

77-51241

Inst # 1999-51877

ASSIGNMENT OF LEASE AND EQUITY IN PROJECT

THIS ASSIGNMENT is made this the 22<sup>nd</sup> day of December, 1999 by and between Shelby Steel -- Vincent, Inc., an Alabama corporation (the "Assignor"), Shelby Steel, LLC, an Alabama limited liability company, (the "Assignee") and The Industrial Development Board of the Town of Vincent (the "Board").

W I T N E S S E T H

WHEREAS, The Industrial Development Board of the Town of Vincent (the "Board") and Southeastern Porcelian & Construction Company, Inc. ("Southeastern Porcelain") did enter into a Lease Agreement dated November 1, 1976 (the "Lease"), as recorded in Deed Book 302, Page 618 et seq., in the Office of the Judge of Probate of Shelby County, Alabama, wherein the Board leased to Southeastern Porcelain certain real property, improvements and equipment located in the Town of Vincent and described on Exhibit "A" attached hereto for use as an industrial facility (the "Project"); and

WHEREAS, Southeastern Porcelain assigned its rights under the Lease to Shelby Steel Fabricators, Inc., an Alabama corporation pursuant to that certain Assignment and Assumption of Lease Agreement between Southeastern Porcelain and Shelby Steel Fabricators, Inc. dated August 23, 1979 and recorded in the Probate Office of Shelby County, Alabama, at Book 32, Page 283; and

WHEREAS, Shelby Steel Fabricators, Inc. duly extended the term of the Lease in accordance with the Lease on June 27, 1991; and

WHEREAS, Shelby Steel Fabricators, Inc. assigned its rights under the Lease to Assignor pursuant to that certain Assignment and Assumption of Lease Agreement between Shelby Steel Fabricators, Inc. and Assignor dated January 3, 1997 and recorded in the Probate Office of Shelby County, Alabama, at Instrument No. 1997-00632; and

WHEREAS, the Board issued its Revenue Bonds (Southeastern Porcelain & Construction Company Project) Series 1976, in the aggregate principal amount of \$650,000 (the "Bonds"), pursuant to a Mortgage and Trust Indenture, dated November 1, 1976 (the "Indenture"), as recorded in the Office of the Judge of Probate of Shelby County, Alabama, between the Board and Birmingham Trust National Bank, as trustee (the "Trustee"), for the purpose of acquiring, constructing and equipping the Project; and

WHEREAS, it is the desire of the Assignor to sell, transfer and convey all of Assignor's interest in the Lease and the Project to the Assignee, and it is the desire of the Assignee to acquire the same from the Assignor.

NOW, THEREFORE, in consideration of the premises, the

12/23/1999-51877  
03:58 PM CERTIFIED  
SHELBY COUNTY JUDGE OF PROBATE  
OSB WMS  
151.00

assumption by the Assignee of all of Assignor's obligations, under the Lease arising after the date hereof, and \$10.00 in hand paid by Assignee to Assignor, and other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Assignor do hereby assign to the Assignee the following interests of the Assignor:

1. All right, title and interest of Assignor under the Lease and in and to the Project, including but not limited to the Assignor's option to purchase the Project after payment of the Bonds as provided in Article 9 of the Lease.

2. The Assignor's right to any equity in the Project.

3. The Assignor hereby covenants and warrants that no event of default currently exists under the Lease and no event has occurred which with the passage of time would constitute an event of default under the Lease.

4. The Assignee hereby assumes any and all obligations of the Assignor under the Lease. The Board hereby releases the Shelby Steel Fabricators, Inc. and the Assignor from any and all obligations under the Lease and the Board agrees to look solely to the Assignee to perform any such obligations.

IN WITNESS THEREOF, the Assignor, the Assignee and the Board have caused this Assignment to be executed, attested, sealed and witnessed, all by their duly authorized officers, and have caused this document to be dated this the 22<sup>nd</sup> day of December, 1999.

ATTEST:

By: Harry M. Doree  
Its: SECRETARY

SHELBY STEEL - VINCENT

By: Harold Eugene  
Its: PRESIDENT

WITNESS  
ATTEST:

By: Peter J. Hardin  
Its: PETER J. HARDIN

SHELBY STEEL, LLC

By: W. M.  
Its: MANAGER

ATTEST:

By: W. M. Loring  
Its: Secretary

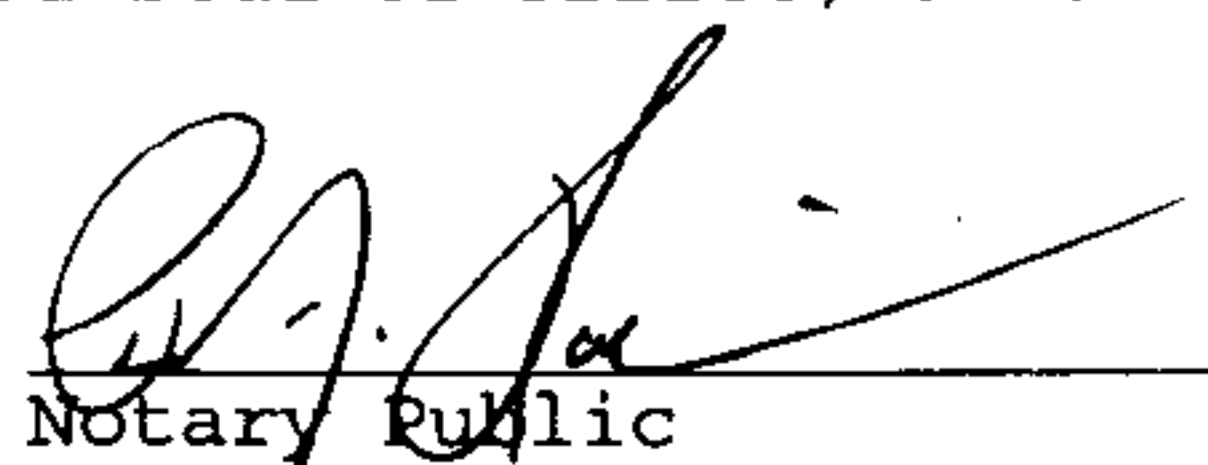
THE INDUSTRIAL DEVELOPMENT  
BOARD OF THE TOWN OF VINCENT

By: W. M. Loring  
Its: Chairman

STATE OF ALABAMA     )  
                                  )  
Jefferson COUNTY )

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Harold Ridgeway, whose name as President of Shelby Steel - Vincent, Inc., an Alabama corporation, is signed to the foregoing instrument, and who is known to me, and known to me to be such officer, acknowledged before me on this day that, being informed of the contents of the within instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of the said corporation.

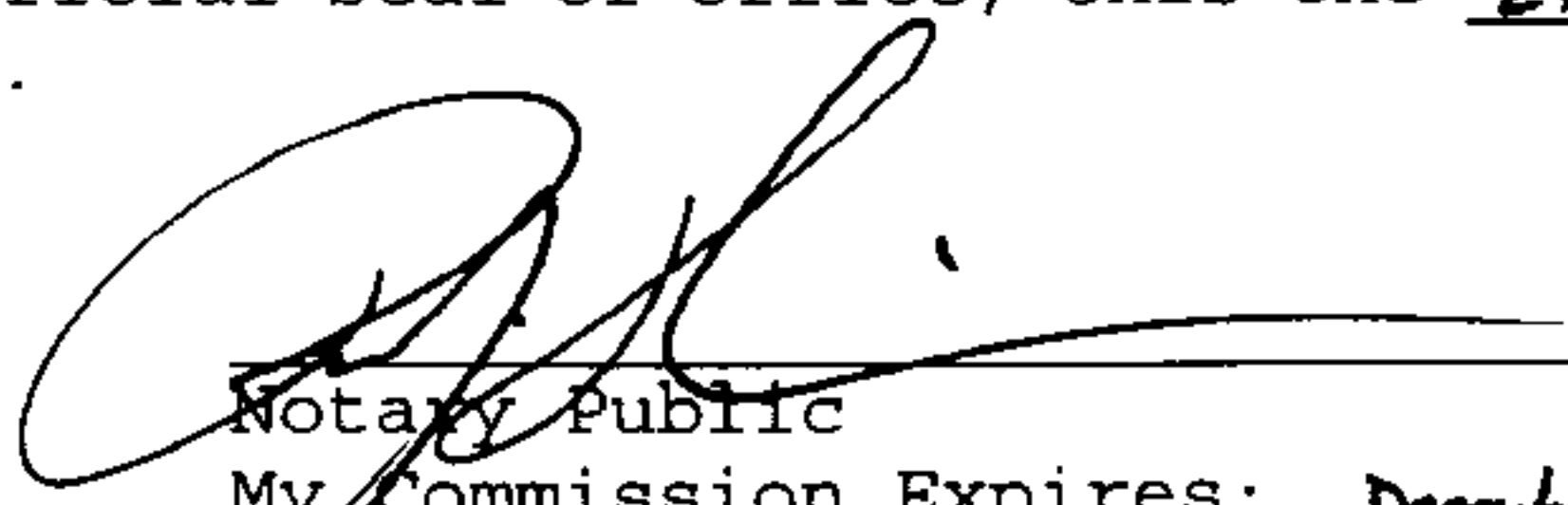
Given under my hand and official seal of office, this the 22<sup>nd</sup> day of December, 1999.

  
\_\_\_\_\_  
Notary Public  
My Commission Expires: December 30, 2002

STATE OF Alabama     )  
                                  )  
Jefferson COUNTY )

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Hewes T. Hull, whose name as Manager of Shelby Steel, LLC, an Alabama limited liability company, is signed to the foregoing instrument, and who is known to me, and known to me to be such member, acknowledged before me on this day that, being informed of the contents of the within instrument, he, as such member and with full authority, executed the same voluntarily for and as the act of the said limited liability company.

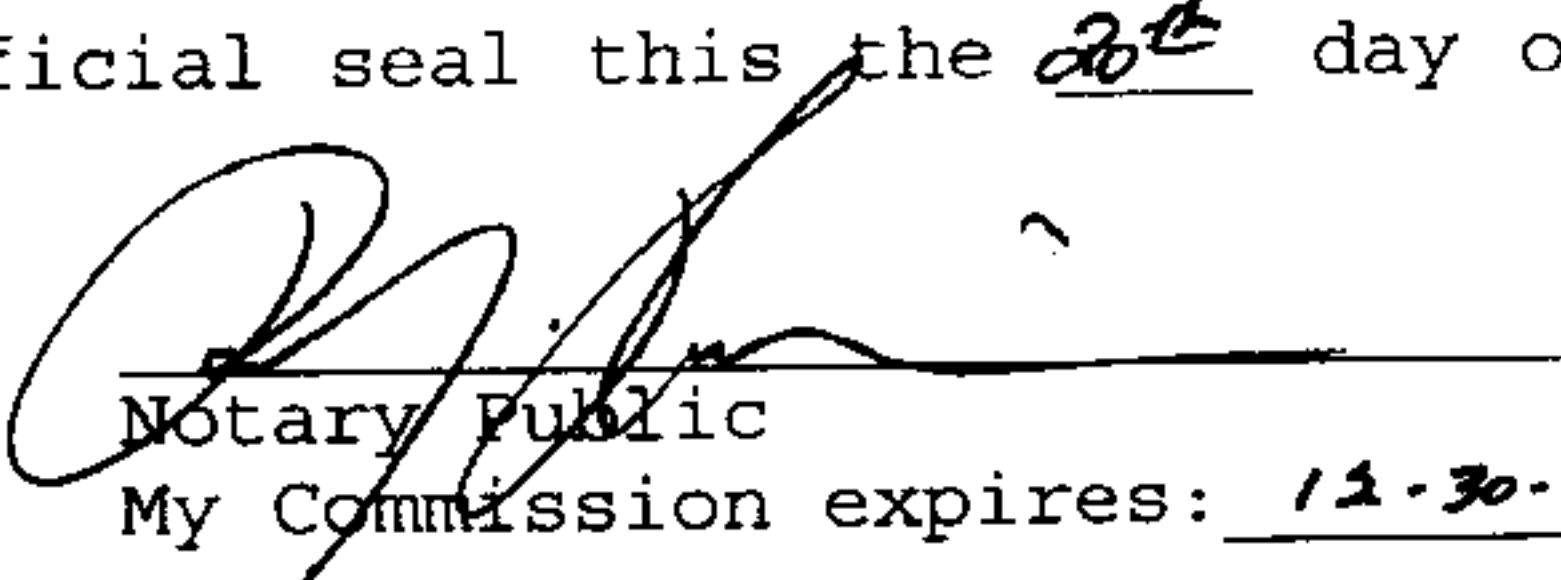
Given under my hand and official seal of office, this the 21<sup>st</sup> day of December, 1999.

  
\_\_\_\_\_  
Notary Public  
My Commission Expires: December 30, 2002

STATE OF Alabama )  
COUNTY OF Shelby )

I, the undersigned, a Notary Public in and for said County in said State, do hereby certify that Calvin Smith, whose name as Chairman of The Industrial Development Board of the Town Vincent, a public corporation, is signed to the foregoing instrument, and who is known to me, and known to be such officer, acknowledged before me on this day that being informed of the contents of said instrument, (s)he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this the 20<sup>th</sup> day of December, 1999.

  
Notary Public

My Commission expires: 12-30-2002

This Instrument prepared by:

Johnnie F. Vann  
Sirote & Permutt, P.C.  
200 Clinton Avenue  
AmSouth Center, Suite 1000  
P. O. Box 18248  
Huntsville, Alabama 35804

"EXHIBIT "A"



Executed in 5<sup>th</sup> Counterparts of  
Which This is Counterpart # 4

**LEASE AGREEMENT**

**between**

**THE INDUSTRIAL DEVELOPMENT BOARD OF THE TOWN OF VINCENT**

**and**

**SOUTHEASTERN PORCELAIN & CONSTRUCTION COMPANY, INC.**

**Dated as of November 1, 1976**

---

**Relating to**

**\$650,000**

**THE INDUSTRIAL DEVELOPMENT BOARD OF THE TOWN OF VINCENT**

**FIRST MORTGAGE INDUSTRIAL REVENUE BONDS  
(Southeastern Porcelain & Construction Company Project)  
Series 1976**

**Dated November 1, 1976**

TABLE OF CONTENTS\*

to  
LEASE AGREEMENT  
between  
THE INDUSTRIAL DEVELOPMENT BOARD OF THE TOWN OF VINCENT  
and  
SOUTHEASTERN PORCELAIN & CONSTRUCTION COMPANY, INC.

---

	<u>PAGE</u>
Parties . . . . .	1

ARTICLE I

DEFINITIONS AND USE OF PHRASES

Section 1.1	Definitions. . . . .	1-5
Section 1.2	Use of Phrases . . . . .	5

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1	Representations by the Board . . . .	5-6
Section 2.2	Representations and Warranties by the Company . . . . .	6-7

ARTICLE III

DEMISING CLAUSES

Section 3.1	. . . . .	7-8
-------------	-----------	-----

ARTICLE IV

CONCERNING THE PLANT AND  
THE LEASED EQUIPMENT

Section 4.1	Agreement to Complete the Construction of the Plant, the Acquisition and Installation of the Leased Equipment. . . . .	8-9
Section 4.2	Agreement to Issue Bonds. . . . .	9
Section 4.3	No Warranty of Suitability by Board. Company Required to Bear Certain Costs in Cer- tain Events. . . . .	10

---

\* The Table of Contents appears here for convenience and shall not be considered a part of the Lease Agreement.

Section 4.4	Board to Pursue Rights against Contractors, etc. . . . .	10
Section 4.5	Completion Certificate. . . . .	11
Section 4.6	Supplemental Agreement on Completion. . . . .	11

## ARTICLE V

### DURATION OF TERM AND RENTAL PROVISIONS

Section 5.1	Duration of Term. . . . .	11-12
Section 5.2	Rental Provisions. . . . .	12-13
Section 5.3	Obligation of Company Unconditional. . . . .	13-14

## ARTICLE VI

### MAINTENANCE, TAXES AND INSURANCE

Section 6.1	Maintenance, Additions, Alterations, Improvements and Modifications. . . . .	14-15
Section 6.2	Party Wall Provisions. . . . .	15-17
Section 6.3	Removal of Leased Equipment. . . . .	17-20
Section 6.4	Taxes, Other Governmental Charges and Utility Charges. . . . .	20-21
Section 6.5	Insurance Required. . . . .	21-23
Section 6.6	Performance by Board or Trustee of Certain Company Obligations. Reimbursement of Expenses. . . . .	23

## ARTICLE VII

### PROVISIONS RESPECTING DAMAGE, DESTRUCTION AND CONDEMNATION

Section 7.1	Damage and Destruction Provisions. . . . .	23-26
Section 7.2	Condemnation Provisions. . . . .	26-28
Section 7.3	Condemnation of Right to Use of the Project for Limited Period. . . . .	28-29
Section 7.4	Condemnation of Company-Owned Property. . . . .	29-30
Section 7.5	Provisions Relating to the Incurring of Certain Expenses after Bonds Paid. . . . .	30



## ARTICLE VIII

### PARTICULAR COVENANTS OF THE COMPANY

Section 8.1	General Covenants. . . . .	30
Section 8.2	Release and Indemnification Covenants. . . . .	30-31
Section 8.3	Inspection of Project. . . . .	31
Section 8.4	Agreement to Maintain Cor- porate Existence. . . . .	31-32
Section 8.5	Maintenance of Existence and Qualification in Alabama. . . . .	32
Section 8.6	Annual Audits. . . . .	32-33
Section 8.7	Concerning Certain Actions Un- der the Indenture. . . . .	33
Section 8.8	Further Assurances. . . . .	33

## ARTICLE IX

### CERTAIN PROVISIONS RELATING TO ASSIGNMENT, SUBLEASING AND MORTGAGING AND TO THE BONDS

Section 9.1	Provisions Relating to Assign- ment and subleasing by Com- pany. . . . .	33-34
Section 9.2	Mortgaging of the Project by Board. . . . .	34-35
Section 9.3	Prepayment of Basic Rent. . . . .	35
Section 9.4	References to Bonds Ineffec- tive after Bonds Paid. . . . .	35
Section 9.5	Concerning Issuance of Addi- tional Parity Bonds. . . . .	36
Section 9.6	Disposition of Trust Fund Mon- eys after Payment of Bonds. . . . .	36

## ARTICLE X

### EVENTS OF DEFAULT AND REMEDIES

Section 10.1	Events of Default Defined. . . . .	37-38
Section 10.2	Remedies on Default. . . . .	38-39
Section 10.3	No Remedy Exclusive. . . . .	39
Section 10.4	Agreement to Pay Attorneys' Fees. . . . .	39-40
Section 10.5	No Additional Waiver Implied by One Waiver. . . . .	

## ARTICLE XI

### OPTIONS

Section 11.1	Option to Purchase - Casualties. . . . .	40-42
Section 11.2	Option to Renew. . . . .	43

Section 11.3	Option to Purchase Portions of Site. . . . .	43-44
Section 11.4	Option to Purchase. . . . .	44-45
Section 11.5	Options - In General. . . . .	45

## ARTICLE XII

### MISCELLANEOUS

Section 12.1	Covenant of Quiet Enjoyment. Surrender. . . . .	45
Section 12.2	Retention of Title to Project by Board. . . . .	45-46
Section 12.3	This Lease a Net Lease. . . . .	46
Section 12.4	Notices, Consents, Etc. . . . .	46-47
Section 12.5	Certain Prior and Contempo- raneous Agreements Can- celled. . . . .	47
Section 12.6	Limited Liability of Board. . . . .	47
Section 12.7	Concerning the Guaranty of R. Wayne Duke and Donald Howse. . . . .	47-48
Section 12.8	Binding Effect. . . . .	48
Section 12.9	Severability. . . . .	48
Section 12.10	Article and Section Captions. . . . .	48
Section 12.11	Governing Law. . . . .	48
Testimonium. . . . .		48-49
Signatures. . . . .		49
Acknowledgements. . . . .		50
Exhibit A. . . . .		51

LEASE AGREEMENT between THE INDUSTRIAL DEVELOPMENT BOARD OF THE TOWN OF VINCENT, a public corporation organized under the laws of the State of Alabama, party of the first part, and SOUTHEASTERN PORCELAIN & CONSTRUCTION COMPANY, INC., a corporation organized under the laws of the State of Alabama, party of the second part,

W I T N E S 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:

"Additional Bonds" means those authorized to be issued in Article VIII of the Indenture.

"Affiliate" means any person, firm or corporation controlled by, or under common control with, the Company and any person, firm or corporation controlling the Company, and includes R. Wayne Duke and Donald Howse, the guarantors of the obligations of the Company hereunder.

"Authorized Board Representative" means the person or persons at the time designated as such by written certificate furnished to the Company and the Trustee, 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 the Directors, by its Secretary or by its Treasurer; provided however, that no officer or employee of the Company or any Affiliate may at any time 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 and the Trustee, containing the specimen signature or signatures of such person or persons and signed on behalf of the Company by

its President, by any Vice President thereof, by its Secretary, or by its Treasurer.

"Basic Rent" means the cash rental payable by the Company pursuant to the provisions of the first paragraph of Section 5.2 hereof and any other sums 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, and (ii) any public corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party as provided in Section 11.6 of the Indenture.

"Bond Anticipation Notes" means the following 8% Industrial Revenue Bond Anticipation Notes, Southeastern Porcelain & Construction Series, of the Board, each of which was issued pursuant to the Construction Financing Agreement, and is now outstanding in the principal amount shown opposite its date and number:

<u>No.</u>	<u>Date</u>	<u>Principal Amount</u>
1	July 14, 1976	\$200,000
2	August 20, 1976	100,000
3	October 1, 1976	250,000

"Bond Fund" means the Southeastern Porcelain & Construction Company Bond Principal and Interest Fund created in Section 10.1 of the Indenture.

"Bonds" means those certain First Mortgage Industrial Revenue Bonds (Southeastern Porcelain & Construction Company Project), Series 1976, to be dated November 1, 1976, and authorized to be issued under the Indenture in the principal amount of \$650,000.

"Certified Resolution" means a resolution adopted by the Board of Directors of the Company and certified by the Secretary or an Assistant Secretary of the Company to be true, correct and in full force and effect.

"Company" means (i) the party of the second part hereto and its successors and assigns, and (ii) any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party as provided in Section 8.4 hereof.

"Construction Fund" means the Southeastern Porcelain & Construction Company Project Construction Fund created in Section 9.2 of the Indenture.

"Construction Financing Agreement" means that certain Construction Financing Agreement dated as of June 1, 1976, among the Board, the Company and Birmingham Trust National Bank, Birmingham, Alabama.

"Counsel" means any attorney duly admitted to practice before the highest court in the State of Alabama.

"Indenture" means the Mortgage and Trust Indenture between the Board and Birmingham Trust National Bank (a national banking association having its principal place of business in the City of Birmingham, Alabama) dated as of November 1, 1976, under which (i) the Bonds are authorized to be issued, and (ii) the Board's interest in this Lease Agreement and the revenues and receipts to be derived by the Board from any leasing or sale of the Project are to be assigned, and the Project is to be mortgaged, as security for payment of the principal of and the interest (and premium, if any) on the Bonds, as said Mortgage and Trust Indenture now exists and as it may hereafter be supplemented and amended.

"Independent Counsel" means an attorney duly admitted to practice before the highest court in the State of Alabama and not employed full-time by the Board, the Company or an Affiliate.

"Inducement Agreement" means that certain letter agreement between the Board and the Company that was executed on behalf of the Board and the Company on May 17, 1976.

"Leased Equipment" means that machinery and equipment demised to the Company by Article III of this Lease Agreement and generally described on Exhibit "A" hereto and any other machinery and equipment that, under the provisions hereof, is to constitute part of the Leased Equipment.

"Municipality" means the Town of Vincent, Alabama, and 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 awarded as compensation for any part of the Project taken under the exercise of the power of eminent domain plus damages to any part not taken, less and except (i) any portion thereof to which the Company is entitled under the provisions of Section 7.4 hereof, and (ii) all attorneys' fees and other expenses incurred in the condemnation proceeding with respect to which such award was made (other than those paid directly by the Company or deducted, pursuant to the provisions of said Section 7.4, from that portion of the award to which the Company is entitled under the provisions thereof).

"Net Insurance Proceeds" means the total insurance proceeds recovered by the Board, the Company and the Trustee 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 of the Trustee) incurred in the collection of such proceeds.

"Permitted Encumbrances" means, as of any particular time, (i) liens for ad valorem taxes and special assessments not then delinquent, (ii) this Lease Agreement, (iii) utility, access and other easements and rights-of-way, mineral rights, restrictions and exceptions that will not materially interfere with or impair the operations being conducted in or about the Plant (or, if no operations are being conducted in or about the Plant, the operations for which the Plant was designed or last modified), (iv) any inchoate mechanic's, materialman's, supplier's or vendor's lien or other right to a purchase money security interest if payment is not yet due and payable under the contract giving rise to such lien or right, and (v) such other minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title (including zoning and other similar restrictions and regulations) as customarily exist with respect to properties similar in character to the Project and as do not in the aggregate materially impair the use of the property affected thereby for the purpose for which it was acquired or is held by the Board.

"Plant" means that certain plant for the fabrication and processing of metals and metal products which is required by Section 4.1 hereof to be constructed on the Site, as said plant may at any time exist.

"Primary Term" means the period beginning on the date of the delivery of these presents and continuing until 11:59 o'clock, P. M., on November 1, 1991.

"Project" means the Site, the Plant and the Leased Equipment, as they may at any time exist, and all other property and rights referred to or intended so to be in the demising clauses hereof or in any way subject to the demise hereof.

"Project Development Costs" means the cost of acquiring the real property described in the demising clauses hereof, the costs of constructing the Plant and of acquiring and installing the Leased Equipment referred to under the caption "II" in Section 3.1 hereof, the expenses incurred in connection with the issuance and sale of the Bonds (including the initial charge of the Trustee and the fiscal, legal, printing, advertising, recording and other similar fees and expenses relating thereto), and all costs and expenses incurred in connection with and directly related to the planning, development and design of the Plant and said Leased Equipment.

"Site" means the real property specifically described in the demising clauses hereof (to the extent that at the time it is subject to the demise hereof) and any other real property that under the terms hereof constitutes a part of the Site.



"Trustee" means the Trustee at the time serving as such under the Indenture.

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

Section 1.2 Use of Phrases. "Herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Lease Agreement 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 by the Board. The Board makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Board is duly incorporated under the provisions of Act No. 648 enacted at the 1949 Regular Session of the Legislature of Alabama, as amended, by Certificate of Incorporation duly filed for record in the office of the Judge of Probate of Shelby County, Alabama; it has not amended its said Certificate of Incorporation; and it is not in default under any of the provisions contained in said Certificate of Incorporation or in the laws of Alabama;

(b) The Site, the Plant and the Leased Equipment will together constitute a "project" within the meaning of said Act;

(c) The Board has good and marketable title to the real property specifically described in the demising clauses hereof, subject only to Permitted Encumbrances; all said real property is located wholly within the corporate limits of the Municipality; and no part thereof is located within the corporate limits or the police jurisdiction of any other incorporated municipality;

(d) Neither the construction of the Plant nor the installation of any of the Leased Equipment was begun prior to May 17, 1976, the date on which the Inducement Agreement was executed on behalf of the Board and the Company;

(e) Under the provisions of the said Act (as amended), the Board has the power to enter into the transactions contemplated by this Lease Agreement and to carry out its obligations hereunder;

(f) The execution and delivery of this Lease Agreement on its part have been duly authorized by all necessary corporate action; and

(g) One of the principal inducements to the purchase of the Bonds by the original purchaser thereof from the Board, and by subsequent purchasers thereof (if any), is that under existing law the interest income thereon is exempt from Federal income taxation [except to the extent provided in Section 103(c)(7) of the Internal Revenue Code of 1959, as amended].

**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) The Company is a corporation duly incorporated under the laws of Alabama, is in good standing as such, and has power to enter into, and to perform and observe the agreements and covenants on its part contained in, this Lease Agreement;

(b) Neither the execution and delivery of this Lease Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions hereof, conflict or will conflict with, or result or will result in a breach of, any of the terms, conditions or provisions of any corporate restriction or limitation or any agreement, instrument or court or other governmental order to which the Company is now a party or by which it is bound, or constitute or will constitute a default under any of the foregoing;

(c) Neither the construction of the Plant nor the acquisition or installation of any of the Leased Equipment was begun prior to May 17, 1976 (the date on which the Inducement Agreement was executed on behalf of the Board and the Company), and the plant that is presently being constructed and equipped on the real property described in the demising clauses hereof is the same as that referred to in the Inducement Agreement and in the Construction Financing Agreement;

(d) The "principal user" of the Project is and will be the Company or a "related person" [as the terms "principal user" and "related person" are defined and used in Section 103(c)(6) of the Internal Revenue Code of 1954, as amended] and no other person, firm or corporation;

(e) No state, territory or possession of the United States, nor any political subdivision of any such state, territory or possession, nor the District of Columbia, has, since April 30, 1968, issued any obligations the proceeds of which are to be or have been used primarily with respect to any facilities (i) that are located within the corporate limits of the Municipality, and (ii) the "principal user" of which facilities was, is or will be the Company or one or more "related persons" [as the terms "principal user" and "related person" are defined and used in Section 103(c)(6) of the Internal Revenue Code of 1954, as amended], and for purposes of this subsection (e), a contiguous or integrated facility located on both sides of the border between any two or more political jurisdictions shall be considered as being located wholly within each such political jurisdiction;

(f) The construction of the Plant by the Board and the acquisition and installation on its part of the Leased Equipment and the leasing of all thereof (along with the real property described in the demising clauses hereof) to the Company will induce the Company to locate, in the State of Alabama, a new plant for the fabrication and processing of metals and metal products; and

(g) The execution and delivery of this Lease Agreement on its part have been duly authorized by all necessary corporate action.

### ARTICLE III

#### DEMISING CLAUSES

Section 3.1 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, for and during the Primary Term, the following:

#### I

The following described real property situated within the corporate limits of the Municipality in Shelby County, Alabama:

Begin at the southeast corner of the southwest 1/4 of the northeast 1/4, Section 23, Township 19 South, Range 2 East, thence run west along the south line of said quarter-quarter section a distance of 356.27 feet; thence turn an angle of 68° 39' 10" to the right and run a distance of 713.02 feet to the north line of the south 1/2 of the south 1/2 of said northeast 1/4; thence turn an angle of 111° 20' 20" to the right and run along the north line of said south 1/2, south 1/2, northeast 1/4, a distance of 655.94 feet to the west right-of-way of the Central of Georgia Railroad; thence turn an angle of 68° 40' 30" to the right and run along said right-of-way a distance of 712.94 feet to the south line of the southeast 1/4 of the northeast 1/4 of said section; thence turn an angle of 111° 20' to the right and run a distance of 299.67 feet to the point of beginning, all of said real property being situated in the south 1/2 of the southwest 1/4 of the northeast 1/4 and the south 1/2 of the southeast 1/4 of the northeast 1/4 in Section 23, Township 19 South, Range 2 East, Huntsville Meridian, in Shelby County, Alabama, and containing 10.00 acres, more or less.

## II

Those items of machinery and equipment generally described on Exhibit "A" attached hereto and made a part hereof; and

## III

The Plant and all other Leased Equipment, and all other improvements now or hereafter situated on the Site and forming a part thereof, not including, however, any machinery or equipment that, under the terms hereof, is, or is to become (prior to the termination of these presents), the sole property of the Company or third parties.

## ARTICLE IV

### CONCERNING THE PLANT AND THE LEASED EQUIPMENT

Section 4.1 Agreement to Construct Plant and Acquire and Install Leased Equipment. The Board will proceed with and will complete as promptly as practicable

(a) the construction, wholly within the boundary lines of the Site, of a plant for the fabrication and processing of metals and metal products, and having a floor area of approximately 51,000 square feet, substantially in accordance with plans and specifications prepared by R. F. Hubbard of Birmingham, Alabama, dated May 28, 1976, identified as "Job No. E-3240" and consisting of thirteen (13) sheets of drawings, and

(b) the acquisition and installation, in or about the Plant and wholly within the boundary lines of the Site, of those items of machinery and equipment generally described on Exhibit "A" hereto, substantially in accordance with written orders and directions from the Company,

and will pay, solely out of the principal proceeds derived by it from the sale of the Bonds, to the extent and as provided in Section 4.3 hereof, the costs of such construction, acquisition and installation. The Company may cause such changes to be made to the aforesaid plans and specifications as it may desire and as will not result in any material change in the appearance or basic design of the Plant or in changing its character as a part of a "project" under the provisions of the said Act No. 648. Except as provided in the preceding sentence, neither the Company nor the Board will cause or permit any changes to be made to the aforesaid plans and specifications. The Company and the Board will cooperate with each other in order that the construction of the Plant and the acquisition and installation of the Leased Equipment may be completed as promptly as practicable. The Board will not, however, hereafter enter into any contract for the construction of the Plant or the acquisition and installation of the Leased Equipment, or any part of such construction, acquisition and installation, 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 of the Indenture.

Section 4.2 Agreement to Issue Bonds. In order to provide funds for the permanent financing of the costs of acquiring the Site, constructing the Plant and acquiring and installing the Leased Equipment and the other Project Development Costs, the Board will, simultaneously with the delivery hereof, issue and sell the Bonds and, as security therefor, execute and deliver the Indenture. All the terms and conditions of the Indenture (including, without limitation, those relating to the amounts and maturity date or dates of the principal of the Bonds, the interest rate or rates thereof and the provisions for redemption thereof prior to their respective maturities) are hereby made a part hereof as fully and completely as if set out herein.

Section 4.3 No Warranty of Suitability by Board.  
Company Required to Bear Certain Costs in Certain Events.  
The Company recognizes that since the plans and specifications for the Plant have been prepared to its order and that since the items of Leased Equipment have been and are to be selected by it or are to be fabricated according to specifications prepared by it or to its order, the Board can make no warranty, either express or implied, or offer any assurances that the Plant or the Leased Equipment will be suitable for the Company's purposes or needs or that the proceeds derived from the sale of the Bonds will be sufficient to pay in full all the Project Development Costs. In the event said proceeds are insufficient to pay all said costs, the Company will pay into the Construction Fund, or make arrangements for the payment into the Construction Fund of, such moneys as are necessary to provide for payment of all said costs, whereupon the Board will proceed to complete said construction, acquisition and installation. The Company shall not, by reason of its payment of any moneys into the Construction Fund or any arrangements made by it for any such payment, be entitled to any reimbursement from the Board or to any diminution of the rental payable hereunder. Further, the fact that moneys paid into the Construction Fund by the Company or moneys the arrangements for the payment of which into the Construction Fund were made by the Company, or both, were used, in whole or in part or directly or indirectly, to pay all or a portion of the costs of constructing the Plant or of acquiring or installing any or all of the Leased Equipment shall not result in vesting title to the Site, the Plant or the Leased Equipment, or any part of any thereof, in the Company or in imposing a lien in favor of the Company upon the Site, the Plant or the Leased Equipment, or any part of any thereof, it being understood and agreed (a) that title to the Site, the Plant and all the Leased Equipment 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 4.4 Board to Pursue Rights against Contractors, etc. In the event of default by any contractor or sub-contractor under any contract with the Board for the construction of the Plant or the acquisition or installation of the Leased Equipment, or any part of either 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 contractor or sub-contractor so in default and against each surety (if any) for the performance of such contract. Further, the Board will, in the event it proceeds in an arbitration proceeding or by an action at law or in equity against any such contractor, sub-contractor or surety pursuant to the provisions of this section or in the event any such contractor, sub-contractor or surety brings any such proceeding or action against the Board in connection with or relating to the aforesaid construction, acquisition or installation, 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 there-



of, including (without limitation) the right to select counsel for the Board. The net proceeds recovered by the Board in any such action shall be paid into the Construction Fund (or, in the event that at the time such proceeds are received by the Board the Construction Fund is closed, into the Bond Fund). The Board further 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 construction of the Plant and the acquisition and installation of the Leased Equipment, or any part of either thereof, 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, it being understood and agreed that all benefits and recoveries accruing therefrom shall, at any time during which this Lease Agreement is in effect and the Company is not in default hereunder, be paid and belong to the Company and shall, at any time during which the Company is in default hereunder, be paid into the Bond Fund.

Section 4.5 Completion Certificates. The Company will, upon the completion of the construction of the Plant and payment in full of the costs thereof, furnish to the Board and the Trustee a certificate to that effect signed by an Authorized Company Representative. Further, the Company will, upon the completion of the acquisition and installation of the Leased Equipment and payment in full of the costs thereof, furnish to the Board and the Trustee a certificate to that effect signed by an Authorized Company Representative.

Section 4.6 Supplemental Agreement on Completion. Upon completion of the construction of the Plant and the acquisition and installation of the Leased Equipment, the Board and the Company will enter into a supplemental agreement identifying, with such particularity as the Trustee shall specify, the items of Leased Equipment installed in or about the Plant and confirming the demise thereof to the Company hereunder.

## ARTICLE V

### DURATION OF TERM AND RENTAL PROVISIONS

Section 5.1 Duration of Term. The primary term of this Lease Agreement and of the lease herein made 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 November 1, 1991. 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 Primary 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 possession of the Project as shall be necessary and convenient for it to construct the Plant and to install the Leased Equipment therein; 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 or improvements required or permitted to be made by the Board pursuant to the provisions hereof or pursuant to the provisions of any agreement between the Board and the Company supplemental hereto.

Section 5.2 Rental Provisions. For and during the Primary Term, the Company will pay to the Board, for use and occupancy of the Project, Basic Rent in the following amounts:

(a) On or before the 20th day of December, 1976, an amount which, when added to the amount of accrued interest received by the Board from the sale of the Bonds, will equal one-third ( $1/3$ ) of the semiannual installment of interest maturing with respect to the then outstanding Bonds on May 1, 1977, and one-sixth ( $1/6$ ) of the principal maturing with respect to the then outstanding Bonds on November 1, 1977; and

(b) On or before the 20th day of January, 1977, and on or before the 20th day of each calendar month thereafter until and including the month of October, 1991, an amount equal to the sum of (i) one-sixth ( $1/6$ ) of the interest maturing with respect to the then outstanding Bonds on the then next succeeding semiannual interest payment date with respect thereto, plus (ii) one-twelfth ( $1/12$ ) of the principal maturing with respect to the then outstanding Bonds on the then next succeeding November 1; provided however, that any moneys transferred or paid into the Bond Fund pursuant to the provisions hereof or of the Indenture [excluding, however, all payments of Basic Rent required by the Indenture to be paid therein] shall be credited on the then next Basic Rent payment and on each succeeding Basic Rent payment due thereafter until the entire sum so transferred or paid has been so credited; and provided further, that if for any reason, after the payment by the Company of such amounts as are required to be paid by it pursuant to the preceding provisions of this Section 5.2, the moneys held by and available to the Trustee for payment or redemption of the principal of and the interest on the Bonds are not sufficient to pay, on the due date thereof, any such principal or interest, the Company will promptly pay to the Trustee, for the account of the Board and as further Basic Rent, such amount as, when added to the aforesaid moneys held by and available to the Trustee, will equal the principal and interest so due or required (by the provisions of the Indenture) to be redeemed with respect to the Bonds.

*Interest  
received  
on  
bond issued  
by Trustee*

Nothing herein contained shall be construed as imposing on the Board or on the Trustee any duty or responsibility of giving any notice to the Company of the amount on deposit in the Bond Fund, or of the amount of any other credits against Basic Rent available to the Company, as of any rent payment date, but the Board will cause the Trustee to respond to any reasonable requests that the Company may make for such information. Neither the Board nor the Trustee shall be obligated to give any prior notice to the Company of the due date or amount of any installment of Basic Rent, and failure to receive any such prior notice, even if customarily given by the Board or the Trustee, shall not relieve the Company of its obligation to pay such installment of Basic Rent when it is due and payable.

So long as any of the Bonds are outstanding, all Basic Rent payments shall be made directly to the Trustee, or its successor as Trustee under the Indenture, for the account of the Board. The Board will, promptly following the designation of any successor Trustee under the Indenture, give written notice to the Company of the name and location of the principal office of such successor Trustee, or it will cause such notice to be promptly given. In the event the due date of any installment of Basic Rent payable hereunder is a Sunday or legal holiday in Alabama, such installment shall be due on the next preceding business day. Any Basic Rent payment due hereunder that is not paid within ten (10) days after the due date thereof shall bear interest from such due date until paid at the rate of 8% per annum. The Company will also pay, as additional rental, the fees, charges and disbursements of the Trustee under the Indenture (other than its initial acceptance fee), such fees, charges, and disbursements to be paid directly to the Trustee or the Board, as the case may be, for its own account upon presentation of its statements therefor.

Section 5.3 Obligation of Company Unconditional. The obligation of the Company to pay the Basic Rent, to make all other payments provided for herein and to perform and observe the other agreements and covenants on its part herein contained shall be absolute and unconditional, irrespective of any rights of set-off, recoupment or counterclaim it might otherwise have against the Board. The Company will not suspend or discontinue any such payment or fail to perform and observe any of its other agreements and covenants contained herein or (except as expressly authorized in this Lease Agreement) terminate this Lease Agreement for any cause, including, without limiting the generality of the foregoing, the failure of the Board to complete the construction of the Plant or the acquisition or installation of the Leased Equipment, any acts or circumstances that may constitute an eviction or constructive eviction, failure of consideration or commercial frustration of purpose, or any damage to or destruction of the

Project or any part thereof, or the taking by eminent domain of title to or the right to temporary use of all or any part of the Project, or any change in the tax or other laws of the United States of America, the State of Alabama or any political or taxing subdivision of either thereof, or any change in the cost or availability of raw materials or energy adversely affecting the profitable operation of the Project by the Company, or any failure of the Board to perform and observe any agreement or covenant, whether express or implied, or any duty, liability or obligation arising out of or connected with this Lease Agreement.

The provisions of the preceding paragraph of this Section 5.3 shall continue in effect only so long as any part of the principal of or the interest (and premium, if any) on any of the Bonds remains unpaid. Nothing herein contained shall, however, be construed to prevent the Company, at its own cost and expense and in its own name or in the name of the Board, from prosecuting or defending any action or proceeding or taking any other action involving third persons which the Company deems reasonably necessary in order to secure or protect its rights of use and occupancy and other rights hereunder, and the Board will cooperate fully with the Company in any such action or proceeding.

## ARTICLE VI

### MAINTENANCE, TAXES AND INSURANCE

Section 6.1 Maintenance, Additions, Alterations, Improvements and Modifications. The Company will, at its own expense, (a) keep the Project in as reasonably safe condition as its operations permit, and (b) subject to the provisions of Section 6.2 hereof, keep the Plant, the Leased Equipment and any other improvements located on the Site in good repair and operating condition (reasonable wear and tear excepted), making from time to time all necessary and proper renewals thereof and repairs and replacements thereto (including, without limitation, exterior and structural repairs, renewals and replacements); provided however, that nothing contained in this sentence shall be construed to require the Company to make any renewals, repairs or replacements that are elsewhere in this Lease Agreement expressly required to be made by the Board. The Company may, also at its own expense, make any additions, alterations, improvements or modifications to the Project that it may deem desirable for its business purposes, that do not adversely affect the structural integrity of any building or other structure forming a part of the Project (except to the extent permitted in Section 6.2 hereof), and that will not impair the operating unity of the Project, substantially

reduce its value or change its character as a "project" under said Act No. 648, provided that all such additions, alterations, improvements or modifications

(1) are located wholly within the boundary lines of the Site, or

(2) are located wholly within the boundary lines of other adjacent real property hereafter acquired by the Board, leased to the Company by the Board and subjected to the demise of these presents and to the lien of the Indenture and with respect to which the Board and the Trustee have been furnished an opinion of Counsel satisfactory to each of them to the effect that the Board has good and marketable title thereto, subject only to the lien of the Indenture and Permitted Encumbrances, or

(3) are located wholly within the boundary lines of the Site and such other adjacent real property.

Any such adjacent real property so subjected to the demise hereof and to the lien of the Indenture shall henceforth be considered, for purposes of this Lease Agreement, as part of the Site. All such additions, alterations, improvements and modifications so made by the Company shall become a part of the Project.

The Company will not permit any mechanics' or other liens to stand against the Project for labor or materials furnished it in connection with any additions, alterations, improvements, modifications, repairs or renewals so made by it. The Company may, however, at its own expense and in good faith, contest any such mechanics' liens 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 unless by such action the lien of the Indenture to any part of the Project shall be endangered or any part of the Project shall be subject to loss or forfeiture, in either of which events such mechanics' or other liens shall (unless they are bonded or superseded in a manner satisfactory to the Trustee) be promptly satisfied.

Section 6.2 Party Wall Provisions. If the Company purchases any unimproved portion of the Site pursuant to the provisions of Section 11.3 hereof, or if the Company purchases, leases or otherwise acquires any other real property adjacent to the Site, or if any unimproved portion of the Site is released from the demise hereof pursuant to the



provisions of Section 12.2 hereof, then, in any such event, all building walls now standing or hereafter erected on or contiguous to any common boundary between the Site and any real property theretofore constituting part of the Site that has been purchased by the Company, any other real property adjacent to the Site that has been purchased, leased or otherwise acquired by the Company or any real property theretofore constituting part of the Site that has been released from the demise hereof, as the case may be, shall be party walls, and each parcel of real property on either side of such common boundary shall be subject to a reciprocal easement for the benefit of the other parcel, which easement on each side of such common boundary shall extend out ten (10) feet from such boundary and shall be for the purposes of construction, inspection, maintenance, repair and replacement of any party wall now or hereafter erected on or contiguous to such common boundary.

To the extent permitted by applicable building codes and accepted principles of structural design, new buildings or other structures located on either side of any such common boundary may be structurally connected to any such party wall then in existence, but any party exercising such right of connection to an existing party wall shall indemnify and hold harmless the owner, mortgagee and lessee of the parcel of real property on which such party wall was erected (as well as any other person having an interest in said parcel) against any and all losses and damages that may in any way result from the construction and connection of adjacent buildings and other structures to such party wall, including damage or loss occurring after the completion of construction as well as any that may occur during construction.

If a building or other structure now or hereafter located on a parcel of real property on either side of any such common boundary utilizes a party wall with a building or other structure now or hereafter located on the parcel of real property on the other side of such common boundary, and if all buildings or other structures utilizing such party wall are leased by the same person or are otherwise operated under common control, then any non-loadbearing wall panels in such party wall may be removed and the utilities serving either of such parcels may be tied in or connected with the utilities serving the other of such parcels, but in the event that such parcels thereafter cease to be leased by the same person or otherwise operated under common control, all non-loadbearing wall panels that may have theretofore been removed from such party wall shall be reinstalled or replaced with wall panels of comparable quality to those originally removed and separate utilities shall be provided for each of such parcels of real property.

The covenants and agreements on the part of the Board and the Company contained in this Section 6.2 shall



run with all separate parcels of real property into which the parcel of real property described in the domising clauses hereof may be hereafter divided and shall be enforceable for the benefit of each such parcel by all future owners, lessees and mortgagees thereof.

Section 6.3 Removal of Leased Equipment. The Board and the Company recognize that after the Leased Equipment is installed in the Plant, portions thereof may become inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary in the operation of the Plant as a modern fabricating and processing facility, but the Company shall not (any provision hereof to the contrary notwithstanding) be under any obligation to renew, repair or replace any such inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary Leased Equipment. However, in any instance where the Company in its sole discretion determines that any item of the Leased Equipment has become inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary in the operation of the Plant as a modern fabricating and processing facility,

(a) the Company may remove such item of the Leased Equipment from the Plant Site and (on behalf of the Board) sell, trade in, exchange or otherwise dispose of it without any responsibility or accountability to the Board or the Trustee therefor, provided that (i) the Company substitutes and installs in the Plant or on the Site (either by direct payment of the costs thereof or by advancing to the Board the funds necessary therefor, as hereinafter provided) other machinery or equipment having equal or greater utility (but not necessarily the same value or function) in the operation of the Plant as a modern fabricating and processing facility, which such substituted machinery or equipment shall be free of all liens and encumbrances (other than the lien of the Indenture and Permitted Encumbrances), shall be the sole property of the Board, shall be and become a part of the Leased Equipment subject to the demise hereof and to the lien of the Indenture and shall be held by the Company on the same terms and conditions as the items originally comprising the Leased Equipment, and (ii) such removal and substitution do not impair the operating unity of the Plant; or

(b) the Company may remove such item of the Leased Equipment from the Site and (on behalf of the Board) sell, trade in, exchange or otherwise dispose of it, without any responsibility or accountability to the Board or the Trustee therefor and without being required to substitute and install in the Plant or on the

Site other equipment in substitution therefor, provided that (i) in the case of the sale of such equipment to anyone other than itself or any Affiliate, or in the case of the scrapping thereof, the Company pays into the Bond Fund the proceeds from such sale or the scrap value thereof, respectively, (ii) in the case of the trade-in of such equipment for other property not to be installed in the Plant or on the Site, the Company pays into the Bond Fund an amount in cash equal to the credit received by it in such trade-in, and (iii) in the case of the sale of such equipment to itself or any Affiliate or in the case of any other disposition thereof, the Company pays into the Bond Fund an amount equal to the original cost thereof to the Company or the Board (as the case may be) less depreciation at rates calculated in accordance with generally accepted accounting principles; provided however, that there may be credited on any payment that under the provisions of this subsection (b) is due to be made into the Bond Fund by the Company an amount not in excess of (A) the original cost to the Company of any other equipment then installed in the Plant or on the Site that does not then constitute part of the Leased Equipment and is owned by the Company and that is free from all liens and encumbrances (other than the lien of the Indenture and Permitted Encumbrances), less (B) depreciation thereon at rates calculated in accordance with generally accepted accounting principles - all to the extent that such amount so credited has not theretofore been credited on payments theretofore due to be made into the Bond Fund pursuant to this subsection (b); and provided further, that from and after any such credit, such other equipment shall be and become the sole property of the Board and part of the Leased Equipment subject to the demise hereof and to the lien of the Indenture and shall be held by the Company on the same terms and conditions as the items originally comprising the Leased Equipment.

In any case where the Company is herein required to purchase, install and substitute in the Plant or on the Site any item of machinery or equipment, it may, in lieu of purchasing and installing said machinery and equipment itself, advance to the Board the funds necessary therefor, whereupon the Board will purchase and install such machinery or equipment in the Plant or on the Site.

If, at the time of the removal of any part of the Leased Equipment from the Plant or the Site, there is then installed in the Plant or on the Site other equipment not then constituting part of the Leased Equipment,

and if such other equipment has utility (though not necessarily the same value or function) in the operation of the Project equal to or greater than that of the item of the Leased Equipment to be removed and is free of all liens and encumbrances (other than the lien of the Indenture and Permitted Encumbrances), and if no part of the cost of such other equipment has been credited on a payment theretofore due to be made into the Bond Fund pursuant to the provisions of subsection (b) of this section, the Company may, by failing to make the substitution or the cash payment alternatively prescribed by the preceding provisions of this section, elect to have such provisions not apply to such removal, but with the result, however, that from and after such removal such other equipment shall be and become the sole property of the Board and part of the Leased Equipment subject to the demise hereof and to the lien of the Indenture and shall be held by the Company on the same terms and conditions as the items originally comprising the Leased Equipment.

In furtherance of the preceding provisions of this section, the Company will

(1) pay to the Trustee such amounts as are required by the provisions of the preceding subsection (b) to be paid by the Company into the Bond Fund promptly after the sale, trade-in, exchange or other disposition requiring such payment, provided that no such payment need be made (i) until the aggregate of such payments due but not theretofore made is \$20,000 or more, or (ii) until the then next succeeding November 1, whichever occurs first;

(2) execute and deliver to the Board and the Trustee such documents as the Trustee may from time to time require to confirm the title of the Board (subject to this Lease Agreement) to, and the lien of the Indenture with respect to, any items of machinery and equipment that under the provisions of this section are to become a part of the Leased Equipment; and

(3) pay all costs (including attorneys' fees) incurred in subjecting to the demise of this Lease Agreement and the lien of the Indenture any items of machinery or equipment that under the provisions of this section are to become a part of the Leased Equipment.

The Company will not remove, or permit the removal of, any of the Leased Equipment from the Site except in accordance with the provisions of this Section 6.3.

The preceding provisions of this Section 6.3 shall apply only so long as any part of the principal of or the interest (or premium, if any) on any of the Bonds remains unpaid. After full payment of the principal of and the interest (and premium, if any) on the Bonds, the Company may, if in its sole discretion any item of the Leased Equipment has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary in the operation of the Plant as a modern fabricating and processing facility, remove such item of the Leased Equipment from the Site and (on behalf of the Board) sell, trade in, exchange or otherwise dispose of it, without any responsibility or accountability to the Board therefor and without being required to substitute and install in the Plant or on the Site other equipment in substitution therefor, and may retain any money or other consideration received by it upon any disposition of any such item of Leased Equipment.

Nothing contained herein shall prohibit the Company, at any time during which it is not in default hereunder, from removing from the Site any machinery or equipment that is owned by it or leased by it from third parties and that does not constitute part of the Leased Equipment, provided (A) that such machinery or equipment may be removed without adversely affecting the structural integrity of any building or other structure forming a part of the Project or causing any material damage to any such building or structure or to the Site, or (B) that if such removal results in adversely affecting the structural integrity of any such building or other structure or in causing any material damage to any such building or structure or to the Site, the Company promptly thereafter takes such action as is necessary to restore the structural integrity of such building or structure or to repair such damage, as the case may be.

Section 6.4. Taxes, Other Governmental Charges and Utility Charges. The Board and the Company acknowledge (a) that under present law no part of the Project owned by the Board will be subject to ad valorem taxation by the State of Alabama or by any political or taxing subdivision thereof and that under present law no part of the receipts, income or profits (if any) of the Board from the Project are subject to either Federal or Alabama taxation, and (b) 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, (1) all taxes and governmental charges of any kind whatsoever that may lawfully be assessed or levied against or with respect to the Project (including, without limiting the generality of the foregoing, any taxes levied upon or with

respect to any part of the receipts, income or profits of the Board from the Project and any other taxes levied upon or with respect to the Project which, if not paid, would become a lien on the Project prior to or on a parity with the lien of the Indenture or a charge on the revenues and receipts therefrom prior to or on a parity with the charge thereon and pledge and assignment thereof to be created and made in the Indenture), (ii) all utility and other similar charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project, and (iii) all assessments and charges lawfully made by any governmental body for public 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 the Primary Term.

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 part 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 superseded in a manner satisfactory to the Trustee) be paid prior to their becoming delinquent. The Board will cooperate fully with the Company in any such contest.

Section 6.5 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 businesses of like size and type, paying as the same become due all premiums with respect thereto, including, but not necessarily limited to,

(a) insurance against loss or damage to the Plant and the Leased Equipment at the time situated on the Site by fire and lightning, with uniform standard extended coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at the time in use in Alabama, to such extent as is necessary to provide for full payment of the costs of repairing or replacing the property damaged or destroyed or, if insurance to such extent is not available, to the extent of the full insurable value (as determined by a recognized insurer) of the Plant and the Leased Equipment;



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

(c) 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 Site or in any way related to the operations being conducted in or about the Project, in the minimum amounts of \$250,000 for death of or personal or bodily injury to any one person, \$500,000 for total death and personal or bodily injury claims resulting from any one accident, and \$100,000 for property damage.

All policies evidencing the insurance required by the terms of the preceding paragraph shall be taken out and maintained in generally recognized responsible insurance companies, qualified under the laws of the State of Alabama to assume the respective risks undertaken [provided that any policy or policies evidencing the insurance required in subparagraph (b) of the preceding paragraph may be taken out from and maintained with the United States of America or agency thereof], shall contain an agreement on the part of the insurer issuing such policy that the same shall not be cancelled by such insurer unless fifteen (15) days' prior written notice of such cancellation shall have been given to the Trustee, and may be written with deductible amounts comparable to those on similar policies carried by persons engaged in businesses of the size and type of the Company. All such insurance policies, other than those evidencing the insurance required by subparagraph (c) of the preceding paragraph and such other policies or portions thereof as may evidence insurance against liability for injury to persons or property of others, shall name as insureds the Board, the Trustee and the Company (as their respective interests shall appear) and shall contain standard mortgage clauses providing for all losses thereunder in excess of \$20,000 to be paid to the Trustee; provided that all losses (including those in excess of \$20,000) may be adjusted by the Company, subject, in the case of any single loss in excess of \$20,000, to the approval of the Trustee. The insurance required by subparagraph (c) of the preceding paragraph shall cover the liability, in the several respects indicated, both of the Board and of the Company. All policies evidencing the insurance required to be carried by this Section 6.5 shall be deposited with the Trustee; provided however, that in lieu thereof the Company may deposit with the Trustee a certificate



or certificates of the respective insurers attesting the fact that such insurance is in force and effect. Prior to the expiration or cancellation of any such policy, the Company will furnish to the Trustee evidence reasonably satisfactory to the Trustee that such policy has been renewed or replaced by another policy or that there is no necessity therefor under this Lease 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 and the Trustee.

Section 6.6 Performance by Board or Trustee 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 or fails to keep the Project in as reasonably safe condition as its operations permit and the Plant, the Leased Equipment and the other improvements located on the Site in good repair and operating condition, the Board or the Trustee, after first notifying the Company of any such failure on its part and after the subsequent failure by the Company to take out or maintain such insurance or to take action reasonably calculated to keep the Project in as reasonably safe condition as the Company's operations permit and the Plant, the Leased Equipment and the other improvements located on the Site in good repair and operating condition, may (but shall not be obligated to) take out the required policies of insurance and pay the premiums on the same or make such repairs, renewals and replacements as may be necessary to keep the Project in as reasonably safe condition as the Company's operations permit and the Plant, the Leased Equipment and the other improvements located on the Site in good repair and operating condition, respectively; and all amounts so advanced therefor by the Board or the Trustee shall become an additional obligation of the Company to the Board or to the Trustee, as the case may be, which amounts, together with interest thereon from the date thereof at the rate of 8% per annum, the Company will pay. Any remedy herein vested in the Board or the Trustee for the collection of rental payments shall also be available to the Board and the Trustee for the collection of all such amounts so advanced.

## ARTICLE VII

### PROVISIONS RESPECTING DAMAGE, DESTRUCTION AND CONDEMNATION

Section 7.1 Damage and Destruction Provisions.  
If the Plant or any of the Leased Equipment is destroyed,

in whole or in part, or is damaged, by fire or other casualty, to such extent that the loss to the Plant or the Leased Equipment resulting therefrom is not greater than \$20,000, the Company (a) will promptly repair, replace, rebuild or restore the property damaged or destroyed to substantially the same condition as prior to the event causing such damage or destruction, with such changes, alterations or modifications as will not impair its utility in the operations for which the Plant was designed or last modified or change the character of the Project to such extent that it will not constitute a "project" under said Act No. 648, (b) will apply for such purpose so much as may be necessary therefor of any insurance proceeds referable thereto, as well as any additional moneys required therefor, and (c) may, in the event the total costs of such repair, replacement, rebuilding and restoration are less than the amount of insurance proceeds referable thereto, retain the amount by which such proceeds exceed said total costs; provided that the Company may, if as a result of such damage or destruction it is entitled to do so under the provisions of Section 11.1 hereof, exercise the option to purchase there granted, in which event it need not repair, replace, rebuild or restore the property damaged or destroyed.

If the Plant or any of the Leased Equipment is destroyed, in whole or in part, or is damaged, by fire or other casualty, to such extent that the loss to the Plant or the Leased Equipment resulting therefrom is in excess of \$20,000, the Company will promptly so notify the Board and the Trustee in writing. If, in such event, the Company is not entitled to exercise the option to purchase granted in Section 11.1 hereof or if, in such event, being entitled to, it does not exercise such option, the Net Insurance Proceeds recovered by the Board, the Company and the Trustee on account of such damage or destruction shall be paid to and held by the Trustee (or, if the Bonds have been fully paid, the Board), whereupon

(i) the Board will proceed, as promptly as practicable under the circumstances and under such terms, conditions and contracts as shall be approved by the Company, to repair, replace, rebuild or restore the property damaged or destroyed to substantially the same condition as prior to the event causing such damage or destruction, with such changes, alterations or modifications as shall be specified by the Company and as will not impair its utility in the operations for which the Plant was designed or last modified or change the character of the Project to such extent that it will not constitute a "project" under said Act No. 648, and

(ii) the Trustee (or, if the Bonds have been fully paid, the Board) will apply the Net Insurance Proceeds to payment of the costs of such repair, replacement, rebuilding or resto-

ration, either on completion thereof or as the work progresses, as the Trustee or the Board, as the case may be, may elect.

Any balance of the Net Insurance Proceeds remaining after payment of all the costs of such repair, replacement, rebuilding or restoration shall be paid into the Bond Fund or, if the Bonds have been fully paid and if the Company is not then in default hereunder, to the Company. In the event said proceeds are not sufficient to pay in full the costs of such repair, replacement, rebuilding or restoration, the Company (1) will nonetheless complete the work thereof and will pay that portion of the costs thereof in excess of the amount of the Net Insurance Proceeds available therefor, or (2) will advance to the Board and the Trustee the moneys necessary to complete said work, in which case the Board will proceed so to complete said work, and the Board and the Trustee will, upon completion of and payment in full for such work, return to the Company any portion of such advance that is not needed therefor. The Company shall not, by reason of the payment of such excess costs (whether by direct payment thereof or advances to the Board or to the Trustee therefor), be entitled to any reimbursement from the Board or to any abatement or diminution of the rental provided for herein.

If, after being furnished with the necessary funds (whether by the Company, from insurance proceeds or from both sources), the Board fails or refuses after reasonable request so to take any action required to repair, replace, rebuild or restore the property damaged or destroyed, the Company may, for and in the name and behalf of the Board, take such action as is required to accomplish such repair, replacement, rebuilding or restoration, in which case it shall be entitled to reimbursement for the costs thereof from the funds referred to above, to the extent such funds are sufficient therefor.

In no event shall the Board undertake the work of any repair, replacement, rebuilding or restoration unless and until (A) it has been notified in writing by the Company that the Company irrevocably relinquishes any right it may have, on account of such damage or destruction, to exercise the option to purchase granted in Section 11.1 hereof, or (B) the time within which the Company must exercise such option has expired without the Company having exercised such option. If, however, as a result of such damage or destruction (irrespective of whether the loss resulting therefrom is greater than \$20,000 or not), the Company is entitled to exercise such option and duly does so in accordance with the applicable provisions of said Section 11.1, then neither the Company nor the Board shall be required to repair, replace, rebuild or restore the property damaged or destroyed, in which event so much (which may be all) of any Net Insurance Proceeds referable to such damage or

destruction as shall be necessary to provide for full retirement of the Bonds (as specified in Section 11.1 hereof) shall be paid or credited by the Trustee into the Bond Fund and the excess thereafter remaining (if any) shall be paid to the Company after or simultaneously with the exercise by the Company of such option.

**Section 7.2 Condemnation Provisions.** If the Project or any part thereof is taken under the exercise of the power of eminent domain by any governmental authority or person, firm or corporation acting under governmental authority, the entire condemnation award, including any that may be recoverable by the Company, shall be paid to the Trustee (or, if the Bonds have been fully paid, to the Board) and applied as hereinafter provided:

(a) Taking of All or Substantially All the Project. If all or substantially all the Project is taken by such eminent domain proceeding, this Lease Agreement shall terminate [except as to the provisions of this subsection (a)] as of the forty-fifth (45th) day after the receipt by the Trustee or the Board of the entire final condemnation award unless the Company has theretofore exercised the option to purchase granted in Section 11.1 hereof. The Board will, as promptly as practicable following the receipt by the Trustee or by it, as the case may be, of the entire final condemnation award, notify the Company of the date on which the Trustee or it (as the case may be) received such entire final condemnation award, and will, on the forty-fifth (45th) day after such receipt, furnish to the Company a statement in writing of the amount of the Net Condemnation Award and the aggregate of the amounts on deposit in the Bond Fund and the Construction Fund.

If the total of all such amounts is insufficient to pay and retire all the then outstanding Bonds [including, without limitation, principal, premium (if any), interest to maturity or earliest practicable redemption date (as the case may be), expenses of redemption and Trustee's fees, charges and disbursements] in accordance with the applicable provisions of the Indenture, the Company will promptly pay to the Board and the Trustee the amount of such deficiency as additional Basic Rent.

If the total of all such amounts is in excess of the sum needed to pay and retire all the outstanding Bonds, as aforesaid (or if the Bonds have been fully paid), then such excess (or, if the Bonds have been fully paid, such total amount) shall be paid to the Company.

(b) Taking of Less Than All or Less Than Substantially All the Project. If less than all or less than substantially all the Project is taken by such eminent domain proceeding, this Lease Agreement (including, without limitation, the provisions hereof relating to the payment of Basic Rent) shall continue in full force and effect but with the following consequences:

(1) If no part of the Plant or the Leased Equipment is taken or damaged and if in the Company's opinion the efficient utilization of the Project is not impaired by such taking, the Net Condemnation Award referable thereto shall be paid into the Bond Fund or, if the Bonds have been fully paid and if the Company is not then in default hereunder, to the Company.

(2) If any part of the Plant or the Leased Equipment is taken or damaged or if in the Company's opinion the efficient utilization of the Project is impaired by such taking, the Board will proceed, as promptly as practicable under the circumstances and upon such terms as shall be approved in writing by the Company, to repair, replace, rebuild or restore the portion or portions of the Project taken or damaged or to rearrange the facilities then forming a part of the Project so as to make them suitable for the Company's uses, and the Trustee (or, if the Bonds have been fully paid, the Board) will apply the Net Condemnation Award referable to such taking to payment of the costs of such repair, replacement, rebuilding, restoration or rearrangement. If the Net Condemnation Award is in excess of the costs of such repair, replacement, rebuilding, restoration or rearrangement, the excess shall be paid into the Bond Fund or, if the Bonds have been fully paid and if the Company is not then in default hereunder, to the Company. If the Net Condemnation Award is not sufficient to pay all the costs of such repair, replacement, rebuilding, restoration or rearrangement, the Company will pay the deficiency, provided that it shall not by reason of the payment of any such deficiency be entitled to any reimbursement from the Board or to any abatement or diminution of the rental provided for herein. If, after being furnished with the necessary funds (whether by the Company, from condemnation proceeds or from both such sources), the Board fails or refuses after reasonable request so to repair, replace, rebuild or restore the portion or portions of the Project taken or damaged or to rearrange the facilities then forming a part of the Project so as to make them suitable for the Company's uses, as the



case may be, the Company may, for and in the name and behalf of the Board, perform the work of such repair, replacement, rebuilding, restoration or rearrangement, in which case it shall be entitled to reimbursement for the costs thereof from the funds referred to above, to the extent that such funds are sufficient therefor.

The provisions of the preceding subparagraph (2) to the contrary notwithstanding, in no event shall the Board undertake the work of any repair, replacement, rebuilding, restoration or rearrangement thereunder unless and until (A) it has been notified in writing by the Company that the Company irrevocably relinquishes any right it may have, on account of such condemnation, to exercise the option to purchase granted in Section 11.1 hereof, or (B) the time within which the Company must exercise such option has expired without the Company having exercised such option. If, however, as a result of such taking, the Company is entitled to exercise such option and duly does so in accordance with the applicable provisions of said Section 11.1, then the Board shall not be required to repair, replace, rebuild or restore the portion or portions of the Project taken or damaged or to rearrange the facilities then forming a part of the Project nor shall any of the other provisions of said subparagraph (2) apply in such case, and so much (which may be all) of the Net Condemnation Award referable to such taking as may be necessary to provide for full payment and retirement of the Bonds (as specified in Section 11.1 hereof) shall be paid or credited by the Trustee into the Bond Fund and the excess thereafter remaining (if any) shall be paid to the Company after or simultaneously with the exercise by the Company of such option.

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 7.3 Condemnation of Right to Use of the Project for Limited Period. If the use, for a limited period, of all or part of the Project is taken by any such eminent domain proceeding, this Lease Agreement (including, without limitation, the provisions hereof relating to the payment of Basic Rent) shall, unless as a result thereof the Company is entitled to exercise the option to purchase granted in Section 11.1 hereof and duly does so in accordance with the provisions of said Section 11.1, continue in full force and effect, but with the consequences specified in the



remaining provisions of this Section 7.3. If the period of such taking expires on or before the expiration of the Primary Term, the Company shall be entitled to receive the entire condemnation award made therefor, whether by way of damages, rent or otherwise, and shall upon being restored to possession restore the Project as nearly as practicable to the condition existing immediately prior to such taking, with such changes, alterations and modifications as will not impair its functional utility or change its character to such extent that it will not constitute a "project" under said Act No. 648. If such taking occurs during the Primary Term but the period of such taking expires after the expiration of the Primary Term, the Company shall be entitled to receive that portion of the award allocable to the period from the date of such taking to 11:59 o'clock, P. M., on November 1, 1991, and the Board shall be entitled to the remainder thereof; provided however, that if within thirty (30) days after such taking the Company exercises the option to renew granted in Section 11.2 hereof and pays to the Board the aggregate of the cash rentals that would, under the provisions of said Section 11.2, come due during the period commencing on November 1, 1991 and continuing until the expiration of such taking or October 31, 2016 (whichever is earlier), it (rather than the Board) shall be entitled to receive that portion of the award allocable to the period from 11:59 o'clock, P. M., on November 1, 1991 to and including the date of expiration of such taking or October 31, 2016 (whichever is earlier), and the Board shall be entitled to the remainder thereof (if any).

If such taking occurs during the renewal term and the period thereof expires during the renewal term, the Board shall be entitled to receive the entire condemnation award made therefor; provided however, that if within thirty (30) days after such taking the Company pays to the Board the aggregate of the cash rentals that would, under the provisions of Section 11.2 hereof, come due during the period of such taking, it (rather than the Board) shall be entitled to receive the aforesaid entire condemnation award. If such taking occurs during the renewal term but the period thereof expires after October 31, 2016, the Board shall be entitled to receive the entire condemnation award made therefor; provided however, that if within thirty (30) days after such taking the Company pays to the Board the aggregate of the cash rentals that would thereafter come due during the remainder of the renewal term under the provisions of Section 11.2 hereof, then it (rather than the Board) shall be entitled to receive that portion of the award allocable to the period from the date of such taking to and including October 31, 2016, and the Board shall be entitled to the remainder thereof.

Section 7.4 Condemnation of Company-Owned Property. The Company shall be entitled to any condemnation award or portion thereof made for damages to or takings of its own property, as well as all other sums awarded as compensation for 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 there shall be deducted therefrom, or paid directly by the Company, all attorneys' fees and other expenses incurred in connection with the receipt of such award or sum or portion thereof.

Section 7.5 Provisions Relating to the Incurring of Certain Expenses after Bonds Paid. The Board will not, at any time after full payment of the Bonds, incur any expenses in connection with the collection of any insurance proceeds or 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 on or about the Project that will affect, impair or contravene any policies of insurance that may be carried on the Project or any part thereof against loss or damage by fire, casualty or otherwise. The Company will, in the use of the Site, the Plant, the Leased Equipment and the public ways abutting the Site, comply with all applicable lawful requirements of all governmental bodies.

Section 8.2 Release and Indemnification Covenants. The Company releases the Board from and covenants and agrees that the Board shall not be liable for, and to hold the Board harmless against liability for, any loss or damage to property or any injury to or death of any person that may be occasioned on account of any defect in the Site, the Plant or the Leased Equipment, including any expenses incurred by the Board in connection with the defense of any claim against it arising out of any such loss, damage, injury or death; provided however, that nothing herein contained shall be construed to indemnify the Board against, or to release the Board from liability for, any loss or damage that may result from wanton misconduct on the part of the Board or from its own intentional wrongful acts. The Company will provide for and insure, in the public liability policies required in subparagraph (c) of Section 6.5 hereof, not only its own liability in respect of the matters there mentioned but also the liability herein assumed. The Board will not, without the prior written consent of the Company, settle or consent to the settlement of any prospective or pending litigation for which the Com-

pany is or may be obligated, under the provisions of this Section 8.2, to indemnify the Board, and the Company shall have full and complete control of any such litigation, including (without limitation) the right to select counsel for the Board.

Section 8.3 Inspection of Project. The Company will permit the Board, the Trustee and their duly authorized agents at all reasonable times to examine and inspect the Project or any part thereof. So long as any of the Bonds are outstanding and unpaid, the Company will also permit the Trustee and its duly authorized agents to take such action as may be necessary and convenient to cause the Project to be kept in as reasonably safe condition as its operations permit and the Plant, the Leased Equipment and any other improvements located on the Site to be kept in good repair and operating condition, all as and to the extent provided in Sections 6.1 and 6.6 hereof.

Section 8.4 Agreement to Maintain Corporate Existence. The Company will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all its assets (either in a single transaction or in a series of related transactions) and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it; provided that the Company may, without violating the agreements contained in this section, do or perform any of the following:

(a) it may consolidate with or merge into another United States Corporation, or permit one or more other United States Corporations to consolidate with or merge into it, if the corporation surviving such merger or resulting from such consolidation, if it shall be one other than the Company, expressly assumes in writing all the obligations of the Company contained in this Lease Agreement; and

(b) it may transfer to another United States Corporation all or substantially all its assets as an entirety, and (if it so elects) thereafter dissolve, if the corporation to which such transfer shall be made expressly assumes in writing all the obligations of the Company contained in this Lease Agreement.

The Company will, promptly following any merger, consolidation or transfer permitted under the provisions of this Section 8.4, furnish to the Board and the Trustee fully executed or appropriately certified copies of the writing

by which the Company's successor or transferee corporation expressly assumed the obligations of the Company contained in this Lease Agreement.

If, after a transfer by the Company of all or substantially all its assets to another United States Corporation under the circumstances described in the preceding clause (b) of this section, the Company does not thereafter dissolve, it shall not have any further rights or obligations hereunder.

Section 8.5 Maintenance of Existence and Qualification in Alabama. The Company will continuously maintain its existence during the Primary Term as a corporation organized and in good standing under the laws of Alabama. If, in accordance with the permissive provisions of Section 8.4 hereof, the Company should merge into a corporation not organized and existing under the laws of Alabama, should consolidate with one or more corporations under circumstances wherein the consolidated corporation is not a corporation organized and existing under the laws of Alabama or should transfer all or substantially all its assets to a corporation not organized under the laws of Alabama, it will cause the corporation into which it merged, the corporation resulting from such consolidation or the corporation to which all or substantially all its assets were transferred, as the case may be, to qualify to do business in Alabama as a foreign corporation and to remain so qualified at all times during the remainder of the Primary Term.

Section 8.6 Annual Audits and Other Reports. The Company will maintain proper books of record and account in which it will make full and correct entries of all its business activities in accordance with generally accepted accounting principles. Within one hundred twenty (120) days following the close of each of its fiscal years, it will furnish to the original purchaser of the Bonds from the Board and to the Trustee

(a) a consolidated balance sheet and statements of earnings and stockholders' equity showing the financial condition of the Company and its consolidated subsidiaries at the close of such fiscal year and the results of their operations for such fiscal year, and

(b) such supporting notes as, in the opinion of the accounting firm certifying such balance sheet and statements, are necessary for a reasonably complete understanding of such balance sheet and statements.

Such a balance sheet and statements shall be accompanied by a certificate or opinion of an independent public accounting firm acceptable to the Trustee, in a standard form approved by the American Institute of Certified Public Accountants.

Section 8.7 Concerning Certain Actions Under the Indenture. The Company will not issue, or permit to be issued on its behalf, any instructions for the investment of any moneys in the Construction Fund or the Bond Fund if, as a result of any such investment being made in accordance therewith, the Bonds would be considered "arbitrage bonds" within the meaning of Section 103 of the Internal Revenue Code of 1954, as amended. Further, the Company will not approve, or permit to be approved on its behalf, any payment or transfer of moneys in the Construction Fund if, as a result of such payment or transfer, less than substantially all the proceeds of the Bonds would be considered as having been used for the acquisition, construction, reconstruction, or improvement of land or property of a character subject to the allowance for depreciation within the meaning of Section 103(c)(6) of the Internal Revenue Code of 1954, as amended.

Section 8.8 Further Assurances. The Company will, at its own cost and expense, take all actions that may at the time and from time to time be necessary to perfect, preserve, protect and secure the interests of the Board and the Trustee, or either, in and to the Project, including, without limitation, the filing of all financing and continuation statements that may at the time be required under the Alabama Uniform Commercial Code. The Company further agrees, without in any way limiting the generality of the foregoing, to take any and all such actions that in the judgment of the Board or the Trustee are necessary for the perfection, preservation, protection and securing of such interests.

## ARTICLE IX

### CERTAIN PROVISIONS RELATING TO ASSIGNMENT, SUBLEASING AND MORTGAGING AND TO THE BONDS

Section 9.1 Provisions Relating to Assignment and Subleasing by Company. The Company may assign this Lease Agreement and the leasehold interest created hereby, and may sublet the Project or any part thereof, without the necessity of obtaining the consent of either the



Board or the Trustee; provided however, that no assignee or sublessee or anyone claiming by, through or under any such assignment or sublease shall by virtue thereof acquire any greater rights in the Project or in any part thereof than the Company then has under this Lease Agreement, nor shall any such assignment (except an assignment resulting from or incident to a consolidation, merger or transfer under the conditions specified in and meeting the requirements of Section 8.4 hereof) or subleasing or any dealings or transactions between the Board or the Trustee or 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, unless such assignment results from or is incident to a consolidation, merger or transfer under the conditions specified in and meeting the requirements of Section 8.4 hereof, continue to remain primarily liable for payment of the rentals 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.

**Section 9.2 Mortgaging of the Project by Board.**  
The Board may mortgage the Project to the Trustee as security for the payment of the Bonds, subject to this Lease Agreement (which Lease Agreement and the estate of the Company hereunder shall be prior and superior to the lien of the Indenture), and may assign its interest in and pledge any moneys receivable under this Lease Agreement to the Trustee as security for payment of the principal of and the interest and premium (if any) on the Bonds. The Board may in the Indenture obligate itself to follow the instructions of the Trustee or the holders of the Bonds or a certain percentage thereof in the election or pursuit of any remedies herein vested in it. In the event that the Board's interest in this Lease Agreement is so assigned and pledged to the Trustee, the Trustee shall have all rights and remedies herein accorded the Board, and any reference herein to the Board shall be deemed, with the necessary changes in detail, to include the Trustee; and the Trustee and the holders of the Bonds shall be deemed to be third party beneficiaries of the covenants and agreements on the part of the Company herein contained and shall, to the extent contemplated by the Indenture, be entitled to enforce performance and observance of the agreements and covenants on the part of the Company contained herein to the same extent as if they were parties hereto. Subsequent to the issuance of the Bonds and prior to their payment in full, the Board and the Company shall have no power to modify, alter, amend or (except as specifically authorized herein) terminate this Lease Agreement without the prior written consent of the Trustee and then only as provided in the Indenture. The Board will not, so long as the Company is not in default hereunder, amend the Indenture or any indenture supplemental thereto without the prior written consent of the Company.



Without the prior written request or consent of the Company, the Board will not, at any time while the Company is not in default hereunder, hereafter issue any bonds or other securities (including refunding securities), other than the Bonds, that are payable out of or secured by a pledge of the revenues and receipts derived by the Board from the leasing or sale of the Project, nor, without such consent, will the Board, at any time while the Company is not in default hereunder, hereafter place any mortgage or other encumbrance (other than the Indenture and supplemental indentures contemplated thereby) on the Project or any part thereof.

Section 9.3 Prepayment of Basic Rent. The Company may, at its option at any time and from time to time, prepay directly to the Trustee, for the account of the Board, such amount of Basic Rent as shall be sufficient to enable the Board to redeem and retire, in advance of maturity, any or all of the Bonds, in accordance with their terms. In the event of such prepayment, the Board will cause the amount of Basic Rent so prepaid to be applied to redemption and retirement of Bonds, in accordance with the provisions of the Indenture, on the earliest practicable date after receipt of such prepaid Basic Rent on which, under their terms, such Bonds may be redeemed, and will take all action necessary under the provisions of the Indenture to effect such redemption. The Board recognizes that under the provisions of Section 5.2 hereof, any such prepayment of Basic Rent will result in a total or partial abatement of the Basic Rent that would thereafter have come due under the provisions of said Section 5.2, had it not been for such prepayment.

Section 9.4 References to Bonds Ineffective after Bonds Paid. Upon full payment of the Bonds, all references in this Lease Agreement to the Bonds and the Trustee shall be ineffective and neither the Trustee nor the holders of any of the Bonds shall thereafter have any rights hereunder saving and excepting any that shall have theretofore vested. For purposes of this Lease Agreement, any of the Bonds shall be deemed fully paid if there exists, with respect thereto, the applicable conditions specified in Section 17.1 of the Indenture.

In the event the Bonds are fully paid prior to the last maturity thereof, the Company shall be entitled to use and occupancy of the Project from the date of such payment until 11:59 o'clock, P. M., on November 1, 1991, without the payment of any further Basic Rent but otherwise on all the same terms and conditions hereof. All moneys remaining in the Construction Fund or the Bond Fund after full payment of the Bonds are hereby assigned by the Board to the Company, and the Board will cause the Trustee to pay all such moneys to the Company.

Section 9.5 Concerning Issuance of Additional Parity Bonds. The Board and the Company recognize that under the provisions of the Indenture, the Board is authorized to issue one or more series of Additional Bonds on a parity with the Bonds, for any one or more of the purposes specified in the Indenture, provided that the conditions precedent specified in the Indenture are complied with. If the Company is not in default hereunder, the Board will, on the written request of the Company and upon being furnished by the Company with the documentation required therefor in subsections (c), (d), (e), (f) and (g) of Section 8.2 of the Indenture, take such actions as are necessary to authorize the issuance and sale of Additional Bonds in such principal amount and for such purpose or purposes as are specified in such request and will use its best efforts to effect the sale thereof; provided that the interest rate or rates to be borne by such Additional Bonds and the purchase price to be paid therefor are approved in writing by the Company.

Section 9.6 Disposition of Trust Fund Moneys after Payment of Bonds. If, after full payment of the Bonds with moneys paid to or for the account of the Board by the Company (directly or indirectly) hereunder, insurance or condemnation proceeds or proceeds from the sale of the Bonds (including income from the investment of such proceeds), any moneys then remain in any of the special funds created in the Indenture, the Board

(a) hereby assigns to the Company the amount by which the sum of such remaining moneys exceeds the total of all amounts (if any) then owed hereunder by the Company to the Board or the Trustee, and

(b) will cause the Trustee to pay to the Company the moneys assigned to it in the foregoing clause (a) of this sentence.

Further, if, after full provision for payment of all the Bonds with moneys derived from the sources referred to in the preceding sentence, the Trustee is obligated, under the provisions of Section 18.3 of the Indenture, to pay or return any moneys to the Board, the Board will in turn pay such moneys to the Company or cause the Trustee to pay such moneys to the Company.

The preceding provisions of this section shall survive the expiration or prior termination of this Agreement.

## ARTICLE X

### EVENTS OF DEFAULT AND REMEDIES

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

(a) failure by the Company to pay the Basic Rent hereinabove provided, or the fees, charges or disbursements of the Trustee, which failure shall have continued for a period of five (5) days after such Basic Rent or Trustee's fees, charges or disbursements (as the case may be) shall have become due and payable;

(b) failure by the Company to perform or observe any of its other agreements or covenants contained in this Lease Agreement, 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 or the Trustee, unless (i) the Board and the Trustee 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; or

(c) the dissolution or liquidation of the Company or the filing by the Company of a voluntary petition in bankruptcy, or its failure promptly to lift any execution, garnishment or attachment in aid of collection of any debt or obligation of the Company of a size which, if immediately collected in full, would seriously impair its ability to carry on its operations, the commission by it of any act of bankruptcy or its adjudication as a bankrupt, an assignment by it for the benefit of creditors, the entry by it into an agreement of composition with its creditors or the approval by a court of competent jurisdiction as having been filed in good faith of a

petition applicable to it in any proceeding for its reorganization instituted under the provisions of the federal Bankruptcy Act, as amended, or under any similar act that may hereafter be enacted; provided that the term "dissolution or liquidation of the Company," as used in this subsection (c) shall not be construed to include the termination of the corporate existence of the Company resulting from a merger into or a consolidation with another corporation or the dissolution of the Company following a transfer of all or substantially all its assets to another corporation, under the conditions contained in Section 8.4 hereof and permitting such actions.

The term "force majeure" as used in subsection (b) of this section means acts of God or the public enemy, strikes, labor disputes, lockouts, work slowdowns or stoppages or other industrial disturbances, insurrections, riots or other civil disturbances, orders of the United States of America, the State of Alabama or any department, agency or political subdivision of either thereof, or of 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.

Section 10.2 Remedies on Default. Whenever any such event of default shall have happened and be continuing, the Board and the Trustee, or the Trustee on behalf of the Board, may take any one or more of the following remedial steps:

(a) they or it may 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 due hereunder;

(b) they or it may terminate this Lease Agreement, exclude the Company from possession of the Project and lease the same for the account of the Board and the Trustee, holding the Company liable for all rent due up to the date such lease is made for the account of the Board and the Trustee;

(c) they or it may declare immediately due and payable all installments of rent thereafter coming due hereunder; provided however, that the maximum amount that may be declared immediately due and payable under the provisions of this clause (c) shall be an amount

which will be sufficient to pay, retire and redeem all the outstanding Bonds on the earliest practicable date next succeeding the date of payment of such accelerated amount on which under their terms they may be paid, retired and redeemed, including (without limitation) all interest to mature until and on the date of such payment, retirement and redemption and all fees, charges and disbursements of the Trustee, accrued and to accrue until and on the date of such payment, retirement and redemption;

(d) they or it may have access to, and inspect, examine and make copies of, the books, records and accounts of the Company, but if and only if any of the Bonds are then outstanding; and

(e) they or it may take whatever other action at law or in equity may appear necessary or desirable to collect the rent then due, or to enforce any obligation, covenant or agreement of the Company under this Lease Agreement.

**Section 10.3 No Remedy Exclusive.** No remedy herein conferred upon or reserved to the Board or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Board or the Trustee to exercise any remedy reserved to it in this Article 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 a default or a threatened default by the Company hereunder, the Board or the Trustee should employ attorneys at law or incur other expenses in or about the collection of rent or the enforcement of any other obligation, covenant, agreement, term or condition of this Lease Agreement, the Company will, if the Board or the Trustee are successful in such efforts or if a final judgment for either is rendered by a court of competent jurisdiction, pay to the Board or to the Trustee, as the case may be, reasonable attorneys'

fees and other expenses so incurred by the Board or the Trustee.

Section 10.5 No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease Agreement 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 rental hereunder by the Board, or by the Trustee on its behalf, shall be deemed to be a waiver of any breach of any covenant or condition herein contained or of any default even though at the time of such receipt or acceptance there has been a breach of one or more covenants or conditions on the part of the Company herein contained or a default by the Company hereunder (or both) and the Board or the Trustee (or both) have knowledge thereof.

## ARTICLE XI

### OPTIONS

Section 11.1 Option to Purchase - Casualties. The Company shall have, and is hereby granted, the option to purchase the Project, at any time while this Lease Agreement is in full force and effect, if

(a) the Plant or the Leased Equipment is (after completion of the construction of the Plant and the acquisition and installation of the Leased Equipment) damaged or destroyed, by fire or other cause, to such extent that, in the opinion of the Company expressed in a Certified Resolution filed with the Board and the Trustee, (i) it cannot reasonably be restored to the condition thereof immediately preceding such damage or destruction within a period of six (6) consecutive months, or (ii) the Company will thereby be prevented, or is likely to be thereby prevented, from carrying on its normal operations therein for a period of not less than six (6) consecutive months, or (iii) the cost of restoration thereof would exceed by more than \$20,000 the sum of the Net Insurance Proceeds referable to such damage or destruction plus that amount of the loss referable to such damage or destruction with respect to which the Company is self-insured by vir-



tue of the deductible amounts and co-insurance permitted under the provisions of this Lease Agreement, or

(b) under the exercise of the power of eminent domain by any governmental authority or person, firm or corporation acting under governmental authority, (i) title to all or substantially all the Project is taken, or (ii) the temporary use of all or part of the Project, or title to part of the Project, is taken to such extent that, in the opinion of the Company, expressed in a Certified Resolution filed with the Board and the Trustee, the Company will thereby be prevented, or is likely to be thereby prevented, from carrying on its normal operations in the Project for a period of not less than six (6) consecutive months, or

(c) as a result of any changes in the Constitution of the State of Alabama or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal), entered after the contest thereof by the Company in good faith, this Lease Agreement becomes void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed herein or unreasonable burdens or excessive liabilities are imposed on the Board or the Company, including (without limiting the generality of the foregoing) any changes in the tax laws of the United States or the State of Alabama that will render the leasing of the Project from the Board hereunder significantly less advantageous economically to the Company.

To exercise such option, the Company

(1) shall, within one hundred eighty (180) days following the event authorizing the exercise of such option, give written notice to the Board and the Trustee,

(ii) shall specify therein the date of purchase, which shall be not less than forty-five (45) nor more than ninety (90) days after the date such notice is mailed, and

Section 11.2 Option to Renew. The Company shall have the right and option, herein granted by the Board, to renew the term of this lease for the period commencing at 11:59 o'clock, P. M., on November 1, 1991, and continuing until 11:59 o'clock, P. M., on October 31, 2016; provided, however, that such option shall not be exercisable at any time prior to full payment of the Bonds unless the Company is not in default hereunder. To exercise such option to renew, the Company shall so notify the Board in writing (a) not less than ninety (90) days prior to the expiration of the Primary Term, or (b) in the event the use, for a limited period, of all or part of the Project is taken by eminent domain during the period of ninety (90) days prior to the expiration of the Primary Term, within the applicable period specified in Section 7.3 hereof but in any event prior to the expiration of the Primary Term. The cash rental due by the Company during such renewal term shall be the sum of \$250.00 per year, payable yearly in advance, but otherwise all the terms and conditions herein contained shall, with the necessary changes in detail, apply during such renewal term. In the event the Company exercises the option to renew granted in this Section 11.2, it shall, at any time after the commencement of such renewal term, have the right to terminate this Lease Agreement upon giving to the Board notice in writing not less than five (5) days prior to the date of termination.

Section 11.3 Option to Purchase Portions of Site. The Company shall have, and is hereby granted, subject to the conditions hereinafter specified, the option to purchase from the Board any part of the Site at any time and from time to time, provided that the Company furnishes to the Board and the Trustee

(a) a notice in writing containing (i) an adequate legal description of that portion of the Site with respect to which such option is to be exercised (including the acreage thereof), (ii) a statement that the Company intends to exercise its option to purchase such portion of the Site on a date stated, which shall not be less than thirty (30) nor more than ninety (90) days from the date of such notice, and (iii) a statement that the use to which the Company proposes to devote such portion of the Site will be consistent with the continued industrial or commercial development of the State of Alabama or the development and preservation of the natural and human resources of said state;

(b) a certificate signed by an Authorized Company Representative stating (i) that no part of the Plant or the Leased Equipment nor any other improvement (except for roads, walkways, ground level parking improvements, sewer, water, gas, electric and communication lines and the like, which shall be specified in such certificate) is located on the portion of the Site with respect

to which such option is exercised, and (ii) that the severance of such portion of the Site from the Project will not impair the operating unity of the Project or unduly restrict ingress or egress to or from the Plant; and

(c) an amount, in cash or bankable funds, equal to (i) if any of the Bonds are then outstanding and unpaid, \$2,500 per acre (prorated for fractional parts of an acre) of that part of the Site proposed to be purchased, or (ii) if the Bonds have been fully paid, \$10.00 per acre (prorated for fractional parts of an acre) of that part of the Site proposed to be purchased;

and provided further, that such option shall not be exercisable at any time prior to full payment of the Bonds unless the Company is not then in default hereunder. Upon the receipt by the Board and the Trustee of the appropriate purchase price and a notice and certificate complying with the provisions of the preceding clauses (a) and (b), respectively, the Board will execute and deliver to the Company a statutory warranty deed conveying to the Company that portion of the Site with respect to which such option was exercised, subject only to such liens, encumbrances and exceptions to which title thereto 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. If, at the time of any such purchase, any of the Bonds are outstanding and unpaid, the Board will pay into the Bond Fund the entire amount received by it from such purchase.

From and after the consummation of any purchase effected by the Company pursuant to the provisions of this section, any reference herein to the Site shall be deemed to refer to the real property that immediately prior thereto constituted the Site, less and except that part so purchased by the Company under the provisions of this section. No purchase effected by the Company under the provisions of this section shall entitle the Company to any abatement or diminution of the rental payable hereunder.

Section 11.4 Option to Purchase. If the Company pays the rental herein reserved to the Board, it shall have the right and option, herein granted by the Board, to purchase the Project from the Board at any time during the term (Primary or renewal) of this Lease Agreement after payment in full of the principal of and the interest (and premium, if any) on the Bonds and all fees, charges and disbursements of the Trustee, accrued and to accrue until the date of such full payment, at and for a purchase price equal to the sum

of \$1,000. 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 bankable funds, whereupon the Board will, by deed or other appropriate conveyance, 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 rental paid by it hereunder prior to the exercise by it of the purchase option hereinabove granted, even though such rental may have been wholly or partially prepaid.

Section 11.5 Options - In General. Except to the extent otherwise specifically provided in Section 11.2 and Section 11.3 hereof, each of the options herein granted to the Company may be exercised by it even though it is at the time in default hereunder, it being understood and agreed, however, that all other applicable conditions specified herein to the exercise of such option (including payment of any sums herein required) are met.

## ARTICLE XII

### MISCELLANEOUS

Section 12.1 Covenant of Quiet Enjoyment. Surrender. 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 possession of the Project during the Primary Term (and, if the Company exercises the option to renew granted in Section 11.2 hereof, the renewal term), subject to all the terms and provisions hereof. At the end of the Primary Term, or renewal term, as the case may be, or upon any prior termination of this Lease Agreement, the Company will (unless it has simultaneously purchased the Project from the Board) surrender possession of the Project peaceably and promptly to the Board in as good condition as at the completion of the construction of the Plant and the installation of the Leased Equipment, excepting only (a) loss by fire or other casualty, (b) alterations, changes or improvements made in accordance with the provisions of this Lease Agreement, (c) acts of governmental or condemning authorities, and (d) ordinary wear and tear.

Section 12.2 Retention of Title to Project by Board. Without the prior written consent of the Company, the Board will not itself, at any time during which the Company is not in default hereunder, (a) sell, convey or otherwise dispose of all or any part of the Project (ex-

herein contained (which guarantee is contemplated by the Board and the Company), the performance by R. Wayne Duke and Donald Howse, or either of them, of any of such agreements shall be considered as performance thereof by the Company.

Section 12.8 Binding Effect. This Lease Agreement 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 this Lease Agreement 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 and renewal 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.

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. It is the intention of the parties hereto that this Lease Agreement shall in all respects be governed by the laws of the State of Alabama.

IN WITNESS WHEREOF, the Board and the Company have caused this Lease Agreement to be executed in their respective corporate names, have caused their respective corporate seals to be hereunto affixed, and have caused this Lease Agreement to be attested, all by their duly

authorized officers, in five (5) counterparts, each of which shall be deemed an original, and have caused this Lease Agreement to be dated as of November 1, 1976, although actually executed by the Company on December 13, 1976, and actually executed by the Board and delivered on December 13, 1976.

THE INDUSTRIAL DEVELOPMENT BOARD OF  
THE TOWN OF VINCENT

By *Robert Smith*  
Chairman of its Board of Directors

Attest:

*Harold L. Brown*  
Its Secretary

SOUTHEASTERN PORCELAIN & CONSTRUCTION  
COMPANY, INC.

By *William H. H. H.*  
Its President

Attest:

*Donald H. H.*  
Its Secretary



STATE OF ALABAMA )  
COUNTY OF Jefferson

I, BERTHA M. SKELTON, a Notary Public in and for said county in said state, hereby certify that Calvin L. Smith, whose name as Chairman of the Board of Directors of THE INDUSTRIAL DEVELOPMENT BOARD OF THE TOWN OF VINCENT, a public corporation and instrumentality under the laws 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 within instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said public corporation.

GIVEN under my hand and official seal of office, this 15 day of December, 1976.

[ NOTARIAL SEAL ]

Bert M. Skelton  
Notary Public

MY COMMISSION EXT. TO 6.10.81 29, 1976

STATE OF ALABAMA )  
COUNTY OF Jefferson

I, BERTHA M. SKELTON, a Notary Public in and for said county in said state, hereby certify that R. Wayne Duke, whose name as President of SOUTHEASTERN PORCELAIN & CONSTRUCTION COMPANY, INC., a corporation organized 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 within instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

GIVEN under my hand and official seal of office, this 13 day of December, 1976.

[ NOTARIAL SEAL ]

Bert M. Skelton  
Notary Public

MY COMMISSION EXT. TO 6.10.81 29, 1976

EXHIBIT A

to  
LEASE AGREEMENT

between

THE INDUSTRIAL DEVELOPMENT BOARD OF THE TOWN OF VINCENT  
and  
SOUTHEASTERN PORCELAIN & CONSTRUCTION COMPANY, INC.

---

- 1 - 10-ton double girder crane, 57' 4" span  
w/ 2-speed hoist and bridge
- 1 - 5-ton double girder crane, 57' 4" span  
w/ 2-speed hoist and bridge
- 1 - 10-ton single girder crane, 35' 4" span  
w/ 2-speed hoist and bridge
- 1 - 5-ton single girder crane, 35' 4" span  
w/ 2-speed hoist and bridge
- 1 - 10-ton double girder crane, 60' 0" span  
w/ 2-speed bridge
- 2 - 3-ton single girder cranes, 35' 4" span
- 1 - Model E-300 Refrigerated air dryer
- 1 - Sand blasting machine
- 16 - RTH-75 Radiant Tube Heaters
- 1 - Air compressor and airways system
- 1 - Press Brake Machine and dies

Inst # 1999-51877

- 51 -  
12/23/1999-51877  
03:58 PM CERTIFIED  
SHELBY COUNTY JUDGE OF PROBATE  
058 MWB 151.00