

LEASE AGREEMENT

STATE OF ALABAMA

COUNTY OF BALDWIN

LEASE AGREEMENT WITH OPTION TO PURCHASE

This AGREEMENT between the Industrial Development Board of the City of Foley, a private corporation organized and existing under the laws of the State of Alabama, party of the first part (herein called the "Board"), and North Alabama Property Leasing, Inc., a Corporation organized and under the laws of the State of Alabama, party of the second part (herein called the "Lessee").

WITNESSETH

That in consideration of the respective representations and agreements hereinafter contained, the Board and the Lessee agree as follows (provided that in the performance of the agreements of the Board herein contained, any obligation it may thereby incur for the payment of money shall not be a general debt on its part but shall be payable solely by Lessee).

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 in this Lease Agreement.

"Act" means the statutes codified as Code of Alabama 1975, Title 11, Sections 11-54-80, et seq., as amended and supplemented and at the time in force and effect.

"Annual Payroll" means the preceding twelve month, total annual compensation paid by the Lessee to all persons who are (1) employed by the Lessee and (2) whose principal work, duties and responsibilities are located at the Project.

"Authorized Board Representative" means the person or persons at the time designated as such by written certificate furnished to the Lessee containing the specimen signature or signatures of such person or persons and signed on behalf of the Board by the Chairman or the Vice Chairman of its Board of Directors.

"Authorized Lessee Representative" means the person or persons at the time designated as such by written certificate furnished to the Board containing the specimen signature or signatures of such person or persons and signed on behalf of the Lessee.

"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 successor may be a party.

"Building" or "Buildings" means the building or buildings and all related improvements to such building or buildings that are now or hereinafter located on the Project Site, as such may at any time exist.

"Eminent Domain", when used herein with reference to any taking of property, means the power (actual or claimed) of any governmental authority or any person, firm or corporation acting under governmental authority (actual or claimed) to take such property, and for purposes of this Lease Agreement, a taking of property under the exercise of the

State of Alabama, Baldwin County
I certify this instrument was filed
and taxes collected on:

2003 March - 6 9:44PM

Instrument Number 714241 Pages 12
Recording 26.00 Mortgage

Deed Min Tax
Index 00

Archive 3.00
Adrian T. Davis, Judge of Probate

12421

power of Eminent Domain shall include a conveyance made, or a use granted or taken, under either the threat or the fact of the exercise of governmental authority.

"Event of Default" means an "Event of Default" as specified in Section 9.1.

"Fully Paid", "Payment in Full", or any similar expression with respect hereto, means that such indebtedness has been paid in full or duly provided for pursuant to the applicable provisions of any applicable mortgage and that the lien of such mortgage has been canceled, satisfied and discharged in accordance with the applicable provisions thereof.

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

"Lease Term" or "Term" means the duration of the leasehold estate granted in Section 4.1 hereof.

"Lessee" means North Alabama Property Leasing, Inc. and its successors and assigns and any of its tenants or sub lessees on the Project.

"Net Condemnation Award" means the total amount received as compensation for any part of the Project taken under the exercise of the power of Eminent Domain plus damages to any part of the Project not taken.

"Permitted Encumbrances" means, as of any particular time, (i) liens for ad valorem taxes and general and special assessments not then delinquent, (ii) the Lease and the lien of any applicable mortgage, (iii) utility, access, drainage and other easements and rights of way, mineral rights, restrictions and exceptions none of the foregoing of which, individually or in the aggregate, materially interfere with or impair the use of the Project for the purpose for which it was acquired or is held by the Board, (iv) any inchoate mechanic's, materialmen'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 in the written opinion of Independent Alabama Counsel delivered to the Board customarily exist with respect to properties similar in character to the Project and do not in the aggregate materially impair the title of the Board to the Project or the use of the Project for the purpose for which it was acquired or is held by the Board.

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

"Project Site" means the parcel of land specifically described on Exhibit A hereto (or as more accurately described on any addendums to this Agreement).

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 Representation 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 the Act, as now existing, by Certificate of Incorporation duly filed for record in the Office of the

Judge of Probate of Baldwin County, Alabama, the said Certificate of Incorporation has not been revoked and is in full force and effect; and the Board is not in default under any of the provisions contained in said Certificate of Incorporation or in its Bylaws or in the laws of the State of Alabama.

(b) Based upon representations made to the Board by Lessee and in reliance thereon, the Board has good and marketable fee simple title in and to the Project Site, subject only to Permitted Encumbrances.

(c) The Board was induced to enter this undertaking by the promise of the Lessee to acquire, construct and install the Project in the City of Foley, Baldwin County, Alabama. The Project constitutes a "project" within the meaning of the Act.

(d) The Board is not subject to any charter, by-law or contractual limitation or provision of any nature whatsoever which in any way limits, restricts or prevents the Board from entering into this Lease or performing any of its obligations hereunder.

Section 2.2 Representations and Warranties by the Lessee. The Lessee makes the following representations and warranties:

(a) The Lessee 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, conflicts or will conflict with, or results or will result in a breach of, any of the terms, conditions or provisions of any agreement, instrument or court or other governmental order to which the Lessee is now a party or by which it is bound, or constitutes or will constitute a default under any of the foregoing.

(c) The Project will constitute a "Project" within the meaning of the Act, as now existing.

ARTICLES III DEMISING CLAUSES

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

I

The real property identified on Exhibit A, which is attached hereto and made a part hereof as though fully set out herein. The parties hereto acknowledge and agree that the subject property is now being surveyed, and that a more accurate legal description of the property described on Exhibit A hereto will soon be available. When available, this Agreement will be amended by addendum duly signed by the parties hereto which Addendum will adopt, incorporate, and substitute for all previous legal descriptions the most accurate legal description available at the time.

II

Also, any and all other buildings, structures and other improvements constituting real property now or hereafter situated on the Project Site, all permits, easements, licenses, rights of way, contracts, leases, privileges, immunities and hereditaments pertaining or applicable to the Project Site and all fixtures now or hereafter owned by the Board and installed on the Project Site or in the Building or in any of such other buildings, structures and improvements now or hereafter located on the Project Site, it being the intention hereof

that all property, rights and privileges hereafter acquired for use as a part of or in connection with or as an improvement to the Project Site shall be as fully covered hereby as if such property, rights and privileges were now owned by the Board and were specifically described herein.

ARTICLE IV

DURATION OF TERM AND RENTAL PROVISIONS

Section 4.1 Duration of Term. The Construction Term of the Lease shall begin on the date of delivery of this Agreement, and subject to the provisions hereof, it shall continue through and until October 30, 2003 (the "Construction Term"). The Regular Term shall commence on October 31, 2003, and subject to the provisions hereof, it shall continue for ten (10) years through and until October 31, 2013 (the "Regular Term").

Section 4.2 Rental Provisions. Lessee shall, simultaneously with the execution of this Agreement, pay the Board the sum of one thousand dollars (\$1,000.00) as rent for the Construction Term. For the Regular Term, the Lessee shall pay the Board annual rent in arrears, which payments shall constitute a credit towards the purchase price of the Project. The annual rent for the first year of the Regular Term shall be \$20,000 which shall be due and payable on October 31, 2004. The annual rent for years two (2) through ten (10) of the Regular Term shall be due on or before October 31 of each subsequent year, and the amount of each year's rent shall be based on the Annual Payroll for the period since the preceding rental payment in accordance with the schedule attached hereto and incorporated herein as Exhibit B (with the minimum rent being \$10,000 per year).

By way of example, and assuming an Annual Payroll of over \$2,000,000 in years two (2) through ten (10) inclusive of the Regular Term, the rental payments will be as follows:

Date of Execution:	\$1,000.00
October 31, 2004:	\$20,000.00
October 31, 2005:	\$10,000.00
October 31, 2006:	\$10,000.00
October 31, 2007:	\$10,000.00
October 31, 2008:	\$10,000.00
October 31, 2009:	\$10,000.00
October 31, 2010:	\$10,000.00
October 31, 2011:	\$10,000.00
October 31, 2012:	\$10,000.00
October 31, 2013:	\$9,000.00
Total:	\$110,000.00

The Board will have the right to receive payroll records of the Lessee, and the Lessee shall cooperate with the Board's investigation into the Annual Payroll of the Lessee.

Section 4.3 Conveyance. The Board hereby agrees to convey said real property at the end of the lease to the Lessee provided Lessee is not in default under any provisions of this Lease, all according to the provisions and at the time as provided in Article X hereinafter.

ARTICLE V

PROVISIONS CONCERNING MAINTENANCE, ADDITIONS, REMOVAL OF PROJECT EQUIPMENT, INSURANCE AND TAXES

Section 5.1 Maintenance, Additions, Alterations, Improvements and Modifications. The Lessee will, at its own expense, (i) keep the Project in reasonably safe condition and (ii) keep all buildings and other facilities at any time forming part of the Project in good repair and operating condition (reasonable wear and tear excepted).

The Lessee may, at its own cost and expense, make, or cause to be made, any additions, alterations, improvements or modifications to the Project that it may deem desirable for its business purposes, provided that such additions, alterations, improvements or modifications do not change the character of the Project to such extent that it no longer constitutes a "project" under the Act.

In the event the Lessee determines to make, or to cause to be made, any additions, alterations, improvements or modifications to the Project pursuant to the second paragraph of this Section 5.1, then the Board will execute and deliver, or cause to be executed and delivered, all contracts, orders, requisitions, instructions and other written instruments and do, or cause to be done, all other acts that may be necessary or proper in making such additions, alterations, improvements or modifications. In no event, however, will the Board hereafter enter into any contract with respect to any such additions, alterations, improvements or modifications unless there is endorsed thereon a legend indicating that the Lessee has approved both the form and substance of such contract and such legend is signed on behalf of the Lessee by an Authorized agent.

Lessee Representative. Any obligation for the payment of money incurred or assumed by the Board in connection with such additions, alterations, improvements or modifications shall be payable solely by the Lessee.

The Lessee will not permit any mechanics' or other liens to stand against the Project for labor, materials, equipment or supplies furnished in connection with the original acquisition and construction of the Project or in connection with any additions, alterations, improvements, modifications, repairs or renewals that may subsequently be made thereto. The Lessee may, however, at its own expense and in good faith, contest any such mechanics' or other liens and in the event of any such contest may permit any such liens to remain unsatisfied and undischarged during the period of such contest and any appeal therefrom unless by such action the lien of the Indenture to any part of the Project shall be materially endangered or impaired or any part of the Project shall be subject to material loss or forfeiture, in either of which events such mechanics' or other liens shall (unless they are bonded or superseded) be promptly satisfied.

At any time and from time to time, the Lessee may, at its own cost and expense, install in the Building or elsewhere on the Project Site any equipment or other personal property which does not constitute part of the Project and which in the Lessee's judgment is necessary or convenient for its use and occupancy of the Project. Any such equipment or personal property owned (or leased pursuant to any lease contract other than the Lease) by the Lessee may be removed by the Lessee at any time and from time to time without responsibility or accountability to the Board.

Section 5.2 Taxes, Other Governmental Charges and Utility Charges. The Lessee agrees to pay, as the same becomes due, the following:

- (i) all taxes and governmental charges of any kind including all penalties, interests and statutory assessments whatsoever that may lawfully be assessed or levied against or with respect to the Project; and
- (ii) 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 Lessee shall be obligated to pay only such installments as are required to be paid during any period which the Lease shall be in effect.

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

The Lessee may, at its own expense and in its own name and behalf, in good faith contest any such taxes, assessments and utility and other charges and, in the event of the 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.

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

Section 5.3 Insurance with Respect to the Project. The Lessee will, no later than the date of delivery of this Lease, take out and thereafter continuously maintain in effect, insurance with respect to the Project against such risks as are customarily insured against by business of like sizes and type as the Lessee, as may be determined by the Lessee, paying as the same become due all premiums with respect thereto. All policies evidencing the insurance required by the terms of the preceding paragraph shall be taken out and maintained with responsible insurance companies licensed to conduct the business of insurance in the State of Alabama. All such insurance policies shall name the Board as an additional insured thereunder where permitted.

Insurance against liability for injury to persons or property provided by Lessee pursuant to this Section shall cover the liability, in the several aspects of the coverage provided, of both of the Board and the Lessee, with the Board named as an additional insured. Such policy shall provide that it will not be canceled or amended without at least thirty (30) days notice to Lessee and the Board. The Lessee shall provide, not later than thirty (30) days prior to any policy expiration, evidence of renewal or placement coverage, and such evidence shall be furnished to the Board, in writing.

Section 5.4 Effects of Mortgages. The provisions and requirements of this Article shall be in addition to the provisions and requirements of any mortgage covering the property described on Exhibit A, and not in substitution therefor. So long as any such mortgage shall remain in force and effect, the requirements of those mortgages shall govern the obligations of the parties with respect to the Project to the extent the same are inconsistent with the provisions of this Article. All rights conferred upon the Board pursuant to this Lease shall be secondary and subordinate to the rights granted to any mortgagor of Lessee, provided, however, no mortgage or security agreement will impose any particular liability upon the general credit of the Borrower any of its various officers, members, directors or agents.

ARTICLE VI

Section 6.1 Damage and Destruction Provisions. It shall be the responsibility of Lessee to fully insure the demised premises, and all improvements situate thereon, in an amount not less than the fair market value thereof. In the event any portion of the demised premises is damaged, in whole or in part, such risk of loss shall rest on Lessee, and the Board assumes no responsibility for any such damage which may occur. Any insurance proceeds payable with respect to such damage shall be paid unto Lessee.

If the Building is destroyed, in whole or in part, or is damaged, neither the Lessee nor the Board shall be obligated to repair, replace or restore the property damaged or destroyed, and any Net Insurance Proceeds referable to such damage or destruction shall be paid to the Lessee; provided, however, that the Board will, to the extent and in the manner provided herein, cooperate fully with the Lessee in carrying out such repair, replacement and restoration as the Lessee may, in its sole discretion, decide to undertake.

All property acquired in connection with the repair, replacement or restoration of any part of the Project pursuant to the provisions of this Section shall be and become part of the Project subject to the demise hereof and the lien of any Mortgage applicable to the demised premises and shall be held by the Lessee on the same terms and conditions as the property originally constituting the Project.

6.2 Condemnation Provisions. In the event of any condemnation of the demised premises during the term of this Lease or any extension or renewal hereof, any such condemnation award payable as a result thereof shall be paid in accordance with any Mortgage covering the demised premises. In the event no such Mortgage exists, or in the event such Mortgage has been fully satisfied, all such condemnation proceeds shall be payable unto Lessee.

6.3 Cooperation of the Board in the Conduct of Condemnation Proceedings. The Board will cooperate fully with the Lessee in the handling and conduct of any prospective or pending condemnation proceeding with respect to the Project or any part thereof and will follow all reasonable directions given to it by the Lessee 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 Lessee. Any expenses incurred by the Board in assisting Lessee with condemnation proceedings, including the Board's reasonable attorney's fees, shall be paid by Lessee.

ARTICLE VII

PARTICULAR COVENANTS OF THE LESSEE

Section 7.1 General Covenants. The Lessee will, in the use of the Project and the public ways abutting the Project Site, comply in all material respects with all valid and applicable laws, ordinances, regulations or orders of all governmental authorities or agencies; provided, however, that the Lessee may in good faith contest the validity of any such laws, ordinances, regulations or orders or the application thereto to the Project and in the event of any such contest defer compliance therewith during the period of such contest and any appeal from any appealable decision in such contest, unless by such action the rights or interest of the Board with respect to the Project or any part thereof shall be materially endangered or impaired. The Lessee shall give prompt notice of any such contest to the Board. Except for warranties of title and quiet enjoyment, and except for the breach of any term or covenant of this Lease by the Board, Lessee does hereby release and hold the Board and its agents, servants, employees and directors harmless from and against any liability which Lessee may incur in and about the operation of the Project.

Section 7.2 Release and Indemnification Covenants. The Lessee releases, other than for gross negligence or willful misconduct, the Board (and each director, officer, employee, attorney, consultant and agent thereof) from, and will indemnify and hold the Board (and each director, officer, employee, attorney, consultant and agent thereof), harmless against any and all claims and liabilities of any character or nature whatsoever regardless of by whom asserted or imposed, and losses of every conceivable kind, character and nature whatsoever claimed by or on behalf of any person, firm, corporation or governmental authority, arising out of, resulting from, or in any way connected with the Project, including, without limiting the generality of the foregoing, (i) liability for loss or damage to property or any injury to or death of any and all persons that may be occasioned by any cause whatsoever pertaining to the Project or arising by reason of or in connection with the occupation or use thereof or the presence on, in or about the premises of the Project; (ii) liability for loss or damage to property or any injury to or death of any and all persons that may be occasioned by the violation of any clean air, clean water or other environmental law or regulation including, without limitation, any provision of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA" or the "Federal Superfund Act") as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA") 42 U.S.C. Sections 9601-9605, or hazardous waste as defined, regulated and/or prohibited by the Resource Conservation and Recovery Act ("RCRA"), the Clean Water Act, 33 U.S.C. Section 1321 et seq., the Clear Air Act, 42 U.S.C. Section 7401 et seq., the Toxic Substances Control Act ("TSCA"), 42 U.S.C. Section 2601 et seq., all as the same may be from time to time amended and any other federal, state, county, municipal, local or other statute, law, ordinance or regulation which may relate to or deal with human health or the environment including without limitation all

regulations promulgated by a regulatory body pursuant to any such statute, law or ordinance; and (iii) costs and expenses of the Board or the members thereof incurred as a result of carrying out its obligations under this Lease.

Section 7.3 Inspection of Project. The Lessee will permit the Board and its duly authorized agents at all reasonable times to examine and inspect the Project or any part thereof.

Section 7.4 Agreement to Maintain Company Existence. The Lessee will maintain its Company existence, will not dissolve or otherwise dispose of all or substantially all of its assets (either in a single transaction or in a series of related transactions) and will not consolidate with or merge into another limited liability company, partnership, limited liability partnership or corporation, or permit one or more legal entities to consolidate with or merge into it; provided that the Lessee 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 limited liability company, partnership, limited liability partnership or corporation, or permit one or more such United States legal entities to consolidate with or merge into it if such legal entity surviving such merger or resulting from such consolidation, if it shall be one other than the Lessee, expressly assumes in writing all the obligations of the Lessee contained in this Lease Agreement and other Financing Documents;

(b) it may transfer to another United States limited liability company, partnership, limited liability partnership or corporation, all or substantially all of its assets as an entirety, and (if it so elects) thereafter dissolve, if the such legal entity to which such transfers shall be made expressly assumes in writing all the obligations of the Lessee contained in this Lease Agreement and the other Financing Documents.

The Lessee will, promptly following any merger, consolidation or transfer permitted under the provisions of this Lease, furnish to the Board fully executed or appropriately certified copies of the writing by which the Lessee's successor or transferring legal entity expressly assumes the obligations of the Lessee contained herein.

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

Section 7.5 Qualification in Alabama. The Lessee warrants and represents that it is now duly qualified to do business as an Alabama Limited Liability Company and covenants that it, or any successor legal entity permitted under the preceding section hereof will remain qualified to do business in Alabama during the term of this Lease Agreement.

Section 7.6 Covenant to Operate. The Lessee covenants to continuously operate the Project as a "Project" within the meaning of the Act; provided, however, Lessee may interrupt to discontinue operations in the Project for a period of up to twelve (12) months for the purpose of effecting a transition to another permitted use of the Project under the Act.

ARTICLE VIII

CERTAIN PROVISION RELATING TO ASSIGNMENT AND SUBLEASING

Section 8.1 Provisions Relating to Assignment and Subleasing. The Lessee may assign its rights under this Agreement and/or sublease the Project or any portion thereof, provided, however, that any assignment or sublease shall not be effective without the prior

written approval by the Board, which approval may be withheld in the Board's discretion. Any assignment or sublease will be conditioned on the sub lessee or assignee specifically and expressly agreeing to all the terms and conditions contained herein which are obligations or covenants of Lessee. Any assignment or subleasing shall in no event relieve the Lessee of any of its obligations or liability hereunder.

Without limiting or altering the forgoing, the Lessee intends to initially sublease the Project to Pro-Cell, LLC, an Alabama limited liability corporation, and the Board hereby represents its consent of this intended sublease.

The Board may assign some or all of its rights and claims to rental payments called for in this Agreement to any party at any time by giving Lessee at least 30 days prior written notice. In the event of any full or partial assignment of payments, Lessee shall make all future payments in accordance with the Board's directions.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.1 Events of Default Defined. The following shall be "Events of Default" under the Lease, and the term "Event of Default" shall mean, whenever it is used in the Lease, any one or more of the following conditions or events:

(a) failure by the Lessee to make any payment required under the terms hereof on the date that such installment of such payment shall become due and payable by the terms of this Lease.

(b) failure by the Lessee to perform or observe any agreement or covenant on its part contained in this Lease which failure shall have continued for a period of ninety (90) days after written notice, specifying, in reasonable detail, the nature of such failure and requiring the Lessee to perform or observe the agreement or covenant with respect to which it is delinquent.

(c) there shall occur and shall be continuing any event of default, as therein defined, under any Mortgage made by Lessee during the term of this Lease.

Section 9.2 Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Board shall have, in addition to those rights otherwise provided by law, and when not in conflict with any rights given to a Mortgagee under any Mortgage covering the property described on Exhibit A, the right to take whatever legal proceedings may appear necessary or desirable to enforce any obligation, covenant or agreement of the Lessee under this Lease or any obligation of the Lessee imposed by any applicable law.

Section 9.3 No Remedies on Default. No right, power or remedy herein conferred upon or reserved to the Board is intended to be exclusive of any other available right, power or remedy, but each and every such right, power or remedy shall be cumulative and shall be in addition to every other right, power or remedy given under the Lease as now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver thereof but any such right, power or remedy may be exercised from time to time and as often as may be deemed expedient.

Section 9.4 Agreement to Pay Attorney's Fees. In the event that, as a result of an Event of Default or a threatened Event of Default by the Lessee, the Board should employ attorneys at law or incur other expenses in the enforcement of any other obligation, covenant, agreement, term or condition of this Lease, the Lessee will pay unto the Board reasonable attorney's fees and other reasonable expenses so incurred.

ARTICLE X

OPTIONS

Section 10.1 Option to Purchase. Provided that Lessee is not in default under any provision of this Lease, the Lessee shall have the right and option, hereby granted by the Board, at any time after October 31, 2013, to purchase the Project from the Board at and for a purchase price equal to the sum of TEN AND NO/100 DOLLARS (\$10.00). To exercise any such purchase option, the Lessee shall notify the Board in writing no less than thirty (30) days prior to the date on which it proposes to effect such purchase and, on the date of such purchase, shall pay the aforesaid purchase price to the Board in cash or bankable funds, whereupon the Board will, by deed or other instrument, transfer and convey the Project (in its then condition, whatever that may be) to the Lessee.

Section 10.2 Notification of Term Expiration. If Lessee has not notified the Board in writing no less than thirty (30) days prior to the termination of the term of the Lease of its intention to exercise its option to purchase, the Board shall give written notice to Lessee of the expiration of the term of the Lease and Lessee shall have an additional sixty (60) days from the date of such notice to exercise said option to purchase.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Covenant of Quiet Enjoyment, Surrender. So long as the Lessee performs and observes all the covenants and agreements on its part contained in the Lease, it shall peaceably and quietly have, hold and enjoy the Project during the Term subject to all the terms and provisions hereof.

Section 11.2 Notice. All notices, demands, requests and other communications hereunder shall be deemed sufficient and properly given if in writing and delivered, or sent by registered mail, postage prepaid, to the following addresses:

(a) If to the Board: J.M. Lee
Industrial Development Board of the City of Foley
P.O. Drawer 400
Foley, AL 36536

With Copy to:

City Administrator/Clerk
P.O. Drawer 400
Foley, AL 36536

(b) If to the Lessee: North Alabama Property Leasing, Inc.

P. O. Box 1680

Foley, AL 36536

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

Whenever, under the provisions hereof, any request, consent or approval of the Board or the Lessee is required or authorized, such request, consent or approval shall (unless otherwise expressly provided herein) be signed on behalf of the Board by an Authorized Board Representative and, on behalf of the Lessee by an Authorized Lessee Representative, and

each of the parties are authorized to act and rely upon any such requests, consents or approvals so signed.

Section 11.3 Limited Liability of Board. The Board is entering into this Lease Agreement pursuant to the authority conferred upon it by the Act. No provision hereof shall be construed to impose a charge against the general credit of the Board, its agents, servants or employees, or any personal or pecuniary liability upon the Board, its agents, servants or employees. Further, none of the directors, officers, employees or agents of the Board shall have any personal or pecuniary liability whatsoever hereunder or any liability for the breach by the Board of any agreement on its part herein contained. Nothing contained in this section, however, shall relieve the Board from the observance and performance of the several covenants and agreements on its part herein contained or relieve any director, officer, employee or agent of the Board from performing all duties of their respective offices that may be necessary to enable the Board to perform the covenants and agreements on its part herein contained.

Section 11.4 Binding Effect. The Lease shall insure to the benefit of, and shall be binding upon, the Board, the Lessee and their respective successors and assigns.

Section 11.5 Severability. In the event any provision of the Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.6 Governing Law. The Lease shall in all respects be governed by and construed in accordance with the laws of the State of Alabama.

IN WITNESS WHEREOF, the Board and the Lessee have caused this Lease Agreement to be executed in their respective names and their respective seals to be hereunto affixed, and have caused this Lease Agreement to be attested on this the 12th day of February, 2003.

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF FOLEY, ALABAMA

By J. M. Lee (SEAL)
Its Chairman



ATTEST:

Norman Moore
Secretary

NORTH ALABAMA PROPERTY LEASING, INC.

By Sam Roper
Its owner

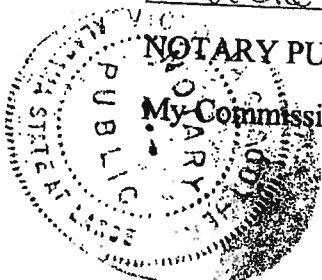
STATE OF ALABAMA

COUNTY OF BALDWIN

I, Victoria Southern, a Notary Public, in and for said County in said State, hereby certify that J. M. Lee and Norman Moore, whose names as Chairman and Secretary of the Industrial Development Board of the City of Foley, Alabama, a public corporation, are signed to the foregoing instrument and who are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they, as such officers and with full authority, executed the same voluntarily for and as the act of said public corporation.

Given under my hand and seal this 12th day of February, 2003.

Victoria Southern

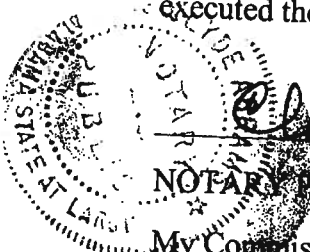


NOTARY PUBLIC

My Commission Expires 5-31-05

STATE OF ALABAMA
COUNTY OF BALDWIN

I, CLYDE ABRAMS a Notary Public, in and for said County in said State, hereby certify that LARRY SLOAN, whose name is signed to the foregoing instrument as OWNER of North Alabama Property Leasing, Inc., and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he/she, as such officers and with full authority, executed the same voluntarily for and as the act of said corporation.



NOTARY PUBLIC

My Commission Expires _____

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: July 31, 2004
BONDED THRU NOTARY PUBLIC UNDERWRITERS

This Instrument Prepared By:

EXHIBIT "B"

ATTACHMENT TO LEASE AGREEMENT WITH OPTION TO PURCHASE BETWEEN THE INDUSTRIAL DEVELOPMENT BOARD AND NORTH ALABAMA LEASING, INC. DATED FEBRUARY 12, 2003, WHICH WAS INADVERTENTLY OMITTED, INSTRUMENT NO. 714241 AS RECORDED IN THE JUDGE OF PROBATE'S OFFICE, BALDWIN COUNTY, ALABAMA ON MARCH 6, 2003.

BARIN FIELD LAND COST SCHEDULE

<u>Annual Payroll</u>	<u>Effective Price/Acre</u>	<u>Annual Lease Rate/10 yrs./20 acres</u>
<u>\$100,000</u>	<u>\$20,000</u>	<u>\$40,000</u>
<u>\$200,000</u>	<u>\$18,000</u>	<u>\$36,000</u>
<u>\$300,000</u>	<u>\$16,000</u>	<u>\$32,000</u>
<u>\$400,000</u>	<u>\$14,000</u>	<u>\$28,000</u>
<u>\$500,000</u>	<u>\$12,000</u>	<u>\$24,000</u>
<u>\$750,000</u>	<u>\$10,000</u>	<u>\$20,000</u>
<u>\$1,000,000</u>	<u>\$9,000</u>	<u>\$16,000</u>
<u>\$1,500,000</u>	<u>\$7,500</u>	<u>\$12,000</u>
<u>\$2,000,000+</u>	<u>\$5,000</u>	<u>\$10,000</u>

735964

State of Alabama, Baldwin County
I certify this instrument was filed
and taxes collected on:

2003 June -12 3: 7PM

Instrument Number 735964 Pages 1
Recording 3.00 Mortgage
Deed Min Tax
Index DP 1.00
Archive 3.00
Adrian T. Johns, Judge of Probate