company shall

- (a) be located wholly within the boundaries of the Project Site, or

(b) be located wholly within the boundaries of other adjacent land hereafter acquired by the Board that has been subjected to the demise of the Lease, or

(c) be located wholly within the boundaries of the Project Site and such other adjacent land.

In the event that, after the completion of the acquisition, construction, improvement, equipping and installation of the Project the Company determines to make, or to cause to be made, any additions, alterations, improvements or modifications to the Project pursuant to the second paragraph of this Section 6.1, then the Board will execute and deliver, or cause to be executed and delivered, all contracts, orders, requisitions, instructions and other written instruments and do, or cause to be done, all other acts that may be necessary or proper in making such additions, alterations, improvements or modifications. In no event, however, will the Board hereafter enter into any contract with respect to any such additions, alterations, improvements or modifications unless there is endorsed thereon a legend indicating that the Company has approved both the form and substance of such contract and such legend is signed on behalf of the Company by an Authorized Company Representative. Any obligation for the payment of money incurred or assumed by the Board in connection with such additions, alterations, improvements or modifications shall be payable solely from any moneys made available to the Board by the Company for such purpose.

The Company will not permit any mechanics' or other liens to stand against the Project for labor, materials, equipment or supplies furnished in connection with the original acquisition, construction, improvement, equipping and installation of the Project or in connection with any additions, alterations, improvements, modifications, repairs or renewals that may subsequently be made thereto. The Company may, however, at its own expense and in good faith, contest any such mechanics' or other liens and in the event of any such contest may permit any such liens to remain unsatisfied and undischarged during the period of such contest and any appeal therefrom.

At any time and from time to time, the Company may, at its own cost and expense, install on or about the Project Site any equipment or other personal property which in the Company's judgment is necessary or convenient for its use and occupancy of the Project, provided that the installation of such equipment or other personal property does not significantly impair the value or utility of the Project. Any such equipment or personal property owned or leased by the Company may be removed by the Company at any time and from time to time without responsibility or accountability to the Board, but the Company shall promptly repair at its own expense any damage to the Project caused by the removal of any such equipment or other personal property.

Section 6.2 Party Wall Provisions. [This section intentionally omitted.]

Section 6.3 Taxes, Other Governmental Charges and Utility Charges. The Board and the Company acknowledge (i) that under present law of the Project, so long as it is owned

by the Board, shall be exempt from certain ad valorem taxation by the State of Alabama and its political or taxing subdivisions and that under present law none of the receipts, income or profits (if any) of the Board from the Project is subject to either federal or state taxation, and (ii) that these factors, among others, induced the Company to enter into this Lease Agreement. However, the Company will pay, as the same respectively become due,

(a) all assessments and charges lawfully made by any governmental body for public and street improvements that may be secured by a lien on the Project; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Company shall be obligated to pay only such installments as are required to be paid during any period while the Lease shall be in effect.

The Board will promptly forward to the Company any bills, statements, assessments, notices or other instruments asserting or otherwise relating to any such taxes, assessments or charges.

The Company may, at its own expense and in its own name and behalf or in the name and behalf of the Board, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless by such action the title of the Board to any portion of the Project shall be materially endangered or the Project or any part thereof shall become subject to loss or forfeiture, in which event such taxes, assessments or charges shall (unless they are bonded or are superseded) be paid prior to their becoming delinquent. The Board will cooperate fully with the Company in any such contest.

The Company will also pay, as the same respectively become due, all utility and other similar charges incurred in the operation, maintenance, use and upkeep of the Project.

Section 6.4 Insurance Required. The Company will, not later than the date of delivery of this Lease Agreement, take out and thereafter continuously maintain in effect or cause to be taken out and thereafter continuously maintained in effect, insurance with respect to the Project against such risks as are customarily insured against by Persons owning properties of like size and type as the Project, paying as the same become due all premiums with respect thereto including, but not necessarily limited to, the following:

a) comprehensive general liability insurance against liability for personal or bodily injury to or death of persons and for damage to or loss of property occurring on or about the Project Site or in any way related to the use or occupancy of the Project, and against the Company's contractual obligation of indemnity hereunder, in the minimum amounts of \$1,000,000 single limit coverage for all death and personal or bodily injury claims and property damage occurring during any annual coverage period;

(b) title insurance in an amount acceptable to the Company written by a title insurance company satisfactory to the Company.

All policies evidencing the insurance required by the terms of the preceding paragraph shall be taken out and maintained in generally recognized responsible insurance companies, qualified under the laws of the State of Alabama to assume the respective risks undertaken, shall contain an agreement on the part of the insurer issuing such policy that the same shall not be cancelled, terminated or permitted to lapse by such insurer unless thirty (30) days' prior written notice of such cancellation, termination or lapse in coverage shall have been given to the Board, and may be written with deductible amounts comparable to those on similar policies carried by Persons owning properties of like size and type as the Project. Any policy insuring against loss or damage to the Project Improvements may be adjusted by the Company and all proceeds shall be paid to the Company. The insurance required by clause (a) of the preceding paragraph shall cover the liability, in the several respects indicated, both of the Board and of the Company. Prior to the expiration or cancellation of any such policy, the Company will furnish to the Board evidence reasonably satisfactory to the Board that such policy has been renewed or replaced by another policy or that there is no necessity therefor under this Lease Agreement. Anything herein to the contrary notwithstanding, any insurance required by the provisions hereof may be evidenced by a blanket policy covering risks in addition to those hereby required to be covered, but if and only if appropriate allocation certificates and loss payable endorsements are furnished to the Board.

Section 6.5 Performance by Board of Certain Company Obligations. Reimbursement of Expenses. In the event the Company fails to take out or maintain the full insurance coverage required by this Lease Agreement, fails to pay the taxes and any charges required to be paid by this Lease Agreement at or prior to the time they are required to be paid, or fails to keep the Project in as reasonably safe condition as its operations permit and in good repair and operating condition, the Board, after first notifying the Company of any such failure on its part and after the subsequent failure by the Company to perform the obligation with respect to which it is delinquent, may (but shall not be obligated to) take out the required policies of insurance and pay the premiums on the same, pay such taxes and other charges or make such repairs as may be necessary to keep the Project in as reasonably safe condition as the Company's operations permit and in good repair and operating condition, respectively. Any amount so paid by the Board in performing any of such obligations of the Company shall become an additional obligation of the Company to the Board, and shall be repaid by the Company, together with interest thereon, from the date such amount was paid by the Board, until the date of its repayment by the Company at a per annum rate equal to one percent (1%) above the rate of interest designated by the Bank as its prime or base rate until such amount is repaid or at the maximum applicable non-usurious per annum rate of interest then permitted by the laws of the State of Alabama, whichever of the foregoing rates of interest is the lesser. Any remedy herein vested in the Board for the collection of Basic Rent shall also be available to the Board for the collection of all amounts so paid by the Board in performing any of such obligations of the Company.

Section 6.6 Compliance With Law. The Company shall comply with all applicable laws, rules, regulations and orders of any governmental authority, including, but not limited to, pollution control, tax filings and zoning regulations applicable to it or to any of its property, business operators or transactions, a breach of which could have a material adverse effect on the business of the Company.

ARTICLE VII

PROVISIONS RESPECTING DAMAGE, DESTRUCTION AND CONDEMNATION

Section 7.1 Condemnation, Damage and Destruction Provisions. [This section intentionally omitted.]

Section 7.2 Condemnation of Right to Use of the Project for Limited Period. If the use, for a limited period, of all or any part of the Project is taken under the exercise of the power of Eminent Domain, this Lease Agreement (including, without limitation, the provisions hereof relating to the payment of Basic Rent) shall continue in full force and effect.

Section 7.3 Condemnation of Company-Owned Property. The Company shall be entitled to any condemnation award or portion thereof made for damages to or the taking of its own property not included in the Project, but any condemnation award resulting from damages to or the taking of all or any part of the leasehold estate or other interest of the Company in the Project created by this Lease Agreement shall be applied in accordance with the provisions hereof. In the event of any taking which involves both the Project and property of the Company, the Company shall be responsible for all attorney's fees and other expenses properly allocable to the taking of its own property.

Section 7.4 Cooperation of the Board in the Conduct of Condemnation Proceedings. The Board will cooperate fully with the Company in the handling and conduct of any prospective or pending condemnation proceeding with respect to the Project or any part thereof and will follow all reasonable directions given to it by the Company in connection with such proceeding. In no event will the Board settle, or consent to the settlement of, any prospective or pending condemnation proceeding with respect to the Project or any part thereof without the prior written consent of the Company.

Section 7.5 Cooperation of the Board With Respect to Restoration of the Project in the Event of Casualty or Condemnation. If, as a result of the taking of title to less than substantially all the Project or the taking of the temporary use of all or any part of the Project through the exercise of the power of Eminent Domain, or if, as a result of any event causing destruction or damage to the Project or any part thereof, the Company determines, in accordance with any applicable provision of this Article VII, to acquire (by purchase,

construction or otherwise) any additional property to replace any part of the Project so taken, or to have the Project repaired, replaced, restored, modified, relocated or rearranged in order to correct or ameliorate any condition caused by such taking, damage or destruction, as the case may be, then the Board will execute and deliver, or cause to be executed and delivered, all contracts, orders, requisitions, instruction and other written instruments and do, or cause to be done, all other acts that may be necessary or proper in carrying out all such undertakings with respect to the Project. In no event, however, will the Board hereafter enter into any contract with respect to any part of such undertakings unless there is endorsed thereon a legend indicating that the Company has approved both the form and substance of such contract and such legend is signed on behalf of the Company by an Authorized Company Representative at the time acting as such under the provisions hereof. Any obligation for the payment of money incurred or assumed by the Board in connection with such undertakings shall be payable solely out of any Net Condemnation Award or Net Insurance Proceeds or from any other moneys made available to the Board by the Company under the provisions of the Lease.

Section 7.6 Provisions Relating to the Incurring of Certain Expenses. The Board will not incur any expenses in connection with the collection of any insurance proceeds or any condemnation award with respect to the Project, or any part thereof, without the prior written consent of the Company.

ARTICLE VIII

PARTICULAR COVENANTS OF THE COMPANY

Section 8.1 General Covenants. The Company will not do or permit anything to be done in or about or with respect to the Project that will affect, impair or contravene any policies of insurance that may be carried on the Project against loss or damage by fire, casualty or otherwise. The Company will, in the use of the Project and the public ways abutting the Project Site, comply in all material respects with all valid and applicable laws, ordinances, regulations or orders of all governmental authorities or agencies; provided, however, that the Company may in good faith contest the validity of any such laws, ordinances, regulations or orders or the application thereof to the Project and in the event of any such contest defer compliance therewith during the period of such contest and any appeal from any appealable decision in such contest, unless by such action the rights or interests of the Board with respect to the Project or any part thereof shall be materially endangered or impaired.

Section 8.2 Release and Indemnification Covenants. The Company releases the Board (and each director, officer, employee and agent thereof) and will indemnify and hold the Board (and each director, officer, employee and agent thereof) harmless against, any and all claims and liabilities of any character or nature whatsoever, regardless of by whom

asserted or imposed, and losses of every conceivable kind, character and nature whatsoever claimed by or on behalf of any person, firm, corporation or governmental authority, arising out of, resulting from, or in any way connected with the Project, including, without limiting the generality of the foregoing, (i) any activities relating to the performance of the Project Development Work or any part thereof and (ii) the leasing of the Project to the Company and the condition, use, possession or management of the Project during the Lease Term; provided, however, that the Company shall not be obligated to indemnify any director, officer, employee or agent of the Board against any claim, liability or loss in any way connected with the Project unless such claim, liability or loss arises out of or results from official action taken in the name and behalf of the Board by such director, officer, employee or agent.

The Company will pay or reimburse all legal or other expenses incurred by the Board (and each director, officer, employee and agent thereof), in connection with the investigation or defense of any action or proceeding, whether or not resulting in liability, with respect to any claim, liability or loss in respect of which indemnity may be sought against the Company under the provisions of this Section 8.2.

In the event that any action or proceeding is brought against any indemnifiable party (whether the Board, or any of the Board's directors, officers, employees or agents), in respect of which indemnity may be sought against the Company under the provisions of this Section 8.2, such indemnifiable party shall, as a condition of the Company's liability under the provisions of this Section 8.2, be obligated to notify promptly the Company in writing of the commencement of such action or proceeding and shall thereafter forward to the Company a copy of every summons, complaint, pleading, motion or other process received with respect to such action or proceeding. The Company may (and if so requested by such indemnifiable party, shall) at any time assume the defense of such indemnifiable party in connection with any such action or proceeding, and in such case the Company shall pay all expenses of such defense and shall have full and complete control of the conduct on the part of such party of any such action or proceeding, including, without limitation, the right to settle or compromise any claim giving rise to such action or proceeding upon such terms and conditions as the Company, in its sole discretion, shall determine and the right to select Counsel for such party. Any other provision of this Section 8.2 to the contrary notwithstanding, the Company shall not be obligated to indemnify any such indemnifiable party for any liability resulting from the settlement of any action or proceeding if such settlement was made without the Company's consent, irrespective of whether the Company had, prior to such settlement, exercised its right to assume the defense of such indemnifiable party in connection with such action or proceeding.

Nothing contained in this Section 8.2 shall be construed to indemnify the Board, or any of the Board's directors, officers, employees or agents, against, or to release any of such parties from liability for, any claim, liability or loss that may result from willful misconduct or gross negligence on the part of such parties.

Anything to the contrary in this Lease Agreement notwithstanding, the covenants of the Company contained in this Section 8.2 shall, with respect to any claim, liability or loss for which the Company is obligated to provide indemnity, remain in full force and effect after the termination of this Lease Agreement until (i) any cause of action brought in respect of such claim, liability or loss shall be barred by the applicable statute of limitations or (ii) the payment in full or the satisfaction of such claim, liability or loss, including all reasonable expenses incurred by the indemnifiable party or parties in defending against such claim, liability or loss; provided, however, that in the event any action or proceeding arguably barred by the applicable statute of limitations is brought against any indemnifiable party hereunder, the Company shall be obligated to defend such indemnifiable party with respect to such action or proceeding, all to the end that the bar of the statute of limitations may be asserted by the Company against the party bringing such action or proceeding but may not be asserted by the Company against the indemnifiable party in order to avoid performing any of its obligations under this Section 8.2.

Section 8.3 Inspection of Project. The Company will permit the Board and its duly authorized agents at all reasonable times to examine and inspect the Project or any part thereof.

ARTICLE IX

CERTAIN PROVISIONS RELATING TO ASSIGNMENT AND, SUBLEASING

Section 9.1 Provisions Relating to Assignment and Subleasing by Company. The Company may assign the Lease and the leasehold interest created thereby, and may sublease the Project or any part thereof, without the necessity of obtaining the consent of the Board; provided, however, that the Company shall not assign the Lease or the leasehold interest created thereby or sublease the Project or any part thereof if such assignment or subleasing would change the character of the Project to such an extent that any part thereof would not constitute a "project" within the meaning of the Act; provided further, that no assignee or sublessee or anyone claiming by, through or under any such assignment or sublease shall by virtue thereof acquire any rights in the Project or any part thereof greater than the rights the Company then has under the Lease and any rights such assignee or sublessee obtains hereunder shall be subject to defenses, counterclaims and rights of set-off to the same extent as rights of the Company hereunder, nor shall any such assignment or subleasing or any dealings or transactions between the Board and any sublessee or assignee in any way relieve the Company from primary liability for any of its obligations hereunder. Thus, in the event of any such assignment or subleasing, the Company shall continue to remain primarily liable for payment of the rent herein provided to be paid by it and for performance and observance of the other agreements and covenants on its part herein provided to be performed and observed by it.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Events of Default Defined. The following shall be "Events of Default" under the Lease, and the term "Event of Default" shall mean, whenever it is used in the Lease, any one or more of the following conditions or events:

(a) failure by the Company to pay any installment of Basic Rent or to make any other payment required under the terms hereof on the date that such installment or such payment shall become due and payable by the terms of the Lease, which failure shall have continued for a period of ten (10) days after written notice to the Company;

(b) failure by the Company to perform or observe any agreement or covenant on its part contained in the Lease [other than the covenants and agreements referred to in the preceding clause (a) of this section], which failure shall have continued for a period of sixty (60) days after written notice specifying, in reasonable detail, the nature of such failure and requiring the Company to perform or observe the agreement or covenant with respect to which it is delinquent shall have been given to the Company by the Board, unless (i) the Board shall agree in writing to an extension of such period prior to its expiration, or (ii) during such sixty (60) day period or any extension thereof, the Company has commenced and is diligently pursuing appropriate corrective action, or (iii) the Company is by reason of force majeure at the time prevented from performing or observing the agreement or covenant with respect to which it is delinquent;

The term "force majeure" as used herein means acts of God or the public enemy, strikes, lockouts, work slowdowns or stoppages or other labor disputes, insurrections, riots or other civil disturbances, orders of the government of the United States of America or of any state of the United States of America or of any of the departments, agencies, political subdivisions or officials of the United States of America or of any state thereof, or orders of any other civil or military authority, or partial or entire failure of public utilities, or any other condition or event beyond the reasonable control of the Company. The Company will, to the extent that it may lawfully do so, use its best efforts to remedy, alleviate or circumvent any cause or causes preventing it from performing its agreements and covenants hereunder; provided, however, that the settlement of strikes, lockouts and other labor disputes shall be entirely within the discretion of the Company, and the Company shall not be required to settle strikes, lockouts and other labor disputes by acceding to the demands of the opposing party or parties when such course is in its judgment against its best interests.

Section 10.2 Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Board may take any one or more of the following remedial

actions:

(a) re-enter and take possession of the Project, exclude the Company from possession thereof and rent the same for the account of the Company, holding the Company liable for the balance of all rent and other amounts due under the Lease;

(b) terminate the Lease, exclude the Company from possession of the Project and lease the same for the account of the Board, holding the Company liable for all rent and other amounts due under the Lease until the date such other lease is made for the account of the Board;

(c) take whatever legal proceedings may appear necessary or desirable to collect the rent then due, whether by declaration or otherwise, or to enforce any obligation, covenant or agreement of the Company under this Lease Agreement or any obligation of the Company imposed by any applicable law.

Section 10.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Board is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Lease or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Board to exercise any remedy reserved to it in this Article X, it shall not be necessary to give any notice, other than such notice as is herein expressly required.

Section 10.4 Agreement to Pay Attorneys' Fees. In the event that, as a result of an Event of Default or a threatened Event of Default by the Company, the Board should employ attorneys or incur other expenses in or about the collection of rent or the enforcement of any other obligation, covenant, agreement, term or condition of the Lease, the Company will, if the Board is successful in such efforts or if a final judgment for either is rendered by a court of competent jurisdiction, pay to the Board or both, as the case may be, reasonable attorneys' fees and other reasonable expenses so incurred by the Board.

Section 10.5 No Additional Waiver Implied by One Waiver. In the event any agreement contained in the Lease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. Further, neither the receipt nor the acceptance of any rent hereunder by the Board, shall be deemed to be a waiver of any breach of any covenant, condition or obligation herein contained or a waiver of any Event of Default even though at the time of such receipt or acceptance there has been a breach of one or more covenants, conditions or obligations on the part of the Company herein contained or an Event of Default (or both) and the Board have knowledge thereof.

ARTICLE XI

OPTIONS

Section 11.1 Option to Terminate the Lease During the Lease Term. The Company shall have the right, exercisable at its option, to cancel or terminate the Lease during the Lease Term upon compliance with the conditions specified in the succeeding provisions of this Section 11.1:

(a) The Company may cancel or terminate the Lease by giving the Board written notice of such termination not less than thirty (30) days prior to the date on which such termination is to be effective. Any cancellation or termination of the Lease as aforesaid notwithstanding, any obligations or liabilities of the Company hereunder, actual or contingent, which have arisen or before the effective date of such cancellation or termination shall remain in full force and effect.

Section 11.2 Option to Purchase. If the Company pays all rent and other amounts due hereunder, Triple S Farm, L.L.C., an affiliate of the Company, ("Triple S") shall have the right and option, hereby granted by the Board, to purchase the Project from the Board at any time during the Lease Term; at and for a purchase price of \$100 plus the cost and expenses (including, without limitation, reasonable attorneys' fees) incurred by the Board in connection with the Company's exercise of such option. To exercise any such purchase option, the Company shall notify the Board in writing not less than thirty (30) days prior to the date on which it proposes to effect such purchase and, on the date of such purchase, shall pay the aforesaid purchase price to the Board in cash or bankable funds, whereupon the Board will, by deed or other instrument complying with the provisions of Section 11.4 hereof, transfer and convey the Project (in its then condition, whatever that may be) to the Company. Nothing herein contained shall be construed to give the Company any right to any rebate to or refund of any rent paid by it hereunder prior to the exercise by it of the purchase option hereinabove granted, even though such rent may have been wholly or partially prepaid. If Triple S fails to exercise its option to purchase the Project prior to the January 10, 2005, the Company shall have an option to purchase the Project upon expiration of the lease on the terms set forth above.

Section 11.3 Option - In General. Each of the options herein granted to the Company may be exercised by it even though an Event of Default shall have occurred and be continuing, it being understood and agreed, however, that all other applicable conditions specified herein to the exercise of such option (including payment of any amounts of money herein required to be paid by the Company) are met.

In the event of the exercise by the Company of the option to purchase the Project or any part thereof granted in Sections 11.2 hereof, the Board will convey to the Company, or Triple S, as the case may be, after compliance by the Company with the conditions to purchase specified in the respectively applicable sections hereof, the property with respect

to which such option was exercised by statutory warranty deed, bill of sale (in the case of personal property) or other appropriate instrument, subject only to Permitted Encumbrances, such liens, encumbrances and exceptions to which title to such property was subject when this Lease Agreement was delivered those to the creation or suffering of which the Company consented and those resulting from the failure of the Company to perform or observe any of the agreements or covenants on its part herein contained.

In case that, at the time of the exercise by the Company or Triple S, as the case may be, of the option to purchase the Project granted in Sections 11.2 hereof, there shall not have been collected by the Board, or the Company the entire insurance proceeds or condemnation award referable to any damage, destruction or condemnation with respect to the Project which may have theretofore occurred, then in such case all Net Insurance Proceeds and all Net Condemnation Awards thereafter collected and referable to such damage, destruction or condemnation shall be paid to the Company, or Triple S, as the case may be. and the Board will take all actions necessary to cause the amount of any such proceeds or awards to be paid to the Company or Triple S, as the case may be. The provisions of this paragraph shall survive the expiration of the term of the Lease or any prior termination of the Lease unless at the time of such expiration or termination the Company is in default in the payment of any amounts of money herein required to be paid by it.

ARTICLE XII

MISCELLANEOUS

Section 12.1 Covenant of Quiet Enjoyment. So long as the Company performs and observes all the covenants and agreements on its part herein contained, it shall peaceably and quietly have, hold and enjoy the Project during the Lease Term, subject to all the terms and provisions hereof. At the end of the Lease Term or upon any prior termination of the Lease, the Company will surrender to the Board possession of all property then subject to the demise hereof (unless it is simultaneously purchasing such property from the Board) in its then condition, whatever that may be.

Section 12.2 Retention of Title to Project by Board. Without the prior written consent of the Company, the Board will not itself, so long as no Event of Default shall have occurred and be continuing, (i) sell, convey or otherwise dispose of all or any part of the Project (except to the Company as hereinabove provided) or (ii) except as provided in Section 9.2 hereof, mortgage or otherwise encumber the Project or any part thereof. The Board will, however, grant such utility, access and other similar easements, permits and rights-of-way over, across or under the Project Site as shall be requested in writing by the Company, provided that in connection with the grant of each such easement, permit or right-of-way the Company furnishes to the Board a certificate signed by an Authorized Company Representative stating that such easement, permit or right-of-way is, or will be, useful or necessary in the use of the Project and will not materially interfere with or impair the use of the Project for the purpose for which it was acquired or is held by the Board. The

Company will pay all reasonable expenses incurred by the Board in connection with the granting of all such easements, permits and rights-of-way.

Section 12.3 [This Section intentional left blank]

Section 12.4 Statement of Intention Regarding Certain Tax Matters. The Board and the Company acknowledge and agree that it is their mutual intention that the Company, for federal and state income tax purposes, will be entitled to all deductions and credits with respect to the Project (including, but not limited to, depreciation and investment credits) and that for such purposes the Lease will be deemed to be a financing of the Project. The Board shall execute such documents as the Company may reasonably request in order to make available to the Company said deductions and credits.

Section 12.5 Notices. All notices, demands, requests and other communications hereunder shall be deemed sufficient and properly given if in writing and delivered, or sent by registered mail, postage prepaid, to the following addresses:

(a) If to the Board:

The Industrial Development Board
of the City of Pelham
City Hall
Pelham, Alabama
Attention: Chairman of the Board of Directors

(b) If to the Company:

Rainbow Technology Corporation
Post Office Box 26445
Birmingham, Alabama 35226
Attention: President

Any of the above mentioned parties may, by like notice, designate any further or different addresses to which subsequent notices shall be sent. Any notice hereunder signed on behalf of the notifying party by a duly authorized attorney at law shall be valid and effective to the same extent as if signed on behalf of such party by a duly authorized officer or employee.

Whenever, under the provisions hereof, any request, consent or approval of the Board or the Company is required or authorized, such request, consent or approval shall (unless otherwise expressly provided herein) be signed on behalf of the Board by an Authorized Board Representative and, on behalf of the Company by an Authorized Company Representative; and each of the parties are authorized to act and rely upon any such requests, consents or approvals so signed.

Section 12.6 Certain Prior and Contemporaneous Agreement Cancelled. The Lease shall completely and fully supersede all other prior or contemporaneous agreements, both written and oral, between the Board and the Company relating to the Project Development Work and the leasing of the Project all to the end that the Board and the Company shall look to the Lease for ultimate definition and determination of their respective rights, liabilities and responsibilities respecting the Project Development Work and the Project. The Company and the Board acknowledge that they have no outstanding agreement, commitment or understanding, either express or implied, for the grant to the Company of any option to purchase the Project or any part thereof or of any option to renew the term of the Lease, other than those options to purchase the Project contained in Article XI hereof.

Section 12.7 Limited Liability of Board. The Board is entering into this Lease Agreement pursuant to the authority conferred upon it by the Act. No provision hereof shall be construed to impose a charge against the general credit of the Board or any personal or pecuniary liability upon the Board except with respect to the proper application of moneys made available by the Company to the Board pursuant to the provisions hereof, and the revenues and receipts to be derived from any leasing or sale of the Project, including insurance proceeds and condemnation awards. Further, none of the directors, officers, employees or agents (other than the Company or any of its partners as agents of the Board in connection with the Project) of the Board shall have any personal or pecuniary liability whatever hereunder or any liability for the breach by the Board of any of the agreements on its part herein contained. Nothing contained in this section, however, shall relieve the Board from the observance and performance of the several covenants and agreements on its part herein contained or relieve any director, officer, employee or agent of the Board from performing all duties of his respective office that may be necessary to enable the Board to perform the covenants and agreements on its part herein contained.

Section 12.8 Binding Effect. The Lease shall inure to the benefit of, and shall be binding upon, the Board, the Company and their respective successors and assigns.

Section 12.9 Severability. In the event any provision of the Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof. Without in any way limiting the generality of the foregoing, the Company specifically acknowledges and agrees that the several purchase options granted it herein are fully severable from and independent of the other provisions hereof and that neither the invalidity or unenforceability of any of such purchase

or renewal options shall invalidate or render unenforceable any other provision hereof nor excuse the Company from fully performing and observing any of the agreements and covenants on its part herein contained, including but not limited to its obligation to pay in full the Basic Rent and all additional rent hereunder.

Section 12.10 **Article and Section Captions.** The article and section headings and captions contained herein are included for convenience only and shall not be considered a part hereof or affect in any manner the construction or interpretation hereof.

Section 12.11 **Governing Law.** This Lease Agreement shall in all respects be governed by and construed in accordance with the laws of the State of Alabama.

IN WITNESS WHEREOF, the Board has caused this Lease Agreement to be executed in its corporate name, has caused its corporate seal to be hereunder affixed, and has caused this Lease Agreement to be attested, all by its duly authorized officers, and the Company has caused this Lease Agreement to be executed by its officers, all in multiple counterparts, each of which shall be deemed an original, and the parties hereto have caused this Lease Agreement to be dated as January 10, 1995 although executed and delivered by both said parties on January __, 1995.

**THE INDUSTRIAL DEVELOPMENT
BOARD OF THE CITY OF PELHAM, ALABAMA**

By: *Daniel M. Smith*
Its *Chairman*

Date of Execution: _____

ATTEST:

By: _____
Its _____

**RAINBOW TECHNOLOGY CORPORATION,
an Alabama Corporation**

By: *Ronald W. Stoker*
Its *VICE PRESIDENT OF ADMINISTRATION*

Date of Execution: *1/31/95*

ATTEST:
By: *Loree B. Turner*
Its *President*

STATE OF ALABAMA

JEFFERSON COUNTY

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Daniel M. Spiller, whose name as Chairman of the Board of Directors of **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF PELHAM**, a public corporation and instrumentality under the laws of the State of Alabama, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

GIVEN under my hand and seal, this 30th day of January, 1995.

Judy A. Knight
Notary Public

My Commission Expires: 2-25-95

STATE OF ALABAMA

JEFFERSON COUNTY

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that DORIS B. TURNER, whose name as President of **RAINBOW TECHNOLOGY CORPORATION**, a corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

GIVEN under my hand and seal, this ___ day of January, 1995.

Brenda Robbins
Notary Public

My Commission Expires: May 1, 1996

EXHIBIT A

**to
LEASE AGREEMENT
between
THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF PELHAM
and
RAINBOW TECHNOLOGY CORPORATION
dated as of January 10, 1995**

Lots 5,6,7 and 8 according to the map and survey of River Oaks as recorded in Map Book 18, Page 70 in the Probate Office of Shelby County, Alabama; being situated in Shelby County, Alabama.

Inst # 1995-07867
03/28/1995-07867
11:37 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
030 SNA 87.00